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NATIONAL DEFENSE MIGRATION

HEARINGS

BEFORE THE

SELECT COMMITTEE INVESTIGATING

NATIONAL DEFENSE MIGRATION

HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH CONGRESS

FIRST SESSION

PURSUANT TO

H. Res. 113

A RESOLUTION TO INQUIRE FURTHER INTO THE INTERSTATE
MIGRATION OF CITIZENS, EMPHASIZING THE PRESENT
AND POTENTIAL CONSEQUENCES OF THE
MIGRATION CAUSED BY THE NATIONAL
DEFENSE PROGRAM

PART 23

ST. LOUIS HEARINGS

NOVEMBER 26 AND 27, 1941

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SELECT COMMITTEE INVESTIGATING NATIONAL DEFENSE
MIGRATION

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NATIONAL DEFENSE MIGRATION

WEDNESDAY, NOVEMBER 26, 1941

MORNING SESSION

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION,
Washington, D. C.

The committee met at 9:30 a. m. in the city hall, St. Louis, Mo., Hon. John H. Tolan (chairman) presiding.

Present were: Representatives John H. Tolan (chairman), of California; Laurence F. Arnold, of Illinois; Carl T. Curtis, of Nebraska; Frank C. Osmer, Jr., of New Jersey; and John J. Sparkman, of Alabama.

Also present: Dr. Robert K. Lamb, staff director; John W. Abbott, chief field investigator; Jack B. Burke, field investigator; and Ruth Abrams, field secretary.

The CHAIRMAN. The committee will please come to order.

TESTIMONY OF PANEL REPRESENTING CITY OF ST. LOUIS

The CHAIRMAN. When I call the following names, I would like to have the gentlemen come up and take seats over there. Mayor William Dee Becker, Col. Harry D. McBride, Mr. Luther M. Slinkard, Mr. F. M. Karches, Mr. H. O. Whiteside, Mr. F. J. Jeffrey, Mr. G. M. Gwinner, Mr. Arnold B. Walker.

Gentlemen, I would like each of you to state your name and who you represent here, so that the reporter will be able to designate you.

MAYOR BECKER. William Dee Becker, mayor of St. Louis.

MR. SLINKARD. Luther M. Slinkard, secretary, St. Louis Industrial Union Council, Congress of Industrial Organizations, 706 Chestnut Street, St. Louis, Mo.

MR. JEFFREY. F. J. Jeffrey, assistant superintendent of the St. Louis public schools, 911 Locust Street, St. Louis, Mo.

MR. WHITESIDE. Henry O. Whiteside, research director, St. Louis Chamber of Commerce, 511 Locust Street, St. Louis, Mo.

COLONEL MCBRIDE. Harry D. McBride, director of civilian defense, city of St. Louis.

MR. GWINNER. G. M. Gwinner, director of research, Social Planning Council of St. Louis and St. Louis County, 613 Locust St., St. Louis, Mo.

MR. STEGER. E. G. Steger, director, Social Planning Council of St. Louis and St. Louis County, 613 Locust Street, St. Louis, Mo.

MR. KARCHES. Fred M. Karches, director of industrial relations division, Associated Industries of Missouri, Railway Exchange Building, St. Louis, Mo.

Mr. WALKER. Arnold B. Walker, industrial secretary, Urban League of St. Louis, St. Louis, Mo.

The CHAIRMAN. We deeply appreciate your coming here this morning. This committee was created in the last session of Congress. We went from the East to the North, South, and Middle West, investigating problems that had to do with mass migration of destitute citizens among the States.

This committee was continued this session of Congress particularly to investigate defense migration. We have made certain recommendations to Congress, in view of the fact that the defense program, instead of reducing migration, had increased it. Today we have between 2,000,000 and 3,000,000 people who, attracted by defense work, have gone from their home States to other States.

We want to say to you that this committee never attempts to cross-examine witnesses or "show up" communities. We want to find out what you know. We go about the country and ascertain what your problems are in various sections, and tie them in with the problems of other sections of the United States; and upon these facts we base our recommendations to Congress. There is one thought, then, which I wish to convey: No question asked you by any member of the committee is intended as a catch question; rather, our inquiries are addressed in the spirit of cooperation and mutual desire to solve these problems.

At this time I will ask Dr. Lamb to read a short letter written to Mr. John J. Church, who was unable to be here.

Dr. LAMB. I have a letter from Mr. John W. Abbott, of the committee's staff, inviting Mr. Church to appear. The letter says (reading):

St. Louis, Mo., November 19, 1941.

Mr. JOHN J. CHURCH,
Secretary, Building Trades Council, St. Louis, Mo.

DEAR MR. CHURCH: This letter will serve as formal notification of the time and place of the public hearings to be conducted by this committee November 26 and 27 in St. Louis.

As you already know, the committee has been working with Col. Harry D. McBride, representing Mayor William Dee Becker in this matter, to arrange a panel of representatives to appear with Mayor Becker at the committee's hearings. Pursuant to these arrangements, I am hereby inviting you to appear with Mayor Becker at the committee's first session, the morning of November 26, at room 208 city hall. Hearings will be open at 10 o'clock.

Sincerely yours,

JOHN W. ABBOTT,
Chief Field Investigator.

Dr. LAMB. Mr. Church is unable to appear.

The CHAIRMAN. We found, in traveling over the United States and interrogating witnesses, that the most expeditious method of conducting these hearings is to analyze the prepared statements which are filed with us in advance, and to ask questions based on examination of these statements. All your statements will be filed and inserted in the record in full.

(The statements of the several members of the panel, referred to above, are as follows:)

STATEMENT BY HON. WILLIAM DEE BECKER, MAYOR, CITY OF ST. LOUIS, MO.

In understand that at the present time the committee's inquiry is directed to the present and potential consequences of the migration caused by the national defense program in the St. Louis area.

The St. Louis area is treated by the St. Louis Chamber of Commerce as including not only the city of St. Louis and county of St. Louis, but also the industrial area located in Illinois opposite St. Louis. However, what I have to say is largely confined in its scope to the city and county of St. Louis. The city of St. Louis and the county of St. Louis are very closely related. The city is still confined within its boundaries established in 1876 and the county surrounds it on all sides except the east, where it is bounded by the river. All its growth in recent years has been into the county. In fact, for all practical purposes, except governmental, the city and county are one. They are, however, different governmental agencies; the city of St. Louis is not in any county; its government includes both municipal and county functions. The county, separated from the city, has ordinary county government except that there are a number of incorporated municipalities located therein.

The sewers of the county drain into the Mississippi River through the sewers of the city. Its residents have businesses or employments in the city, and use its streets, parks and playgrounds, theaters, and other recreational facilities.

For the purpose of this inquiry the county and city may be treated as one; at least it may be said that the problems of the city are affected and augmented by the social, economic, and civic problems of the county.

ST. LOUIS AS AN INDUSTRIAL AREA

Industrial St. Louis is one of the largest commercial and industrial centers of the United States. It is the ninth largest industrial area ranked by value of products manufactured. It is the largest wholesale distributing center in the Mississippi Valley, and it is also one of the important financial centers in the Middle West.

Diversity is the predominant characteristic of industrial St. Louis—of the 446 industrial classifications recognized by the United States Bureau of Census, 383, or 64 percent, are to be found in this industrial area.

It is characteristic of the industries of this community that they are relatively modest in size, there being up to this time no corporate giants employing tens of thousands of workers here. The typical factory in St. Louis employs fewer than 100 workers. It is primarily home owned and the operations are directly under control of the owners. It is just the sort of community that would be hit hard by priorities programs.

ST. LOUIS AS A DEFENSE AREA

St. Louis is an important defense area. There is no comprehensive record in existence listing all of the primary defense contracts awarded in this area and no effort whatever has been made to tabulate defense subcontracts held by local manufacturers and suppliers, but records maintained by the research bureau of the St. Louis Chamber of Commerce do reveal that between July 1 and November 1, 1941, contracts were awarded to companies in the St. Louis industrial area totaling approximately \$600,000,000.

POPULATION AND IN-MIGRATION

The 1940 Census reported a population of 816,048 for St. Louis City and 274,230 for St. Louis County, or a total of 1,090,278. This represents a loss of 5,912 in the past 10 years for St. Louis City and a growth of 62,637 for St. Louis County, or an increase for the city and county of 56,725. The combined population of St. Louis City and St. Louis County has, however, increased by approximately 40,000 persons in the past 18 months or since the census of 1940. However, over the past 10 years, the normal increase in the population of city and county has been approximately 5,700 per year, and on this basis about 8,500 of the estimated 40,000 increase during the last 18 months represents normal growth and the other 31,500 represents abnormal increase from migration due to defense employment. These figures will be supported by data contained in a statement to be presented by E. G. Steger, director, Social Planning Council of St. Louis and St. Louis County.¹

Suffice it to say at this time that the estimate of 31,500 persons migrating into the city and county the past 18 months is based upon consideration of a number of factors, including the number of dwelling units taken up and the change in the employment situation. In Steger's statement it is also estimated that by the end of 1942, 40,000 additional persons will be added to the population.

¹ See p. 8739.

UNEMPLOYMENT

This in-migration is wholly unnecessary from an employment standpoint. The labor forces of the St. Louis area as at present constituted can meet all demands now in sight and no further migration will be necessary to supply employment needs. There are now approximately 43,000 persons who are unemployed, and in the defense work it is estimated that a total of about 37,000 additional will be needed. It is apparent then that the in-migration will swell the ranks of the unemployed and increase the burden of the relief agencies in the city and county. It would seem that this situation would deter in-migration, but that is not to be expected. News spreads throughout the rural districts and in other urban centers that migrants to the city are getting jobs; and the general publicity is that of "boom-town" employment, and the general public believes that there is no more unemployment. It is extremely difficult to convince the average person of the facts about the employment situation; it will be even more difficult to convince the marginal rural family that there is little or no opportunity for it in the city. It is expected that the real wave of additional migration into the St. Louis area will begin about midwinter. It is this group of unnecessary migrants that will need the help of the social agencies during the winter. We anticipate that a large proportion of them will fail to secure employment and will become stranded in St. Louis. In my opinion, a partial solution of all the problems that confront or threaten us lies in encouraging employers to use the full force of the St. Louis area's industrial manpower before they use labor from other communities.

The solution would be further aided if the press would give wide publicity to the unemployment situation prevailing here and the futility of submarginal families migrating to this community in search for employment. It will also be helpful if we all work toward the avoidance of discriminating against St. Louis citizens because of race. There are several thousand colored workers who are qualified for employment in the defense industries, but are refused employment solely on account of their race. National unity is not helped any by that sort of practice and our social problems are greatly increased. The employment of local workers does not greatly increase the strain on our housing, municipal, and charitable facilities, while the importation of outsiders to take places that might be filled by local workers increases such problems to a very great extent.

It would also help to stem the influx of outsiders seeking employment if employers and job seekers alike resorted more to State employment agencies where the seeker after employment could get real information as to the need of his services.

HEALTH DIVISION

The Division of Health of the City of St. Louis is headed by the health commissioner, who is empowered by the charter to preserve or promote the health of the city—to declare and abate nuisances, and to take such steps, use such measures, and incur such expenses as may be necessary to avoid, suppress, or mitigate malignant, infectious, or contagious diseases. It follows such activities as milk and food inspection and control; control of communicable diseases, venereal disease, and tuberculosis; parochial school health service; public nursing service; dental hygiene service; maternal hygiene and child welfare activities; supervision of municipal health centers; abating nuisances and improving sanitary conditions; conducting a vital statistics service. Our health commissioner reports that his division has not so far felt any substantial impact of in-migration for defense work. In a letter dated November 21, 1941, he says:

"Our health center activities and school hygiene have shown a slight increase in the number of children requiring vaccination against smallpox and immunization against diphtheria. As far as an influx of outsiders for defense work is concerned we have not felt this impact up to this time. While there has been some increase undoubtedly in this population it does not reflect itself in the health division work.

"Water and sewage problems are well taken care of in St. Louis and I do not feel that any increase in population will handicap this sanitary problem.

"We do notice, however, an increased problem in our eating establishments as a result of places opening up everywhere that fail to meet sanitation requirements. We are taking care of these as they arise. It has been necessary to condemn several food handling places near the small-arms plant for lack of water, sewerage, and other sanitary requirements.

"Overcrowding has not made itself manifest up to this time. We do notice less vacancies throughout the city which is in part due to local residents no longer doubling up; on the other hand, in the rooming-house areas we find more people.

"Venereal disease control service has not noticed any particular increase except among the colored. Patients attending clinics show a decrease, whereas private physicians' cases show an increase. This would be in line with increased earnings and we feel there has probably been a number of social problems arising in taverns as a result of spending.

"The laboratory service has had increased work as a result of the draft boards requiring blood tests for syphilis. From the most reliable information I can get, the defense industries here will take up a number of employees from local areas and those coming from the outside of course present problems of vaccination and immunization, but to date we have not felt this to any extent. Eating and drinking establishments will require our greatest attention.

"Of course, an epidemic of influenza would seriously tax both private and public hospital facilities. A high rate of pneumonia cases would also be a serious problem. There does not seem to be any prospect in the near future of a serious overcrowding condition because of the large number of vacancies that have been in existence over a period of years. The most serious housing problem still remains among the colored who have not been employed to any great extent in the defense industries as far as my information is accurate.

"We have increased activities in our industrial hygiene section as a result of defense, but fortunately ground work in this particular section has been laid for the past 6 years. Funds for this particular work come through the State health department. So long as we are provided with technical personnel this problem should be adequately handled."

I cannot, as Mayor, speak for the county, neither can the St. Louis health commissioner, as to whether and to what extent health conditions there have been and will be affected by in-migration. The county health commissioner should be called in on this. However, the social planning council's statement says as to this:

"There are also real dangers in the lack of proper sanitation and sewage facilities, particularly in certain sections of St. Louis County. Facilities there have long approached inadequacy, and are not built to accommodate the population increases that are coming in certain areas. Many trailer camps and emergency housing locations are springing up in unincorporated and unserved sections."

MUNICIPAL HOSPITALS

The condition in the city hospital and in the Homer G. Phillips, two general hospitals, may be depicted in the following manner: The city hospital with a capacity of 1,037, has at present 800 patients and 237 vacant beds. That is, 77 percent of the beds are occupied. The number admitted during the 12 months ending March 31, 1940, was 18,010, and 1941 17,915. For the 6 months ending September 30, 1941, 8,523 patients were admitted showing no increase in the rate of admissions.

The total number of hospital days for the 6 months ending September 30, was 135,807, approximately half the total for the previous year. The number of clinic visits is considerably less than the previous year. The Homer G. Phillips Hospital, with 685 beds has now 555 patients with 130 vacant beds. Eighty-one percent of the total beds are occupied. Admissions for 12 months ending March 31, 1940, totals 11,327 and for 1941, 12,306. For the 6 months ending September 30, the admissions continued at about the same rate totaling 6,435. Total hospital days for the same 6 months' period were 109,745, about the same rate as for the previous year. Clinic visits did show an increase at the Homer G. Phillips Hospital during the 6 months ending September 30. There were 65,516 visits compared with 119,611 for the year 1941 and 63,303 for 1940.

Except for emergencies, nonresidents are not treated in the city hospitals. After the workers and families that have migrated to St. Louis recently have lived here a year, they will then become residents and entitled to hospital and clinical care in the city institutions. Therefore, within the next year the burden on the city may be expected to increase and particularly so if the defense work should discontinue.

That there is now an increasing demand for such service we have only to consider the following: During the first quarter of the fiscal year, 97 nonresidents were admitted as emergencies to the city hospital but during the second quarter 152 were admitted.

During the first quarter 375 nonresidents were rejected in the out-patient clinic while in the second quarter 440 were rejected.

There are other hospitals such as the Koch Hospital for tuberculosis, with a population of about 700; the city sanitarium, for the insane, population 3,600, etc., but they are specialized institutions. I think the experience of the two major hospitals, the city hospital and Homer G. Phillips Hospital (for colored), is sufficient for the purposes of this inquiry.

It will be noted that the experience of the two major hospitals has been different, the city hospital showing something of a decrease in demand, while the Homer G. Phillips (for colored) has increased, particularly in its clinic. I think that the decrease in the city hospital is attributable largely to the improved financial condition of the group that would ordinarily avail of its services, coupled with a rather rigid exclusion of nonresidents. The group served by the Homer G. Phillips Hospital (colored), however, has not participated to any great extent in the employment afforded by the defense plants, and, in fact, have suffered more unemployment because of the priorities program. Moreover, the Homer G. Phillips Hospital has probably not been so successful in excluding nonresidents.

PARKS AND PLAYGROUNDS

The St. Louis Division of Parks and Playgrounds has recently completed a careful analysis of the personnel required in connection with the operation of the parks, playgrounds, community centers, swimming pools, athletic fields, bath houses, and other facilities operated by this division.

As a result of the survey it is reported that if the division is to meet the increasing demands upon it, it will be necessary to increase the number of employees in the park section approximately 16 percent and in the recreation section at least 50 percent. There are more visitors to the parks and more participating in the various sports than ever before. The winter program for indoor sports, handicraft works, dancing and other activities in the community centers has necessarily been expanded in order to meet the needs of greater numbers. It is interesting to note in this connection the increase in attendance at the municipal opera in Forest Park. The number of paid admissions was 811,433 in the 10 weeks' season of 1941, as against 686,045 in the like season of 1939. The increase was 125,000 in 10 weeks, or 12,500 a week.

While these increases in visitors to our parks and greater use of recreational facilities are attributable in part to increases in workers' incomes and shorter working hours, I have no doubt that in-migration has been a heavy contributing factor. Here again, we find an increased number of foreign license plates on automobiles in the parks and at the zoological gardens.

To meet the increased demands upon its recreational facilities, the city does not need, for the time being at least, additional land—but it does need playing fields, recreational facilities, picnic tables and benches, and additional personnel.

STREETS

The traffic on the streets of St. Louis (not including streets adjacent to the small-arms plant) shows an increase of 22 percent in 18 months.

The streets adjacent to the small-arms plant show an average of approximately 60 percent increase.

Pedestrian traffic in the downtown congested area shows an approximate increase of 14 percent.

Mass transportation passenger volume is up approximately 24 percent in the last 12 months. Gasoline consumption is the highest in the city's history, as is also motor-vehicle registration.

Of course, some of these increases are due to greater spending power on the part of local population, but undoubtedly a considerable portion is caused by the influx of outside labor.

This is particularly probable as to increased automobile traffic. The known tendency of in-migrants to come in their own cars as well as the wide prevalence of foreign license plates lead me to think that our traffic problem has been very seriously augmented by in-migration. A commission of traffic experts is working on this traffic congestion problem, which is indeed serious, but I have no doubt that any solution will call for a very considerable increase of cost to the city.

COUNTY HOSPITAL

The county hospital superintendent says that his experience has been about the same as that of our city hospital, in that his hospital and clinic have had a slight decrease in attendance, while the number of rejections of applicants on

account of nonresidence has increased and continues to increase. He also attributes this condition to better economic conditions accompanied by rigid exclusion of nonresidents.

THE FUTURE

It would seem clear that with the advent of the expected additional 40,000 population and so long as the defense effort continues, the streets and the parks and recreational facilities will be increasingly overtaxed, and large expenditures will be necessary in order to meet the situation.

When the defense work ceases, there no doubt will be a lessening of the pressure on these facilities. I do not apprehend that except in the event of epidemic and except for a possible need for additional inspectors, the health division will need much augmentation or additional expenditures on account of the existing or anticipated increase in population. The present set-up has largely anticipated such increase.

The city's sewer and water supply will need no abnormal addition or change to meet the increased population. However, there undoubtedly will be a considerable sewer-building program necessary in the county. I would prefer, however, to have the committee refer to county officials as to this. While at present our hospital status seems to be unaffected by the influx of defense workers, this situation will change as soon as the workers and their families who have migrated to St. Louis have lived here a year. They will then become residents and entitled to hospital and clinical care in the city institutions. Therefore, within the next year the burden on the city hospitals may be expected to increase and to continue to increase. The increase will be much greater if the defense work should discontinue and throw large numbers of people out of work.

I might add to what I have said that the private hospitals and social agencies, not being hampered or protected by the rule against nonresidents, have had their load tremendously increased by the influx of strangers. This subject, however, is fully covered by Mr. Steger's able statement, to which I have already referred, and for that reason I will not try to cover that subject.

PRIORITIES

The effect of priorities on production of consumers' goods has already been felt, and some unemployment has already resulted therefrom, and with the continued operation of priorities, employment due to this cause will show a steady increase.

The solution to this problem appears to lie in the manner in which the priorities rules are to be applied to the facts in any given case, supplemented by retraining by defense industries for new vocations for workers displaced in the consumers-goods industries.

HOUSING

Up to the present time we have no housing shortage for whites in the city. However that is not the case with reference to our colored citizens. There is a distinct shortage for Negroes in the lower rent field. The latter condition is evidenced by the fact that in the last few months there has been a general tendency to increase rents for Negroes in the lower brackets 15 to 20 percent. Serious complaints regarding this situation have been brought to the attention of various agencies, the city administration, and Federal representatives. Perhaps the quickest and most practical method of solving this problem would be in a rehabilitation program of substandard properties.

When the defense construction is completed and the plants actually get under full sway, more housing shortage even for the whites is to be anticipated. It is to be hoped that your committee will give serious consideration to the housing shortage and the high rents resulting therefrom, particularly insofar as it affects our Negro population in this city.

TERMINATION OF EMERGENCY

We are seriously concerned about the results that will develop upon the termination of defense work. Such results in our opinion will be serious and critical and though we are already anticipating such conditions and are developing plans to meet them, obviously, however, the magnitude of such anticipated problems will far exceed the financial capacity of the city and hence, will require Federal assistance.

STATEMENT BY JOHN J. CHURCH, SECRETARY, BUILDING AND CONSTRUCTION TRADES COUNCIL, ST. LOUIS, MO.

The building and construction trades council is comprised of skilled mechanics and common laborers engaged in building construction, such as buildings, bridges, sewers, streets and highway construction.

The membership of our organizations for the years 1939-40 and up to October 1941 has not increased to any great extent in the skilled trades. However, the building laborers have taken quite a number into their organization since the inception of defense work in this area. The reason the skilled trades have not taken these men into their organizations is because on these defense projects mechanics were drafted from other localities who are affiliated with international unions and they are given the privilege of working in this area until the completion of the job and after its completion must return to the area from which they came.

We have approximately 18,000 workers employed on defense projects at this time and about 12,000 employed on nondefense construction.

In regard to the question as to what effort we are taking to have our membership register with the Missouri State Employment Service, making them available for defense training in the event of a lay-off resulting from the priorities or allocations program, we are, at this time, in the process of registering all workers affiliated with the building and construction trades council with the Missouri State Employment Service because we have many affiliated workers who are quite skilled in the line of work necessary in the various defense industries in this area. We feel the Missouri State Employment Service would be the best available source of supply for skilled workers in defense industries.

In reply to your question as to what effect the \$6,000 limit per single housing unit, which was placed by the Office of Production Management would have on the building-trades worker, following is a resolution which was adopted by the building and construction trades council on September 30, 1941, in regard to this matter:

Whereas the Office of Production Management has placed St. Louis and vicinity within the scope of the defense housing materials priority order; and

Whereas this ruling puts a limitation of \$6,000 per single housing unit for which such critical housing materials can be released; and

Whereas the near completion of defense construction projects will mean the release of thousands of members of the St. Louis Building and Construction Trades Council from such employment and create a serious local unemployment problem; and

Whereas many of these unemployed building-trades men could obtain employment if the ceiling on residential construction were raised much above the \$6,000 limit which sum is insufficient to erect a residence of a standard for which there is an immediate local demand; and

Whereas the completion of the vast industrial defense projects will release considerable building materials for such construction; therefore be it

Resolved, That the Office of Production Management increase the current \$6,000 limitation on single unit housing construction in St. Louis and vicinity in order to stimulate residential construction in this area and relieve a current housing shortage due to the large requirement of production workers in our local defense plants as well as give steady employment to building and construction workers who otherwise may be unemployed for an indefinite period after the present defense construction ends; and be it further

Resolved, That this resolution be respectfully submitted to the Office of Production Management with the request that an early ruling be given to this request before the small local construction field stagnates and workers on residential construction are added to the roles of the unemployed.

If some elasticity in this maximum figure for building construction is not extended in this area, at least 70 percent of our members will be out of employment.

STATEMENT BY FRED M. KARCHES, DIRECTOR, INDUSTRIAL RELATIONS DIVISION, ASSOCIATED INDUSTRIES OF MISSOURI, ST. LOUIS, MO.

Preliminary comment should be directed to brief history of the Associated Industries of Missouri, which I represent. It is an organization of approximately 1,500 companies of a variety of industries in the State. It was organized in 1919. The long record of service attests its fine relationship with both industry and labor.

Four service departments (research, taxation, insurance, and industrial relations) provide factual and practical information and assistance to its many member concerns.

My position is director of the Industrial Relations Division of the Associated Industries of Missouri. I have had 14 years of experience in this field. Previous to this position, I had been director of industrial relations at Emerson Electric Manufacturing Co. Am a panel member of the Training Within Industry Division of the Office of Production Management and have completed a number of assignments for the Office of Production Management in St. Louis and Kansas City, Mo., Wichita, Kans., and Washington, D. C. In this capacity I have counseled with and assisted personnel and industrial-relations directors of the large midwestern aircraft companies with particular emphasis upon training and development of adequate labor supply. Other activities include membership on the State advisory committee for vocational education, the labor supply and training committee of the metropolitan committee for preparedness for national defense and the St. Louis Advisory Committee for Defense Training, and in my present capacity, regularly meet with individual groups of industrial-relations officers, large employers, at St. Louis and Kansas City. I have been president of the St. Louis Personnel Directors' Club for the past 3 years.

The Associated Industries of Missouri has been conversant with the problem of labor supply, training, and ultimate dislocation and possible unemployment, the result of material shortages and priorities effects. Efforts of practical nature were made and are continuing to be made to aid in minimizing the impact of the defense program in the transition from civilian production to defense work. Several months ago a series of "clinics" were held at Kansas City and at St. Louis to acquaint businessmen with the importance of study and planning to meet the exacting schedule and the function of that activity as well as the efforts being made to spread the work through the offices of Defense Contract Distribution.

Representatives of these divisions from Washington made up the panel and questions and answers were parried from the floor. Overflow meetings brought an increased interest in the problem.

As result efforts were made by the Associated Industries of Missouri to provide an opportunity for small manufacturers to obtain subcontracts from the holders of prime contracts in the State. The Army Ordnance Procurement Division gave encouragement. Invitations were mailed to holders of all prime defense contracts to express interests in subcontracting those units which were producing bottlenecks in production and those which would provide a share-the-work opportunity for the companies affected. This was planned on a practical basis. Exhibits of small component parts and assemblies were encouraged. A limited response from prime contractors and a request to defer the plan made by the local office of Defense Contracts Distribution canceled this attempt. One reply from a large defense contractor expresses a problem which evidently exists in a great number of instances. It is excerpted herewith:

"We shall be glad to cooperate with anything that looks constructive. One of the great difficulties we have encountered in a sincere effort to do this has been that even where our supplier was known to have the labor, machinery, and productive skill necessary to do the job, his prices were so much higher than our own that if we were to make up a contract of that character we would have no chance whatever of getting the business.

"We understand the Government is willing to pay a somewhat higher price to people who do a certain percentage of subcontracting. This I do not know to be the case, but have heard it stated as a probable Government policy.

"However, the prices that have been offered us for items have been anywhere from two to three times our own cost and it will be obvious that under these circumstances subcontracting is not possible. As I said above, we shall be glad to cooperate in anything that looks constructive."

Practical experience with production planning and facility has given us opportunity to lend tangible aid to a number of companies faced with shut-down in operations. Small manufacturers have been visited and their facilities inspected. Using this data, meetings have been arranged with particular prime defense contractors and subcontracts effected.

We are familiar with the function of the Office of Defense Distribution and of its inexhaustible file of recorded companies and respective detailed facilities. We have encouraged, as a solution of the contract distribution problem, a very close working arrangement between company and district agencies. One improvement is suggested in observing operation. There could be a larger number of industrial and production engineers attached to the staff of these offices—men who could

make first-hand inspection of available facilities and orient the defense production problem with the facilities of a wider number of manufacturers. Although the initiative, granted, is a direct responsibility of the manufacturers, this responsibility may be shared with competent engineering talents of the Office of Defense Distribution lacking in the staffs of a majority of smaller manufacturers.

To obtain a factual picture of the impact on employment as represented in the ultimate shifting of large forces of workers to defense industries, our membership was circulated on November 6, 1941. The following questions were asked: (1) What percent of your production facilities is being used on defense work? (2) Do you anticipate a reduction of operations because of effects of priorities and allocation of defense work? (3) Approximately how many workers now in your employ may be unemployed because of above reasons? (4) Have you made an effort to get defense work? (5) Cite other pertinent facts which should come to the attention of this committee.

The result of this survey is recorded in the attached sheet which is a compilation of the replies. Approximately 1,200 were circulated and a 20-percent response was obtained. This may be interpreted to be substantially greater in view of the fact that a number of our members are retailers, wholesalers, and merchants handling staple articles. Comment made by a number of manufacturers is excerpt and presented in a separate statement.

Relative to the available supply of labor, I am agreeable to the findings of the Missouri State Employment Service whose surveys are thorough and competently administered. There does not appear to be any immediate impact because of material shortages and priorities but ultimately this will be a greater problem. The diversification of industries in this area argue well for a gradual and complete absorption of those individuals presently employed but who may later be released because of their particular occupation in nondefense enterprises. There was a recent attempt to provide for an anticipated dislocation of a large number of automobile workers. Publicity, admittedly released from Washington expressed the problem as affecting 10,000 workers in this area. The facts developed that a total of 1,000 workers were to be laid off over a period of 3 months, a number which several representatives of large companies claimed would be absorbed with no hardship.

One of the recent actions of our labor organizations in circularizing their members, reported to be approximately 173,000 workers, requesting that all, whether employed or not employed, whether in defense industry or nondefense industry, register with the Missouri State Employment Service, has caused considerable concern of those interested in the control of the migratory problem.

Transfers of labor have been effected from one defense job to another by the M. S. E. S., the only reason presented, higher wages.

Question No. 1.—What percent of your production facilities is being used on defense work?

Percent of facilities	Number of companies, St. Louis	Kansas City	Outstate
95 to 100	10	2	2
90 and under 95	2		1
85 and under 90	3	1	2
80 and under 85	4		1
75 and under 80	9	2	1
70 and under 75	4		1
65 and under 70	5		1
60 and under 65	0	1	2
55 and under 60	1		2
50 and under 55	10	2	2
45 and under 50			2
40 and under 45	6		2
35 and under 40	2		1
30 and under 35	2	1	
25 and under 30	4	1	1
20 and under 25	5	3	
15 and under 20	2		
10 and under 15	11	3	2
5 and under 10	5	1	3
1 and under 5	6	1	2
Total	100	18	23
None	35	14	37
Grand total	135	32	60

NOTE.—227 companies participating.

EXCERPTS OF COMMENTS MADE BY COMPANIES ANSWERING THE SURVEY OF THE ASSOCIATED INDUSTRIES OF MISSOURI

"Believe that the tie-ups due to minor items (as needles, etc.) should be called to the attention of the proper authorities. This tie-up has prevented progress made on defense orders in production."

"We have made a lot of effort to get defense work. The fact of the matter is, we sent two men recently to Kansas City to a clinic, but it seems that the prime manufacturers are not interested in farming out small parts that manufacturers such as ourselves could make and they are interested only in having parts farmed out that are difficult and cannot be made with our present equipment. One other complaint, we find many times, that before we have an opportunity to bid on an item, that the bid date has already been passed. It seems as though there are a good many manufacturers who are having opportunities to bid before others. The small manufacturers do not seem to have the opportunity of getting the specification and getting the opportunity to bid, that the larger manufacturers do. The fact of the matter is the Defense Contracts Office in St. Louis on many occasions do not know that an item is being bid on, when we in a round-about way have been able to find out about it. It seems that they should have advance notice of everything that is wanted by the Government."

"We are definitely affected by the defense program. We shall have to go out of business; our labor and equipment apparently are not suited for any defense work. However, our facility, a new building under one roof comprising 3 acres of floor space and 9 acres of industrial property fenced in, has been offered the Office of Production Management and has been turned down. We feel that the United States Government could use our factory to advantage immediately and that they could not reproduce it under possibly \$2,000,000 under new construction. The emergency apparently is not great enough to justify them in avoiding the delay involved in new construction."

"Attended defense clinic November 7 at Kansas City with no results or relief. They had nothing to offer."

"We are a candy manufacturer. Our skilled workers are being taken away by defense industries. It will cripple our normal operations."

"If we could get brass parts which have been ordered and made, shipped after January 1 which is a small part of our production, we could keep going."

"About 90 percent of the mattress business given by our Government has been given to three factories of the South."

"I attended the clinic and exhibition put on by the Division of Contract Distribution at Kansas City. It was advertised that many prime contractors would be there. I met several who said that they were there because they had been urged. They had nothing to suggest. My opinion is that this business has not broken down as it must be if it is to be done by the small manufacturer. Unless something is done immediately this country will find itself with a lot of ghost communities."

"A certain amount of civilian work must be carried on and materials must be allocated for it."

"I could handle and get 50 percent more defense work if it were not for the time consumed on Office of Production Management formalities which now consume 25 percent of my time on useless papers. I can't keep up either. It took me two holidays to buy a one-third horsepower motor to be installed on an English defense job on account of Office of Production Management formalities."

"Our worst problem is the pirating of employees by cost-plus plants on defense work."

"Too much red tape necessary in getting priority certificates when needed. Chemical companies have allocated chemicals on 1940 consumption figures. Some that we use now on defense work were used in much smaller quantities in 1940 when not on defense work."

"No one seems to have a definite plan to coordinate the work in Washington."

"Priorities hinder home building which is so necessary here for defense housing."

"Earnest solicitation has failed to result in inquiries for quotations or checking of our ability to produce castings. We read almost daily of shortages. We wonder if they exist."

"We have submitted bid on rifle clip and although we were low bidders, were not given consideration."

"Cannot obtain delivery of raw materials on priority ratings A-3 or better."

"Recommend the acceptance of small manufacturers' standard where possible—rather than special specifications on small quantities."

"We have an A-10 priority on two repair jobs. We use 5,000 pounds of one type of material and 4,000 pounds of another. We can't buy less than 7,000

pounds at a shipment, buying from the mill. Because we didn't use that much of each of the special types of steel on these two priority jobs, we can't use the priority to replace these special steels. We have another job on which application has been made for a priority, but by the time the Priority Division gets around to giving approval of the priority certificate, these orders will be so old that I can't combine them. On one hand, we are up against the priority rule that we can't buy more of a certain quality steel than we use on a job. On the other hand, we are up against the rule of industry that the steel mills will not ship less than 7,000 pounds."

"On November 7, 1941, the Chicago Journal of Commerce published an item on 'Meat Orders Spread Among 14 Packers,' and that this was a new procurement policy of wider distribution by the Quartermaster Corps. It further stated that the weekly buy of frozen boneless meat amounted to 1,739,650 pounds worth \$407,069, and that this order was spread among 14 companies, which represented an increase of 300 percent in the number of companies participating, as the former number of companies was from 4 to 7. These few were receiving all the previous similar weekly contracts.

"A magazine issued by the American Meat Institute about November of 1941, entitled 'Meat—Reference Book of the Industry' lists the value of meat products manufactured in 1931, and established the meat industry as ranking third in the United States. (Missouri as a State ranked first among the States as a State meat processor.) This booklet, on page 32, states that in 1939, the United States Census of Manufacturers Reports show there were 1,516 meat establishments in the United States.

"Kiplinger's Washington Letter of November 8, 1941, states, 'Plant expansion for food processing, financed by Government money will be stepped up. Dairy products first, probably others later. Operated by farmer co-ops. For production during and after the war.'

"The question now arises as to the necessity of plant expansion when only 4 to 14 of the present country's 1,516 meat plants are able to handle Government business the way it is allocated at present. With the present system, the Government does not buy on the basis of the market on meat products, but only gives the orders to the lowest bidders. With only the lowest bid being considered, and with only the large companies being able to bid the lowest as they are able to handle the large business of the Army, the small plants must sit with their chin in the palm of their hands and watch the business go to the big operators—also take the raking over for not joining in the defense business. Federal inspection requirement also limits the distribution. Any qualified and accredited post mortem and ante mortem yet inspection should be recognized in the present emergency. The small plants should be able to sell the Government such commodities as they are able to supply, on the market basis. Livestock not being bought from the farmer on the lowest bid basis but on the highest bid basis, there is no reason for the meats to be sold on any other than the market basis, which is based on the price paid to the farmer.

"In the National Live Stock Provisioner, the magazine of the meat packers, November 8, 1941, volume 105, page 7, we find the following under Meat and Defense caption: * * * 'However, there is a great deal of merit to the suggestion that individual packers take advantage of the current interest in defense and tell, in their ads or elsewhere, something of what they are doing in furnishing a vital food for the armed forces, and why the Army, Navy, and Marine Corps regard meat so highly as one of the munitions of war.'

"How can all the small plants follow such a suggestion when only 4 to 14 of the 1,516 supply the Army and Navy?

"How can the small packer and processor participate in the Army and Navy program when meats are only bought from the lowest bidder, and labor costs and livestock costs vary in different parts of the country?

"For week ending November 8, about 1,733,000 pounds frozen meats were bought and Swift, Armour, Cudahy & Wilson received 1,333,000 pounds, so there was not a great amount for the 10 other bidders. So far most all of the business went to the 'Big Four'. Some should go to all that can take a portion and whose plants have a worth-while inspection, whether Federal, State, or city."

"We are sincerely concerned with the anticipated impact on our company which employs some 600 workers. Do not believe that sufficient attention has been given to these two major elements of this big problem (1) the instability of employment because of the broken production schedules, the fact that small quantities of necessary materials are unavailable or require time to obtain, and (2) the fact that Army and Navy contracts present demands on suppliers for materials, the need of which is not immediately necessary to complete the unit

being made. I have knowledge that a particular material needed for our production is being sent the Navy for a battleship to be completed in 1945. The same rule of efficient production scheduling and lay-out should apply to our Government agencies. It should not be proper for them to build inventories beyond practical needs.

"The Government can help in stabilizing employment."

STATEMENT BY W. M. BRANDT, SECRETARY, CENTRAL TRADES
AND LABOR UNION OF ST. LOUIS AND VICINITY

The Central Trades and Labor Union of St. Louis and vicinity is the parent organization for some one hundred and eighty-five local unions affiliated with the American Federation of Labor. The crafts we represent are many and varied. Just about every line of endeavor is covered by some branch of the American Federation of Labor.

Our organization numbers well around 100,000 workers in and about St. Louis. It is hard to state how many are employed on defense work but I would judge that more than one-half of our membership is employed either directly or indirectly on defense work.

Our office has no record of the over-all migration into the St. Louis area since May 1940 but I can estimate that the figure runs into the thousands.

We have had several complaints up to this date from some of our local unions in that unemployment is being felt among their membership because of the shortage of certain materials. Priorities have cut into many lines of work and we expect that the future will bring many more complaints.

At every meeting of our Central Trades and Labor Union for the last several months we have always brought the question of registering at the Missouri State Employment Service Office to the attention of our membership. We have advised all of our local unions to register their membership with the Employment Service whether they are employed or unemployed at this time. We hope a satisfactory arrangement will eventually be worked out on this program.

As to those unemployed by virtue of the priorities and allocations programs I think these individuals should be given production jobs without any political interference.

I cannot make any statement as to the future migration of workers into the St. Louis area.

STATEMENT BY H. O. WHITESIDE, RESEARCH DIRECTOR, ST.
LOUIS CHAMBER OF COMMERCE, ST. LOUIS, MO.

I. INDUSTRIAL ST. LOUIS

Before analyzing the industrial complexion of St. Louis as it is today, it would be well to sketch briefly the origin and background of this industrial community.

(a) *Past economic developments in the area.*

The city of St. Louis was founded as a trading post in 1764 by a French businessman interested in developing the rich fur trade of the then unsettled western territory. Its location below the mouths of the Missouri and Illinois Rivers and above the Ohio River established it at the outset at a strategic position on the best traffic artery of that day. Subsequent to the establishment of trading activity on a relatively safe and highly profitable basis there came a greater penetration of white settlers intent on farming the surrounding territory and exploiting the natural wealth of mine and forest. As the westward movement of population continued, St. Louis became a commercial city, outfitting expeditions into the unexplored and partially explored western territory and supplying the multi-farious needs of the settlers who had taken homesteads in the central Mississippi Valley. With the sale of the Louisiana Territory to the United States, the western migration of American settlers was accelerated and St. Louis, already a well-established commercial center, profited from this population movement.

Practically all early transportation in the western country was by way of the rivers but with the arrival of the settlers and the establishment of early towns, there soon developed four main highways through the Illinois country converging at a point on the Mississippi River opposite St. Louis. With the coming of the first steamboat to St. Louis in 1817, transportation facilities were given a further boost and St. Louis rapidly developed a river trade, playing an important part

in the "golden age" of steamboats. The gold rush of 1849, carrying thousands of people to the west coast, further fortified the commercial importance of St. Louis. Many fortunes were made in outfitting the huge caravans of migrants.

By the close of the Civil War the steamboat began to lose importance as a means of transportation, giving ground to the railroads. Railroad activity resulted in St. Louis becoming one of the greatest railroad centers in the United States, and brought about the construction of the Eads Bridge across the Mississippi River at St. Louis. Later growth resulted in construction of additional bridges to handle the increasing traffic.

Shortly before the Civil War the industrialization of St. Louis began. Merchants who had made their fortune as middlemen, supplying the settlers of the Mississippi Valley and the wagon trains headed for the West, envisioned the possibilities of performing their own manufacturing operations using the abundant agricultural, mineral, and forest resources that were at hand. The early industrial enterprises rewarded the vision of their backers and in the period of railroad expansion and subsequently with the development of the automobile and the hard road, the St. Louis region grew steadily in wealth and influence. The trading and wholesale activity in St. Louis continued to develop as the population of the Middle West and Southwest increased, with the result that at the present time St. Louis enjoys an even balance between wholesale and manufacturing activities. The economic history of St. Louis has been conducive to the development of a relatively large number of consumer industries. The development of railroad transportation, coupled with the accessibility of necessary raw materials was an incentive to the development of capital goods industries. Although the production of consumer goods in St. Louis is foremost, a large and profitable proportion of the city's industrial activity is concentrated in the production of capital or producer goods. The combination of a large trade and a balance between the light and heavy industries has been responsible for the relative economic stability of this city.

(b) Industry today.

Industrial St. Louis is one of the largest commercial and industrial centers of the United States. It is the ninth largest industrial area, ranked by value of products manufactured. It is the greatest wholesale distributing center in the Mississippi Valley and it is also one of the important financial centers of the Middle West.

In St. Louis and its metropolitan area economic activity enjoys a healthy balance between manufacturing and distribution. Further, the diversification between capital and consumer goods manufacturing activity has endowed this community with an economic stability considerably in excess of that enjoyed by cities more dependent upon a limited number and variety of industries.

Diversity is the predominant characteristic of industrial St. Louis. Of the 446 industry classifications recognized by the United States Bureau of the Census, 283, or 64 percent, are to be found in this industrial area.

Tables 1 and 2 following, show the number of manufacturing establishments and the number of factory wage earners in manufacturing establishments in each of the 20 major industry groups recognized by the Census Bureau. It should be noted on table 1 that 25 percent of the establishments are devoted to the manufacture of food and kindred products, 15.5 percent to the printing, publishing, and allied industries, 10.4 percent to the needle trades industry. No other industry group accounts for as many as 10 percent of the manufacturing establishments.

TABLE 1.—*Manufacturers of the St. Louis industrial area*

[1939 Census of Manufactures]

DISTRIBUTION OF ESTABLISHMENTS BY MAJOR INDUSTRY

Major groups	Number of establishments	Percent of total
All industries.....	2,787	100.00
Food and kindred products.....	701	25.15
Tobacco manufacturers.....	16	.57
Textile-mill products and other fiber manufacturers.....	15	.54
Apparel and other finished products made from fabrics and other similar materials.....	289	10.37
Lumber and timber basic products.....	55	1.97
Furniture and finished lumber products.....	126	4.52
Paper and allied products.....	60	2.15
Printing, publishing, and allied industries.....	431	15.47
Chemicals and allied products.....	210	7.54
Products of petroleum and coal.....	17	.61
Rubber products.....	11	.40
Leather and leather products.....	82	2.94
Stone, clay, and glass products.....	124	4.45
Iron and steel and their products, except machinery.....	181	6.49
Nonferrous metals and their products.....	94	3.38
Electrical machinery.....	43	1.54
Machinery (except electrical).....	155	5.56
Automobiles and automobile equipment.....	17	.61
Transportation equipment (except automobiles).....	19	.68
Miscellaneous industries.....	141	5.06

TABLE 2.—*Manufacturers of the St. Louis industrial area*

[1939 Census of Manufactures]

DISTRIBUTION OF FACTORY WORKERS BY MAJOR INDUSTRY GROUP

	Wage earners (average for year)	Percent of total
All industries.....	126,831	100.00
Food and kindred products.....	19,163	15.10
Tobacco manufacturers.....	1,562	1.23
Textile-mill products and other fiber manufacturers.....	1,309	1.03
Apparel and other finished products made from fabrics and other similar materials.....	14,035	11.07
Lumber and timber basic products.....	1,047	.83
Furniture and finished lumber products.....	4,400	3.47
Paper and allied products.....	4,369	3.44
Chemicals and allied products.....	7,999	6.31
Printing, publishing, and allied industries.....	5,905	4.66
Products of petroleum and coal.....	3,557	2.80
Rubber products.....	516	.41
Leather and leather products.....	13,712	10.81
Stone, clay, and glass products.....	5,655	4.46
Iron and steel and their products, except machinery.....	17,732	13.98
Nonferrous metals and their products.....	4,402	3.47
Electrical machinery.....	7,158	5.64
Machinery (except electrical).....	5,239	4.13
Automobiles and automobile equipment.....	3,901	3.08
Transportation equipment (except automobiles).....	2,384	1.88
Miscellaneous.....	2,786	2.20

Table 2 shows even better the distribution of the factory wage earners among the 20 classifications listed. Not even the food and kindred products industries employ more than 15 percent of the factory labor of this industrial area.

It is characteristic of the industries of this community that they are relatively modest in size, there being up to this time no corporate giants employing tens of thousands of workers here. The typical factory in St. Louis employs fewer than 100 workers. It is primarily home owned and the operations are directly under control of the owners.

II. DEFENSE CONTRACTS

To the best of our knowledge there is no comprehensive record in existence listing all of the primary defense contracts awarded in this area. Further, no effort has been made by any agency to tabulate defense subcontracts held by local manufacturers and suppliers. Records maintained by the Research Bureau of the St. Louis Chamber of Commerce do reveal the following with respect to contracts awarded to companies in the St. Louis industrial area between July 1, 1940, and November 1, 1941.

Classified list of defense contracts and awards in the St. Louis area

1. Construction awards.....	\$216, 924, 460
2. Aircraft, aircraft parts and supplies.....	161, 117, 218
3. Ammunition, components, and supplies.....	145, 195, 928
4. Clothing, caps, shoes, and insignia.....	27, 381, 500
5. Machinery, tools, and equipment.....	12, 810, 319
6. Foodstuffs.....	7, 511, 081
7. Special ordnance equipment.....	6, 030, 222
8. Kitchen and bakery equipment.....	2, 574, 440
9. Housing facilities and furnishings.....	2, 359, 303
10. Chemicals and drugs.....	2, 264, 519
11. Packaging materials and containers.....	2, 166, 269
12. Construction equipment and materials.....	1, 542, 961
13. Transportation equipment.....	986, 011
14. Cable, cable assemblies, and reels.....	906, 384
15. Photographic and X-ray equipment.....	507, 939
16. Hospital equipment and medical supplies.....	460, 753
17. Athletic equipment and sporting goods.....	117, 889
18. Miscellaneous.....	453, 303
Total.....	591, 310, 499

In this list there is indicated a total of \$591,000,000 in direct contracts which have been awarded to more than 300 companies here. These figures do not include very considerable expenditures for subsistence items purchased by the local quartermaster units. Further, it does not include the production orders awarded to some of the larger defense plants in the district or some of the secret negotiated defense contracts. It is estimated that the amount of these is well in excess of \$150,000,000.

It should be pointed out that figures shown in this table 3 cover a period of 16 months and many of the contracts included in these figures have been satisfied long since. Some of the largest operations in the district, however, are just now reaching the production stage and will be turned out within the next 12 months.

We know of no means of estimating the volume of defense subcontracts. It will be possible, however, at the time of the committee hearing to give some estimate on the number of manufacturers who have received such subcontracts.

III. ESTIMATED MIGRATION INTO ST. LOUIS SINCE MAY 1940

It has been estimated by the Research Department of the Social Planning Council of St. Louis that within the last 18 months there has been a population migration into this St. Louis area of from twenty to thirty thousand persons. It is our belief that this estimate is as accurate as any that has been made on defense migration into the area. The migration study of the Work Projects Administration has not yet been released. This study will either confirm the above estimate or will indicate a basis for more accurate estimates of immigration. It should be noted that of this population increase a large share is accounted for in terms of construction workers who are habitually transient in that they move from one job to another. Some of these workers now in the St. Louis district can be expected to move out as construction work tapers off here and increase in other communities.

IV. PRESENT AND ANTICIPATED UNEMPLOYMENT RESULTING FROM PRIORITIES AND THE ALLOCATION PROGRAM

The chamber of commerce has in process a survey of manufacturers and wholesalers in this district designed to furnish the answer to this question of priorities unemployment in this district. In view of this fact it would serve no useful purpose at this time to attempt to estimate or predict on this subject when shortly a comprehensive cross-section of industry will have supplied its answers. A complete survey will be available for the interest of the committee before November 26, 1941.

It is my opinion that individuals deprived of employment in this community through inability of their employers to obtain materials and supplies upon which defense projects place a prior demand will be reabsorbed relatively quickly and easily by defense plants operating in the area. Many of these workers will find it necessary to take some training in order to effect a transition from nondefense to defense type employment. Several defense manufacturers have already indicated that so far as possible they will draw their labor requirements from the local labor supply in preference to migrants from outside areas. Such action will have the effect of curbing migration and lessening unemployment of persons already in the district and available for work.

It will be possible to give a more intelligent opinion on the desirability for the Government to enter into negotiations with local employers for reemployment after the results of the survey referred to above have been analyzed.

V. EFFORTS OF NONDEFENSE INDUSTRIES TO SECURE DEFENSE CONTRACTS AND CONVERT TO DEFENSE PRODUCTION

In the strictest sense St. Louis had practically no defense industries prior to the present emergency. It had, however, a number of chemical and heavy metal working plants whose output could be used directly by the armed services or readily adapted for defense purposes. Many of the St. Louis manufacturers have secured defense contracts, the production of which is not dissimilar from their ordinary commercial output. The shoe and garment companies, as well as the machine tool manufacturers, are outstanding examples of this change in emphasis without the necessity of completely reorganizing production facilities.

There have been a number of instances where local manufacturers have secured defense work in which the end product is radically different from that of their normal lines. We list a few of these: A manufacturer of kitchen metal ware is now producing tank mines; a manufacturer of control valves is now making aircraft subassemblies; a manufacturer of lubricating devices is now making tools and dies for defense plants; a manufacturer of vending machinery is now producing special ordnance parts; a manufacturer of electrical appliances is now producing telescope mounts; a manufacturer of motorcycle parts is now producing parts for bombers; a manufacturer of pharmaceutical tablet dies is now manufacturing ammunition dies; a manufacturer of stove pipe is now producing metallic cartridge belt links; a manufacturer of heat control devices is now producing shell boosters and telescope mounts; a manufacturer of organs is now producing test-tube holders; a manufacturer of shoe laces, jumping ropes, braids, etc. is now producing gas-mask face forms; a manufacturer of church furniture has been making TNT paddles and wooden trays for ammunition plants; a manufacturer of large knives is now making straightedges. The list does not give a complete picture of the change-over, but it does indicate the variety of changes in production that have been effected by some of the manufacturers in this district who have succeeded in obtaining defense orders.

Some industries, particularly the iron foundry industry and the sheet metal stamping shops, have experienced difficulty in locating defense items for which their facilities can be used. Some of these plants which normally produced large quantities of goods for civilian consumption will be forced to curtail drastically their normal production and at the same time will be unable to replace it with defense production. This will work a greater hardship on the plant owners than on the plant employees as most of these employees will be able to obtain employment in other industrial establishments of the district actively engaged on defense work.

The survey referred to in previous paragraphs will bring out more clearly the industries most seriously affected by priorities and the allocation program. Since facts will be available to the committee, it does not appear that speculations on this subject will be of particular value at this time.

EXHIBIT A.—TWENTY LEADING INDUSTRIES OF THE ST. LOUIS INDUSTRIAL AREA

BY VALUE OF PRODUCTS

Meat packing, wholesale.....	\$137, 620, 972
Automobiles and automobile equipment.....	83, 524, 683
Electrical machinery.....	46, 746, 727
Malt liquors.....	41, 181, 636
Chemicals, not elsewhere classified.....	31, 410, 525
Steel works and rolling mills.....	24, 689, 101
Footwear (except rubber).....	23, 925, 581
Boot and shoe cut stock and findings.....	23, 119, 376
Bread and other bakery products (except biscuit, crackers, and pretzels).....	22, 144, 267
Drugs and medicines.....	19, 373, 137
Alloying; and rolling and drawing of nonferrous metals, except aluminum.....	16, 423, 479
Paperboard containers and boxes, not elsewhere classified.....	15, 725, 929
Newspapers.....	15, 564, 261
Stoves, ranges, water heaters, and hot-air furnaces (except electric).....	14, 298, 434
Printing: Job and book.....	13, 964, 648
Steel castings.....	13, 364, 205
Prepared feeds (including mineral), for animals and fowls.....	11, 814, 054
Cars and car equipment—railroad, street, and rapid-transit.....	11, 405, 215
Men's and boys' suits, coats, and overcoats (except work clothing).....	9, 851, 058
Flour and other grain-mill products.....	9, 756, 777

BY WAGE EARNERS EMPLOYED

Footwear (except rubber).....	8, 636
Electrical machinery.....	7, 158
Meat packing, wholesale.....	6, 201
Automobiles and automobile equipment.....	3, 901
Malt liquors.....	3, 714
Bread and other bakery products (except biscuit, crackers, and pretzels).....	3, 696
Boot and shoe cut stock and findings.....	3, 444
Steel works and rolling mills.....	3, 376
Steel castings.....	3, 119
Women's and misses' dresses (except house dresses).....	3, 063
Printing: Job and book.....	2, 652
Paperboard containers and boxes, not elsewhere classified.....	2, 427
Stoves, ranges, water heaters, and hot-air furnaces (except electric).....	2, 404
Chemicals, not elsewhere classified.....	2, 043
Men's and boys' suits, coats, and overcoats (except work clothing).....	1, 920
Cars and car equipment—railroad, street, and rapid-transit.....	1, 883
Newspapers.....	1, 392
Alloying; and rolling and drawing of nonferrous metals, except aluminum.....	1, 364
Gray iron and semisteel castings.....	1, 233
Men's and boys' shirts (except work shirts), collars and nightwear.....	1, 199

Source: Industrial Bureau, St. Louis Chamber of Commerce.

EXHIBIT B.—“PRIORITIES UNEMPLOYMENT” IN INDUSTRIAL ST. LOUIS

REPORT BY RESEARCH BUREAU, ST. LOUIS CHAMBER OF COMMERCE

The St. Louis Chamber of Commerce was requested by investigators to prepare for the St. Louis hearing of the House Committee Investigating National Defense Migration a statement concerning present and anticipated unemployment resulting from priorities and the allocations program.

Believing that unsupported opinions are a poor substitute for facts the president of the Chamber of Commerce instructed the Research Bureau to survey the manufacturing industries of the four-county St. Louis industrial area to determine, if possible, what curtailment of employment had already taken place and what curtailment is anticipated before February 1, 1942. Accordingly, a simple questionnaire (see appendix I) was designed and on November 1, 1941, mailed with an explanatory letter to 1,331 manufacturers in the area.

To date 685 replies have been received. As 52 of these were either incomplete or arrived too late for inclusion in the tabulations the following summary deals with only 633 manufacturers (see second footnote on table I). An effort has been made to summarize the findings as completely as possible in a series of tables, thereby reducing explanatory comment to a minimum.

Tables I and II present the broad general findings of the survey. Subsequent tables present more detailed analyses of the findings.

Table I shows that—

1. Almost half of the companies (311) have participated in the defense program through direct contracts, subcontracts, or both.

2. Eighty-seven companies, including 43 that have had defense work, have already curtailed employment; 70 of these companies laying off 2,415 workers; the remaining 17 not reporting the number of workers laid off.

3. Almost one-third of the companies (204), including 78 of the 87 that have already curtailed, expect to lay off workers within 90 days of November 1, 1941. One hundred sixty-six of these companies report they will lay off 7,648 workers. The remaining 38 companies are unable to estimate their total anticipated lay-off. Some other companies indicated that, while they anticipated no curtailment within 90 days, they would be forced to curtail later unless they obtained defense work or could otherwise secure necessary materials.

4. Two-thirds of the companies are seeking defense work, but of those who have already had such work 46 are not now seeking it, several commenting that they already have all they could handle.

Table II, in effect a continuation of table I, analyzes the employment changes between November 1, 1940, and November 1, 1941.

1. Total employment increased 26 percent in the year.

2. Proportion of female employees declined slightly in the companies that had participated in the defense program and increased slightly in the companies that had not participated in the program.

3. Employment in companies that have participated in the defense program increased 33 percent. Employment of nonparticipating companies increased by only 7 percent.

4. More than half of the companies have increased employment, 152 have remained stationary, and 124 have decreased employment within the year.

5. Seventy-four of the companies with lowered employment did not attribute the decline to inability to obtain necessary materials.

Following this general examination the returns were classified by industry and retabulated. The major industry groupings used by the United States Bureau of the Census were followed in sorting the returns. The small number of replies in certain groups, however, made it appear advisable to combine these with the most closely related group (for example, the lumber and timber basic products group was combined with furniture and finished lumber products), or to include them with the miscellaneous industries.

Tables III and IV analyze the effects of the defense program and "priorities unemployment" in terms of 14 major industrial groups. These tables show quite clearly the industries least affected as well as the industries most seriously affected by priorities.

To summarize:

1. Every major industry has participated in the defense program.

2. Every major industry has had some relatively small curtailment of employment.

3. Every major industry anticipates further curtailment, some slightly, some to a much greater degree than they have experienced up to now.

4. As was to be expected, the greatest numerical curtailment to date, as well as the greatest anticipated curtailment is found in the iron, steel, and their products group. (Note: Because of the small number of companies reporting in some industries it would not be wise to generalize from the information in table III on the relative effect of priorities on the several major industry groups.)

5. Very little curtailment has taken place and very little is anticipated in the food, apparel, paper products, and stone, clay, and glass products industries.

6. The majority of the companies in every industry, except the food and apparel industries, are seeking defense work.

7. The greatest employment increases have been in the metal working, chemical, and leather products industries.

8. In every major group the number of companies that increased employment in the last year is considerably larger than the number that decreased employment.

9. In no industry did the majority of the companies with decreased employment attribute such decrease to inability to obtain necessary materials.

Having examined the over-all priorities unemployment picture and the picture by major industry, attention was next turned particularly to that group of 213 companies feeling the pinch of priorities. These companies are examined at some length in tables V and VI.

1. Slightly more than half of these companies (109) have participated in the defense program.

2. More than three-fourths of the affected companies are seeking defense work. Many of the remainder indicated that they were not equipped to handle defense work.

3. Seventy companies reported actual curtailment of 2,415 workers, an average of 35 workers per company.

4. Only 166 of the 204 companies anticipating curtailment reported the number of workers to be laid off. If the additional companies lay off on the average just as the 166 anticipate, workers to be affected will increase by approximately 1,800 to a total of 9,500.

5. The companies affected now employ 4,015 more persons than on November 1, 1940. Within 90 days, however, they will be employing from 3,600 to 5,400 fewer than in 1940.

Table VI reveals that—

1. Fifty companies will be forced to close within 90 days. It should be noted that although only 50 have indicated that their anticipated curtailment will force them to close, the practical effect on many other companies in this group will be about the same as closing. If these additional companies curtail as anticipated, they will be reduced to nothing more than skeleton staffs.

2. Seventy-eight percent of the curtailment to date has been forced on companies with more than 100 employees.

3. Seventy-five percent of the anticipated curtailment is in these same large companies, eight of which indicate they will be forced to close.

4. Forty-six of the affected companies have less than ten employees. Twenty-six of this forty-six will be forced to close.

While the questionnaire did not call for comment, a number of manufacturers took occasion to comment on the problems affecting them. Representative of such comments are the following:

"Due to restriction on use of brass our company will be out of business on January 1, 1942, unless some provision is made that inventory of material (brass) may be used."

"We have an inventory to last about 6 months; after that is used we do not know whether or not we will be able to get a supply of pattern paper. Brass companies advised they could not sell us any more brass binding after November 1, 1941, due to not having defense contracts."

"Inasmuch as we use a rather large amount of steel in our business, normally, about 10,000 tons per year, and as it was apparent that we were not going to continue to receive steel for advertising signs, the writer went to Washington and called upon the Office of Production Management with pictures of our plant and of our equipment.

"Our plant happens to be the second largest one-story, modern factory in St. Louis. We have 9 acres of industrial property fenced in, with a side track, and with 3 acres under one roof. Inasmuch as the United States is supposed to be involved in quite an emergency we thought our factory would be of value to the Government. Our equipment, we realize, is not of any particular value for defense purposes."

"Much of our business will also be lost due to the restriction on the use of copper, both for assembly and for our copper plating."

"We urgently need work to avoid shut-down during second quarter of 1942."

"Half or more of our employees may be laid off if we cannot secure specially denatured alcohol."

"Had to pass up 170,000 8-ounce bottles of lemon extract due to fact that a small outfit like ours can't get alcohol. The priorities and Office of Production Management are working for big outfits only."

"I might add that if we were to receive the brass parts we have ordered during the past year from our suppliers, most of these parts being practically completed and of no value to the Government or any one else except for its scrap value, we would be able to reduce quite substantially the percentage of the number of employees we will be forced to lay off about December 15."

"We are a small manufacturer, making a specialized product containing chlorine—last month (October) 88 percent of our volume contained this element.

"We have been in business since 1930 and have a very satisfactory small business. The very nature of our business makes chlorine absolutely essential to our

existence, to have it curtailed even 10 percent will make it impossible for us to continue in business—as this 10 percent represents the difference between profit and loss.

“If such should happen—not only will our 11 years of work be gone but our entire investment of several thousands of dollars will be entirely wiped out, because our equipment is set up for this one purpose only and will be valueless for any other purpose; re the handling of chlorine in gas form.

“Through foresight—before priorities, we gained a little stock which will carry us a month or two only beyond the 90-day period called for in your questionnaire.”

While there has been much discussion of the effects of priorities on manufacturers, less attention has been paid to their effect on companies engaged primarily in wholesale distribution. Accordingly, an effort was made to obtain from St. Louis wholesalers information similar to that asked of manufacturers. Questionnaires were addressed to 235 wholesalers in all lines of distribution. A total of 91 replies were received. These are summarized in table VII.

1. While most of the wholesalers have not yet curtailed, 7 have already dismissed workers and 11 expect to within 90 days.

2. Employment of these wholesalers has increased 10 percent within the year. (Only 87 companies reported employment figures. This accounts for the failure of items V c, d, and e, to total 91.)

3. Half of the companies reporting have supplied materials for the defense program either directly or as subcontractors.

TABLE I.—Present and anticipated "priorities unemployment" in industrial St. Louis

	Companies that have participated in the defense program:				Companies that have received neither direct nor subcontracts	Total companies
	Number receiving both direct and subcontracts	Number receiving direct contracts only	Number receiving subcontracts only	Total companies that have had defense work		
I. Total companies.....	95	73	143	311	322	633
(a) Companies that have curtailed employment from inability to obtain necessary materials.....	9	15	19	43	44	87
(b) Companies that have not curtailed employment from inability to obtain necessary materials.....	86	58	124	268	278	546
II. Total companies.....	95	73	143	311	322	633
(a) Companies expecting to curtail employment within 90 days because of inability to obtain necessary materials.....	33	24	45	102	102	204
(b) Companies not expecting to curtail employment within 90 days because of inability to obtain necessary materials.....	62	49	98	209	220	429
III. Total workers affected.....	1,833+	2,552+	1,409+	5,794+	4,269+	10,063+
(a) Number of workers already laid off ¹	(5)334+	(12)667+	(14)255+	(31)1,256+	(39)1,159+	(70)2,415+
(b) Number to be laid off within 90 days ¹	(24)1,499+	(19)1,885+	(36)1,154+	(79)4,538+	(87)3,110+	(166)7,648+
IV. Total companies.....	95	73	143	311	322	633
(a) Seeking defense work.....	86	62	117	265	148	413
(b) Not seeking defense work.....	9	11	26	46	174	220

¹ Figures in parentheses denote number of companies actually giving figures. Difference between these and items I (a) and II (a) is number of companies that did not report amount of curtailment.

² Replies from 52 additional manufacturers were either incomplete or too late to classify. Of these 52 manufacturers, 13 had received direct contracts, 10 subcontracts, and 32 had received neither direct nor subcontracts. Six had curtailed employment and 9 (including these 6) expect further curtailment.

TABLE II.—Comparative employment, Nov. 1, 1941, and Nov. 1, 1940

	Companies that have participated in the defense program				Companies that have received neither direct nor subcontracts	Total companies
	Number receiving both direct and subcontracts	Number receiving direct contracts only	Number receiving subcontracts only	Total companies that have had defense work		
I. Number of persons employed:						
(a) 1941, total	36,671	28,048	13,072	77,794	25,792	103,583
Male	29,415	16,980	11,447	57,872	15,537	73,409
Female	7,256	11,068	1,625	19,919	10,255	30,174
(b) 1940, total	24,721	23,287	10,203	58,211	21,171	82,382
Male	19,631	14,281	8,932	42,847	15,109	57,956
Female	5,087	9,006	1,271	15,361	9,062	24,426
II. (a) Companies whose employment increased from Nov. 1, 1940, to Nov. 1, 1941	79	47	101	227	130	357
Total increase in employment	12,132	6,081	3,010	20,223	2,813	23,038
(b) Companies with no change in employment	7	13	19	39	113	152
(c) Companies whose employment declined from Nov. 1, 1940, to Nov. 1, 1941	9	12	23	44	80	124
Total decrease in employment	182	320	141	643	1,191	1,837
(d) Companies whose decreased employment was not attributed to inability to obtain materials	6	5	15	26	48	74

TABLE III.—Present and anticipated "priorities unemployment" in industrial St. Louis in major industry groups

	Food, kindred products, and tobacco	Apparel and textile products	Furniture, finished lumber products and basic lumber products	Paper and allied products	Chemical and allied products	Leather and leather products	Stone, clay, and glass products
I. Total companies.....	57	79	49	18	63	34	23
(a) Companies that have participated in the defense program.....	18	17	22	13	17	10	10
(b) Companies that have not participated in the defense program.....	39	62	27	5	46	24	13
II. Total companies.....	57	79	49	18	63	34	23
(a) Companies that have curtailed employment from inability to obtain materials.....	3	10	5	2	9	3	2
(b) Companies that have not curtailed employment.....	54	69	44	16	54	31	21
III. Total companies.....	57	79	49	18	63	34	23
(a) Companies expecting to curtail employment from inability to obtain materials.....	7	13	17	5	18	10	2
(b) Companies not expecting to curtail employment.....	50	66	32	13	45	24	21
IV. (a) Number of workers already laid off 1.....	(3) 50	(6) 74+	(4) 90+	(2) 23	(7) 31+	?	(2) 9
(b) Number to be laid off in 90 days 1.....	(5) 47+	(9) 131+	(16) 601+	(4) 293+	(18) 336	(9) 729+	(1) 3+
Total workers affected.....	97+	205+	691+	316+	387+	729+	12+
V. (a) Companies seeking defense work.....	23	36	35	11	11	18	13
(b) Companies not seeking defense work.....	31	43	14	7	22	16	10

1940.

	Iron and steel and their products including machinery	Nonferrous metals and their products	Electrical machinery	Machinery (except electrical)	Automobile and automobile equipment	Transportation equipment, excluding automobiles	Miscellaneous industries	All industries
I. Total companies.....	107	35	23	68	15	9	53	633
(a) Companies that have participated in the defense program.....	70	22	17	56	8	5	26	311
(b) Companies that have not participated in the defense program.....	37	13	6	12	7	4	27	322
II. Total companies.....	107	35	23	68	15	9	53	633
(a) Companies that have curtailed employment from inability to obtain materials.....	29	4	4	5	1	2	8	87
(b) Companies that have not curtailed employment.....	78	31	19	63	14	7	45	546
III. Total companies.....	107	35	23	68	15	9	53	633
(a) Companies expecting to curtail employment from inability to obtain materials.....	57	20	9	21	4	4	17	204
(b) Companies not expecting to curtail employment.....	50	15	14	47	11	5	36	429
IV. (a) Number of workers already laid off ¹	(24) 728+	(3) 100+	(4) 540+	(4) 28+	(1) 450	(2) 17	(8) 275+	(70) 2,415+
(b) Number to be laid off in 90 days ¹	(50) 2,630+	(17) 421+	(6) 676+	(16) 625+	(2) 70+	(3) 659+	(10) 407+	(166) 7,648+
Total workers affected.....	3,358+	521+	1,216+	653+	520+	676+	682+	10,063+
V. (a) Companies seeking defense work.....	90	24	20	53	9	8	32	413
(b) Companies not seeking defense work.....	17	11	3	15	6	1	21	220

¹ Figures in parentheses denote number of companies actually giving figures. Difference between these and Items I (a) and II (a), is number of companies that did not report amount of curtailment.

TABLE IV.—Comparative employment—Nov. 1, 1941, and Nov. 1, 1940—in major industry groups

	Food, kindred products, and tobacco	Apparel and textile products	Furniture, finished lumber products and basic lumber products	Paper and allied products	Chemical and allied products	Leather and leather products	Stone, clay, and glass products	Iron and steel and their products excluding machinery	Nonferrous metals and their product	Electrical machinery	Machinery (except electrical)	Automobile and auto equipment	Transportation equipment, excluding autos	Miscellaneous industries	All industries
I. Number of workers employed:															
(a) 1941, total	10,405	8,436	5,361	1,819	11,161	18,453	3,868	16,097	3,284	7,680	5,241	7,842	1,760	2,176	103,583
Male	7,798	2,238	4,753	890	7,408	9,225	3,081	14,870	2,980	5,121	4,872	6,285	1,678	1,610	73,409
Female	2,607	6,198	608	929	3,753	9,228	187	1,227	304	2,559	369	1,557	82	566	30,174
(b) 1940, total	9,714	7,499	4,492	1,503	8,456	15,482	2,775	12,468	2,557	5,300	3,927	5,363	754	2,062	82,038
Male	7,306	2,043	4,022	753	5,431	7,937	2,596	11,659	2,342	3,537	3,653	4,388	719	1,570	57,956
Female	2,408	5,456	470	750	3,025	7,545	179	809	215	1,763	274	1,005	35	492	24,126
II. Number of companies whose employment increased from 1940 to 1941	31	43	26	11	27	28	13	62	21	17	46	11	5	16	357
Total increase	728	1,051	939	328	2,739	2,981	1,107	4,198	741	2,549	1,376	2,452	1,015	834	23,038
(b) Number of companies with no employment change	17	20	13	3	22	5	5	17	9	2	14	2	1	22	152
(c) Number of companies whose employment decreased from 1940 to 1941	9	16	10	4	14	1	5	28	5	4	8	2	3	15	124
Total decrease	41	113	70	12	54	10	14	569	11	219	54	409	9	192	1,837
(1) Companies whose decreased employment was not attributed to inability to secure materials	6	12	7	3	9	1	3	10	4	3	4	1	3	8	74

TABLE V.—Companies that have curtailed and/or expect to curtail employment because of inability to obtain necessary materials

I. Total companies curtailing	213
(a) Companies that have participated in the defense program	109
(b) Companies that have had neither direct nor subcontracts	104
II. Companies that have already curtailed employment from inability to obtain materials	87
Companies that expect to curtail employment because of inability to obtain materials (this number includes 78 companies that have already curtailed)	204
III. Number of workers already laid off ¹ (70)	2, 415+
Number to be laid off in 90 days ¹ (166)	7, 648+
Total workers affected	10, 063+
IV. Companies seeking defense work	169
Companies not seeking defense work	44
V. Number of workers employed:	
(a) Nov. 1, 1941, total	25, 649
Male	18, 276
Female	7, 373
(b) Nov. 1, 1940, total	21, 634
Male	15, 812
Female	5, 822
(c) Number of companies whose employment increased from 1940 to 1941	110
Total increase	5, 408
(d) Number of companies whose employment has not changed	41
(e) Number of companies whose employment decreased from 1940 to 1941	62
Total decrease	1, 393

¹ Figures in parentheses are number of companies reporting number of workers affected.

TABLE VI.—Companies that have curtailed or expect to curtail employment from inability to obtain necessary materials

	Number of companies	Companies that will be forced to close	Already	Within 90 days	Total	Employment	
						Nov. 1, 1941	Nov. 1, 1940
Companies employing—							
More than 100 workers	59	8	1, 904	5, 722	7, 626	21, 052	17, 239
50 to 99 workers	34	4	170	897	1, 067	2, 354	2, 119
25 to 49 workers	43	6	188	618	806	1, 479	1, 492
10 to 24 workers	31	6	81	276	357	517	503
Less than 10 workers	46	26	72	135	207	247	281
Total	213	50	2, 415	7, 648	10, 063	25, 649	21, 634

TABLE VII.—*The effect of priorities unemployment and the defense program on St. Louis wholesalers*

I. Total companies reporting.....	91
(a) Companies that have had direct defense contracts.....	25
(b) Companies that have had subcontracts.....	35
(c) Companies that have not participated in defense work....	45
II. (a) Companies that have curtailed employment because of inability to obtain merchandise.....	7
(b) Companies that have not curtailed employment.....	84
III. (a) Companies expecting to curtail employment within 90 days...	11
(b) Companies not expecting to curtail employment within 90 days..	80
IV. (a) Number of workers already laid off (6).....	60+
(b) Number of workers to be laid off (8).....	175+
Total workers affected.....	235+
V. Number of persons employed: ¹	
(a) 1941, total (87 companies).....	7, 233
Male.....	5, 936
Female.....	1, 297
(b) 1940, total (87 companies).....	6, 553
Male.....	5, 460
Female.....	1, 093
(c) Companies that have increased employment from 1940 to 1941.....	47
Amount of increase.....	761
(d) Companies that have had no change in employment.....	26
(e) Companies that have curtailed employment.....	14
Amount of decrease.....	81

¹ 4 wholesalers did not supply information on employment.

EXHIBIT C.—SUPPLEMENTARY STATEMENT ON EMPLOYMENT OF LARGE DEFENSE CONTRACTORS

REPORT BY H. O. WHITESIDE, DIRECTOR OF RESEARCH, ST. LOUIS CHAMBER OF COMMERCE

Employment of 12 of the largest defense plants in industrial St. Louis on August 1, 1941, and anticipated peak employment of these same companies according to present schedules:

	Present employment, Aug. 1, 1941	Maximum anticipated employment
Atlas Powder Co.....	22	1, 583
Carter Carburetor Co.....	2, 533	2, 533
Century Electric Co.....	3, 000	3, 000
Curtiss-Wright Corporation.....	5, 247	11, 382
Emerson Electric & Manufacturing Co. (turret plant).....	2, 950	6, 450
McDonnell Aircraft Corporation.....	594	1, 863
McQuay-Norris Manufacturing Co.....	490	1, 330
Monsanto Chemical Co.....	2, 775	2, 973
Scullin Steel Co.....	2, 183	2, 183
U. S. Cartridge Co.....	500	23, 976
Wagner Electric Co.....	4, 100	4, 100
Western Cartridge Co.....	7, 000	7, 000
Total.....	31, 394	68, 373

NOTE.—This report does not include the General Steel Castings Co. plant, subsequently announced, for Granite City, Ill. This plant is not scheduled for completion within the year. When completed, it will employ 1,500 additional workers.

STATEMENT SUBMITTED BY C. M. GWINNER, DIRECTOR OF RESEARCH, SOCIAL PLANNING COUNCIL OF ST. LOUIS AND ST. LOUIS COUNTY, ST. LOUIS, MO.

PREPARED BY E. G. STEGER, DIRECTOR, SOCIAL PLANNING COUNCIL OF ST. LOUIS AND ST. LOUIS COUNTY, ST. LOUIS, MO.

The Social Planning Council of St. Louis and St. Louis County is concerned solely with the social problems of the community. The council seeks by every means possible to know and to devise methods of meeting the problems of human relationships which fall roughly in the following areas:

1. Family and individual care.
2. Child care, both home and institutional.
3. Recreation and group work.
4. Health and hospital care.

The council, as its name implies, has an entity only in its widespread membership which consists of approximately 135 agencies, departments of agencies, and bureaus, each of which is actively engaged in social work either directly with and for families, individuals, or groups, or with conditions which influence the welfare of families, individuals, and groups.

The membership includes voluntary agencies supported by voluntary contributions and governmental agencies supported by tax funds. The council itself is a voluntary body which has only that measure of authority imposed by the membership on itself. It in no sense assumes or desires to assume the character of a superagency. Its strength rests in its cooperative character which emphasizes the individual responsibility of each member agency and the citizenship.

As a planning body, the council maintains a research department participated in and at the service of its membership. Through this department factual data are gathered routinely wherever that is indicated, and through special studies whenever special studies are indicated. The research department cooperates with all major research bodies in this area, of course, in related fields, so that there is collaboration and supplementation so far as the gathering and use of socially important facts are concerned, and little or no duplication.

The council membership is pledged to submit any and all significant changes in activity programs to the whole partnership for critical appraisal before such changes are effected. Through its department on social action, the council seeks on the basis of sound planning to influence through legislative action, through public opinion, and all possible legitimate means, social-welfare activities which clearly fall within its sphere of activity. This means determining in as far as this can be done trends of social problems as indicated by known facts; it means interpreting for the information of all concerned facts and trends; it means counseling in respect to agency and departmental programs wherever and whenever such counsel is sought and acceptable.

The statement submitted to your committee is, therefore, to be considered as the statement of the combined council membership and by no means as the statement of an individual agency staff. It has been prepared for planning purposes at this time with special care because of the obvious fact that the Federal defense program is so comprehensive and so far reaching that all social institutions of whatever kind will to a greater or less degree be influenced by it. The council offers its information to your committee as the contribution of the social agencies, voluntary and governmental, of St. Louis and St. Louis County to national planning.

EFFECTS OF THE DEFENSE PROGRAM IN THE ST. LOUIS AREA ON POPULATION, MIGRATION, AND EMPLOYMENT

It became apparent several months ago that radical changes in population and employment were in store for the St. Louis area as a result of the defense program, and that these changes were to have severe effects upon the health and welfare structure and activities. We felt it necessary to be in a position to forecast, as far as possible, the conditions to be expected and to be prepared to cope with them when they arrive and wherever they are found.

We have, accordingly, collected all information bearing upon the question of employment and population changes from all locatable sources. Facts upon which to base any definite statement of the present condition or forecast for the future are sadly lacking. It is possible, however, to collect piecemeal facts which, when brought together, give us a fair picture of the condition. We were also able to obtain estimates from those who should know conditions. Such estimates and predictions, however, must be checked and analyzed according to their sources,

the methods of compiling the information, and comparability with similar estimates.

These items can also be checked against the council's knowledge of previous conditions and trends in employment and migration. The various divisions and committees of the council have for a number of years worked with problems that are basic to and will furnish background for our present conditions. An example of this is the committee on nonresidents, which for the past 15 years has studied and advised on care for nonresident individuals and families by the local public and private agencies. Also, the St. Louis Youth Commission, a subdivision of the council appointed in 1938, has conducted a very extensive survey of conditions among youth, and during this process has collected much information concerning the migration of rural youth to the city and the effect of this migration upon the urban youth problem. The work of this committee, for example, enables us to estimate with a reasonable degree of accuracy the composition and characteristics of the present migrants to the St. Louis area.

In the following presentation, we are in most cases discussing conditions as they are found over the entire metropolitan area of St. Louis, which includes St. Louis City, St. Louis County, and portions of Madison and St. Clair Counties in Illinois, including East St. Louis. The territory normally covered in council activities includes St. Louis City and County only, but we have found that certain problems, particularly those pertaining to the labor force and employment, are area wide and cannot well be localized into the Missouri section of the area. The material pertaining to the health and welfare structure itself, however, relates only to St. Louis City and County.

We have considered all available facts and estimates against the background of our experience and knowledge of conditions, and have reached the following conclusions regarding population and employment:

(1) *The population of St. Louis City and St. Louis County has increased by approximately 40,000 persons in the past 18 months, or since the census of 1940.*—This would make the combined population of the city and county approximately 1,130,000 persons. Estimates made by other individuals and organizations range from a low figure of 125,000 by the city administration to a high of 200,000 by the local office of the Public Works Administration and the St. Louis County Chamber of Commerce. The St. Louis County Planning Commission a number of months ago, and before the defense program had taken full form, estimated a total county population of 325,000 by the end of 1943, which would represent a 50,000 growth in 4 years.

The 1940 census reported a population of 816,048 for St. Louis City, and 274,230 for St. Louis County, or a total population of 1,090,278. This represented a loss of 5,912 in the past 10 years for St. Louis City, and a growth of 62,637 for St. Louis County, or a net increase for the city and county of 56,725. It can be seen from this that over the past 10 years the normal increase in the population, city and county, has been approximately 5,700 per year, and on this basis about 8,500 of our estimated 40,000 increase would represent normal growth, and the other 31,500 an abnormal increase from migration due to defense employment.

Our estimate of 31,500 persons migrating into the city and county in the past 18 months is based upon consideration of a number of factors. One of these is the number of dwelling units that have been taken up since April 1, 1940. The census reported 16,300 vacant dwelling units in St. Louis City and over 4,500 in St. Louis County, a total of 20,800. A check made by the Work Projects Administration in January 1941 showed approximately 21,000 units for sale or for rent. In the meantime, however, approximately 4,600 dwelling units had been constructed. A vacancy census made by the St. Louis Post Office in August 1941 reported slightly more than 6,800 vacancies in the metropolitan delivery area, with about 3,500 additional units under construction, a total of approximately 10,300 shortly available. Some of these reported as under construction must be discounted, however, as this includes approximately 1,000 units in two housing projects which replace demolitions and do not represent net gains. Neither is it possible to make a direct comparison between the post-office count and that of the United States Census or that of the Work Projects Administration, as the bases for counting were different. We can be certain from this, however, that at least 10,000, and probably about 12,000 to 13,000 dwelling units have been taken up by new families in the past 18 months. Not all of these, of course, are directly chargeable to migration. The marriage rate in the area has been much higher in the past year than in any previous period, which means that an unusually large number of couples are setting up housekeeping. We also know that during the depression period many families had doubled up on housing and that with the increase in employment opportunities, much "undoubling" has taken place.

The general employment situation also offers further evidence of considerable increase in population. Indications are that approximately 640,000 persons are at work in the St. Louis area, including the Illinois portion, while the United States Census of April 1940 reported a total labor force of 616,000. Many of these additional workers have come from the ranks of those not previously counted as members of the labor force, but many others have undoubtedly come as a result of migration into the area. This is discussed in greater detail in a later section, but it does indicate beyond a doubt that population has increased.

Figures regarding the school enrollment of 1941 as compared to the opening of school in 1940 do not throw much light upon the population situation. The decrease in school enrollment in the city of St. Louis is approximately 3,500, with most of the decrease occurring in the academic and technical high schools. School enrollment in the county has increased about 2,500, a figure which could be accounted for by the normal population increase. This does indicate, however, something of the characteristics of the individuals and families who have come into the area.

We do note that the migrants into the area are not of the usual nature. Migrants to the St. Louis area are traditionally from the rural sections to the south, southeast, and southwest. Information regarding the present group insofar as they have arrived, shows that they come from widely scattered sections of the country. One principal of a city school located in a rooming-house area, who enrolled approximately 300 new students this year of a total enrollment of approximately 900, reports that these families have come from 21 different States, with only a small proportion coming from out-State Missouri. As most of the defense work in this area so far has been construction work, this report would fit into the general pattern. We do not know, of course, whether these construction workers will tend to stay in St. Louis for later defense jobs, or whether they will attempt to move on to other construction projects and to be replaced by factory and production workers.

Our estimate of the composition of the 40,000 population increase is as follows:

Group	Population increase	Persons per family	Number of workers	Homes needed
Normal increase.....	8,500	3½	13,825	2,425
Migrant families.....	16,700	3½	17,500	4,750
Migrant individuals.....	15,000	1	15,000	(?)
Total.....	40,200	-----	26,325	7,175

¹ At 45 percent of the total population group, a known figure for St. Louis.

² No allowance is made for additional rooming houses opened up for individuals.

This indicates a ratio among the migrant workers of 15,000 individuals to 7,500 family members, or a ratio of 2 to 1. Past experience with the rural-urban type of migration into the St. Louis area has shown us that well over one-half of such migrants are normally lone persons. We believe that this ratio would run much higher in the present type of migrant, as surveys have shown that many of the family men who would normally bring their families with them have left them at home under present circumstances, apparently on the theory that a defense job may be temporary.¹ The fact that most defense jobs so far have been construction jobs requiring skilled workers would also lead us to believe that these migrants are older than the usual run. Such workers would most likely be those who had established homes in other communities, and we doubt if they would break up such homes unless they were sure of employment in the city. Advance reports from the Work Projects Administration survey of defense migration just completed in St. Louis are that the proportion of lone persons to family persons in migrant workers is running over 60 percent of the total. From all of these factors, we do not believe that our estimate of 2 to 1 is very far out of line with present conditions.

It could also be noted from the above break-down that this analysis would account for approximately 7,175 homes. We have made no allowance here for additional homes being taken up for use as boarding houses. We know that many formerly vacant residences are being so used, but because of lack of information as to the number or proportion, we have not attempted to estimate it.

¹ See Community Problems in Defense Areas, by T. J. Woolter, Jr., Director of Research for the Federal Security Agency. Also borne out by a study of Defense Housing in Louisville, Ky., made by Real Estate Analysts, Inc., of St. Louis.

(2) *Employment in the St. Louis area will shortly level off at or near the present figure of 640,000 employed.*—We expect the tendency toward unemployment in certain fields to soon offset the further increases to be expected from defense employment.

The best available estimates we have been able to obtain of the number of workers needed on defense projects during the coming year are from the Research Bureau of the St. Louis Chamber of Commerce. A recent survey made by them (which will undoubtedly be reported in full to this committee) reveals that the largest producers of defense materials here, and this includes all large contracts, will employ approximately 68,400 workers when operating to scheduled capacity. This point will not be reached, however, before midsummer of 1942. In the meantime, these plants are now employing 31,400 persons, exclusive of construction workers, so that a net of 37,000 production workers will be added to the labor force of these plants over the next 10 months.

There are certain factors that will tend to offset this net increase in defense employment. Chief of these will be unemployment as a result of material shortages or priorities. No definite figures as to the size of this group in St. Louis are currently available, but we can accept the national estimate of 2,500,000 to 3,000,000 in the coming winter. As St. Louis has slightly more than 1 percent of the national labor force, we would expect resulting unemployment locally of 25,000 to 30,000 persons. This and other factors are discussed more fully in later sections of the statement.

The currently employed group includes between 30,000 and 40,000 construction workers as against a normal force of about 11,000 for this area. These 20,000 to 30,000 are working on temporary or defense construction which will shortly be terminated. Some of them may go on to jobs in other centers, and many will undoubtedly change to production jobs, but in any case, they will offset an equal number of production workers yet to be hired.

The above estimate of employment need include only workers on defense projects and makes no allowance for service workers. This group is often estimated at 1 service worker for each 10 manufacturing or production workers, but we do not believe that this ratio would hold for St. Louis. The service trades here were established prior to the advent of the defense projects, and as such projects represent only about a 15-percent increase in the general employment in the area, we believe that these service trades will accommodate the increase without any substantial change in their employment levels. It is also true that most such service workers, if it was necessary to hire new ones, are already at work and are represented in the total of 640,000 currently employed. We should also note that priorities and allocations will undoubtedly affect many portions of the retail sales trade, which will tend to offset any future employment increases there.

(3) *The labor force of the St. Louis area as at present constituted can meet all demands now in sight, and no further in-migration will be necessary to supply employment needs.*—The only way to check this conclusion with any degree of accuracy is to balance present employment and employment needs against the available labor force of the area.

Here again for a picture of the production workers needed on defense projects, we go back to reports of the Research Bureau of the St. Louis Chamber of Commerce. Their survey shows that the defense projects in this area will employ approximately 68,400 workers when operating to scheduled capacity, a point which will be reached about midsummer of 1942. In the meantime, these plants are now employing 31,400 workers, exclusive of construction workers, so that a net of 37,000 additional will be needed.

While this need of 37,000 workers is anticipated, there are certain groups that we know can be supplied from the local labor force. At least 8,000 of these are expected to be women. The 1940 census recorded an available supply of 15,400 unemployed women in St. Louis City alone. Many of these have probably obtained work in the meantime, but against this we must also balance the fact that increased employment opportunities can and will draw many additional women into the labor market.

It is expected that at least 4,000 of the additional workers will be Negroes. In view of the unemployment among Negroes, approximately 15,000 in St. Louis City in 1940, there is no doubt that the labor force can supply any needs from this group. If we take the 8,000 women and the 4,000 Negroes from the 37,000 needed, we have 25,000 white men and boys to be supplied between now and next summer. About one-fourth of these will be unskilled, and three-fourths skilled or semiskilled. This gives us some picture of the needs yet to be supplied.

The last factual report upon the condition of the labor force in St. Louis comes from the census of 1940. Reports for St. Louis City only are available. They

show that of a total labor force in the city of 381,000, 324,000, or 84.9 percent, were employed; 3.7 percent were working on public emergency work and an additional 11.5 percent seeking work, making a total unemployed group of 14.1 percent. Of the 57,000 unemployed, about three-fourths were men and one-fourth women. Three-fourths were white and one-fourth Negro. At that time in St. Louis City the following persons were available for employment:

	Number	Percent	Group percent
Total.....	57,739	100.0	-----
Male.....	42,338	73.3	100.0
White.....	31,617	54.7	74.7
Negro.....	10,721	18.6	25.3
Female.....	15,401	26.7	100.0
White.....	10,921	19.0	71.0
Negro.....	4,480	7.7	29.0

While complete census reports are not available for other portions of the metropolitan area, other information is available which enables us to build up a picture of the labor force. For example, we know from census reports that 46.7 percent of the population of the city is usually found in the labor force, and that approximately 40 percent of the population of St. Louis County is either working or looking for work. From the general character of the populations, we can also conclude that the Illinois portion of the metropolitan area would follow the same general pattern as St. Louis City, so that we can build up the following composite labor force for the entire area as of April 1, 1940:

	Number	Percent
St. Louis City.....	381,502	¹ 46.7
St. Louis County.....	109,692	¹ 40.0
East Side.....	125,316	¹ 46.7
Total in labor force.....	616,510	¹ 45.4
Employed.....	523,417	² 84.9
Unemployed.....	93,093	² 15.1

¹ Percent of population.

² Percent of labor force.

The normal increase of the population, approximately 7,000 annually for the area, would have increased this labor force by 4,700 by September of 1941, making a total available labor force at that time under normal conditions of 621,190.

We previously estimated, however, that the population of St. Louis City and County has increased in the past 18 months by 40,000, and that 26,325 of this would represent additions to the labor force. A comparable population increase on the Illinois side would represent 10,000 persons, with 4,500 workers, a total addition of 30,825 to the labor force of the area.

A large number of persons who do not ordinarily consider themselves as candidates for work are also known to have joined the labor force because of the increased job opportunities. No accurate figures regarding the size of this group are available. We know, however, that they come largely from three sources: (1) From those who in recent years have been counted as part of the school group, but who are now either looking for work or working. We know from previous studies that high-school enrollment in St. Louis City practically doubled between 1930 and 1940, and it was the general conclusion that young people were going to high school because they could not find work. This trend has been reversed. High-school enrollment in St. Louis City at the beginning of this school year was 1,700, or 7 percent, less than last year. Enrollment in the technical high schools decreased 20 percent from last year. (2) Women who, while not normally classed as part of the labor force, have either accepted jobs or are looking for them. This would include housewives, mothers, and single women who are attracted by employment opportunities and a chance at what they believe to be big wages. (3) Elderly or retired workers, particularly in the skilled trades, who have been

drawn back into the labor force by the need for their skills and the attraction of high wages and overtime pay. We do not believe that this group will include many unskilled workers.

We grant that any attempt to measure the number of persons so drawn in is a risky procedure, but if we are to have any picture of the present labor force, some estimate is necessary. We believe that this group will include approximately 35,000 persons. This will represent slightly more than 5 percent of the original labor force and, we do not believe, is very far out of line with actual conditions.

The labor force of the metropolitan area would now present the following picture:

Labor force as of Apr. 1, 1940.....	616, 510
Workers due to increased population.....	30, 825
New workers drawn into the labor force.....	35, 000
	682, 335
Labor force as of Sept. 30, 1941.....	682, 335

Reports from the Bureau of Labor Statistics give us a fairly accurate index of employment in the St. Louis metropolitan area. We previously pointed out that 523,417 persons were employed on April 1, 1940. Monthly reports compiled since that time indicate that the employed group had increased by approximately 80,000 up to July 1941, with a total working force of 618,904 at that time. If employment continued at approximately the same rate, this group would have increased to about 640,000 by September 1941. The employment situation would then have been as follows:

Estimated labor force.....	682, 335
Employed.....	640, 000
	42, 335
Unemployed.....	42, 335

There are many indications that there is still a large backlog of unemployed in the St. Louis area. The active file of the Missouri State Employment Service, serving St. Louis City and County, throughout the summer numbered consistently around 80,000 applications, and has never been below 70,000 for any month in 1941. The figure for September was 70,877. Work Projects Administration rolls for St. Louis City and County have fallen only slightly below the July figure, and now stand at approximately 8,800. General relief rolls, which were cut in July and August by the elimination of most employable single persons, still number 5,233 cases, of which approximately 820 are classed as employable. During the month of September, over 23,000 persons in St. Louis and St. Louis County received unemployment compensation checks. These account for a total of over 32,000 employables receiving compensation or assistance in St. Louis City and County alone.

From all of these indications, we are quite sure that our estimate of 42,335 unemployed is certainly not too high, and may actually be too low.

An additional factor that will serve to check withdrawals from the labor force within a few months will be the leveling off of Army service. At the present time approximately 10,000 St. Louis City and County boys have been called under the Selective Service Act or have enlisted. It is expected, however, that by the first of the year discharges will equal inductions, so that there will be no further net loss to this source.

All of these factors give us strong indications that the St. Louis labor force as at present constituted can meet any future labor demands that are now in sight, and that no further in-migration will be necessary. There may, of course, be a few skilled occupations in which shortages will exist, and importations for this purpose may be necessary, but the number involved will be small. It is also possible that additional defense contracts or plants may be awarded in this area and throw the whole picture as we now see it out of line. However, if employment levels off, as we anticipate, the labor force will be able to fill all jobs, and there will still be a large reserve of unemployed.

(4) Persons now in St. Louis will obtain the best jobs both in defense industries and in regular private employment, which means that those migrating into the city after this time, if they secure employment at all, will be forced to take the lower-paid jobs.

Most of the defense plants have developed employment policies which will make it almost impossible for recent arrivals in the St. Louis area to secure any of the skilled or semiskilled jobs. The old policy of "gate hiring" has practically passed out of existence. Most firms have set up training schools where production employees are given several weeks training and paid a beginning wage during

the training period, in advance of the need in the plant. They are also building up new employment files of current applications, so that when the need arises, they will have the necessary employees lined up. Requisitions for training jobs are being filled through the State employment office, which does not accept applications from persons in the city less than 30 days.

All of this is evidence that the defense firms are planning their employment needs pretty far in advance so that they will not be caught short when employees are needed to begin operations. It also indicates that there will be little opportunity for an outsider coming into the St. Louis area to secure anything other than an unskilled job in defense plants.

We have already mentioned the fact that the active file of the Missouri State Employment Service in this area numbered over 70,000 in September. This file is known to contain applications of many persons who are now employed but who wish to change to better jobs. Much of this changing is a readjusting process, as many persons were undoubtedly employed below their occupational skills. There are also other evidences of much shifting of employment. There are reports, for example, of beauty operators leaving that employment and going into factory work because the hours and wages are better. There are also reports of shortages in domestic service because persons normally employed there can secure better wages on factory jobs.

Several labor pools have been set up in this area to facilitate the transfer of skilled or semiskilled workers from jobs closed because of material shortages to defense jobs.

Estimates recently made by the Office of Production Management and presented to this committee at the time of its Washington hearings show that approximately 85 percent of the defense employment in the State of Missouri will be professional, skilled, and semiskilled workers, and only 15 percent unskilled jobs. We know that most migrants, particularly those who will be coming in from now on, are unskilled workers so far as factory employment is concerned, and that few of them will be eligible for defense jobs.

All of this indicates that migrants to the city, and particularly those coming in this winter, will not be able to get into defense jobs, but will find it necessary, if they secure employment at all, to take private employment. We anticipate that most of them will fall into the unskilled and domestic workers, the lowest-paid groups.

(5) *Migration to the St. Louis area will continue.*—We base this conclusion upon past experience, and rather largely upon our knowledge of human nature. Present migrants to the city are getting jobs. The general publicity in newspapers and other media is that of boom-town employment, and the general public believes that there is no more unemployment. It is extremely difficult to convince the average person of the facts about the employment situation; it will be even more difficult to convince the marginal rural family that there is little or no opportunity for it in the city.

Missouri State Employment Service in its radio publicity, and a number of other agencies, have constantly attempted to discourage unplanned migration, and have urged people to register at their local employment offices so that planned transfers of needed labor could be made. We know, however, that as long as the people at home receive word of employment being secured in the city, they will continue to migrate, and this migration will continue until unemployment becomes so large that there is no misunderstanding the condition.

We expect the real wave of this migration into the St. Louis area to begin about midwinter. There are current reports of shortages of farm labor in the surrounding territory, and current wages for farm labor are higher than in recent years. This will tend to keep these persons at home until the harvest season is completed. How long the wave of migration will continue depends entirely upon the employment situation and upon how rapidly the reserve of unemployed builds up.

We have pointed out in an earlier section of this statement that migration to the city during the past year has been of a different character than that usually found. Migrants to St. Louis in the past two decades have been largely from southeast Missouri, Arkansas, southern Illinois, and western Kentucky, Tennessee, and Mississippi. Migrants during the past year have been from points widely scattered throughout the United States, with little centralization from any one section. We believe this was because this migration has been largely one of skilled and construction workers, rather than the usual unskilled, rural resident. We anticipate that the migration in the winter of 1941-42 will return to something of its old character; that is, the migrants will come from contiguous rural territory, will be largely unskilled in respect to urban employment, and will probably consist of a higher proportion of families than during the past year.

It is this group of unnecessary migrants that will need the help of the social agencies during the coming winter. We anticipate that most of them will fail to secure employment, and that a large proportion will become stranded in St. Louis. Under such circumstances, they will undoubtedly rely first upon the support of relatives and friends in the city, and secondly upon the support of welfare agencies, before they return to their marginal existence on the farm.

EFFECTS OF THESE EMPLOYMENT AND POPULATION CHANGES UPON THE HEALTH AND WELFARE STRUCTURE AND ACTIVITIES

The chief interest of all this to us at the Social Planning Council lies in its effect upon the welfare structure and activities of the agencies involved. The shifting employment picture will have drastic effects upon the work of certain agencies, particularly those in the public field, and the rapidly growing population as a result of improved employment opportunities will result in tremendously increased pressures in certain fields of welfare activity. These agencies look to the Council for information and leadership which will enable them to meet these increased pressures.

In dealing with the problems arising from defense activities, we have attempted to maintain and to encourage our cooperating agencies to maintain a balance and perspective in all considerations. This is sometimes difficult for agencies or organizations who deal with only one segment of a field of service or with only part of a particular problem, and do not have at hand the information as to over-all conditions or what is happening in other parts of the field or in other sections of the welfare structure. It is at that point that the coordinating machinery of the Social Planning Council, equipped to make the entire picture available to all agencies and all fields, is particularly valuable.

It is often difficult to distinguish between pressures with in-migration as the underlying cause and those arising from some other source, just as it is sometimes difficult to make the distinction between pressures caused by increasing employment and by increasing population. This seems to us, however, to be more or less immaterial. It is the increased employment opportunities that have caused the increased migration and population growth in the area. There is little point in quibbling about where in this sequence our difficulties originated.

This becomes apparent, however, if we attempt to analyze the effects upon the welfare structure and activities; most of the current problems and expected difficulties reflect unmet needs of the past which are intensified by the pressures of the emergency period, rather than new problems brought in with the incoming population. The functioning agencies have experienced all of these in the past in greater or less degree and, given careful planning and sufficient funds, can easily be equipped to meet them as they arise.

Perhaps the best way to illustrate the effects of increased employment and population on the welfare structure is to analyze the picture field by field.

Services to families and individuals.—This field includes the various types of public assistance (such as Work Projects Administration, general relief, aid to dependent children), the private family-welfare agencies, private agencies dealing with lone persons, and agencies and institutions serving aged persons.

It is in this field that the effects of applications by nonresidents of the area are most likely to be felt. These would come in the public general-relief category, cared for in St. Louis by the St. Louis city and county offices of the State social-security commission, and in the private-family agencies. The current policy of the social-security commission is to accept applications from nonresident families on a temporary basis only, pending the return of the family to its legal residence. This is an administrative regulation of the social-security commission caused in the main by a long-continuing shortage of sufficient funds for general relief; it is not a part of the social-security law in Missouri.

Private agencies in the field have no such regulation. They accept nonresident families according to the needs and problems of the family, and may keep them in the community or may advise a return to the home community. In this respect we notice a change that seems to be taking place in the practice of the private family agencies toward nonresident families. Under former employment conditions a careful analysis of the condition of the family usually indicated that an adjustment could be made much better with the family returning to their original home. This was usually advised by the agencies. We note now, however, that good employment conditions make agencies more optimistic regarding the securing of employment in St. Louis, and many of them are currently maintaining nonresident families pending employment. This change illustrates the flexibility of practice among the private agencies and the facility with which they can adjust their practices to changed conditions or needs.

The case loads of the private agencies have changed very little in recent months. There is a slight upward trend which has continued for several years and reflects largely the increased service programs of the agencies and an increased number of cases in that category, with the number of relief cases remaining approximately the same.

We do, however, note a definite upward trend in applications from nonresident families. This trend is unmistakable, but a slight one and does not at the present time seem to be increasing at an alarming rate. Agencies report that these families apply to them usually for one of three reasons, because they have lost a job recently obtained, because the family needs advice on health matters and steering to proper medical care, or because they desire help in getting a job. These families have been in town varying lengths of time, some applying after being here only a few weeks, and some after several months. At the present time the number is too small to form any definite conclusion regarding this phase of the problem.

Interestingly enough, the agencies also report that a number of families are moving out of St. Louis to jobs that have been obtained in other cities. Here again the number is not sufficiently large to enable us to draw a definite conclusion, but in certain sections of the city there seem to be almost as many moving out as there are nonresidents applying for assistance.

The effects of priorities upon employment are just beginning to be felt; a few scattered cases have been reported by the agencies. One interesting case was reported in this connection of a man who had lost two jobs because of material shortages; his own small private business was forced to close, and a job which he immediately obtained was soon closed out for the same reason.

One of the most serious problems facing the family welfare agencies at the present time is that of housing for their families. All report that it is almost impossible to obtain housing for an evicted family, probably because the landlord prefers obtaining cash rent from an employed individual to taking a chance with one receiving relief from either a public or a private agency. Many families are coming to agencies asking steering to available homes. This condition is particularly acute in those sections of the city where most newly arriving families attempt to settle, and there are many indications that housing is becoming an acute problem in all the low-rent sections of the city and county.

The local offices of the State social security commission report a general lessening of applications for general relief, largely in the employable group, which has resulted in a considerable shift in the proportion of employables on general relief. Six months ago from one-third to one-half of the general relief cases were classed as "employable." At the present time only 15 to 20 percent are so classed. The September report of the St. Louis City office has the following to say regarding the current condition of its case loads, a condition which is matched in the county office.

"There were 61 percent fewer applications received for public assistance in September 1941 than in September 1940. Applications for old-age assistance have decreased 68 percent, applications for aid to dependent children have decreased 6 percent, and for general relief 71 percent. The decrease in applications disposed of each month, however, has not been so great because of the large group of old-age assistance and aid to dependent children applications pending from previous months. At the beginning of September 1940 there were 3,871 old-age assistance and 1,569 aid to dependent children applications pending. By September 1941 these numbers had been reduced to 1,808 pending old-age assistance applications and 356 pending aid to dependent children applications.

"The disposition of large numbers of pending old-age assistance and aid to dependent children applications during the past year has had the effect of increasing the case loads in these assistance categories. Between September 1940 and September 1941 the number of cases receiving old-age assistance increased 17.5 percent; the number receiving aid to dependent children increased 25 percent. At the present time, the number of old-age assistance and aid to dependent children cases closed each month about equals the number of applications approved for assistance. Should this trend continue, the old-age assistance and aid to dependent children case loads in St. Louis will reach stationary amounts soon after the first of the year, when it is estimated that pending cases will be on a current basis.

"The general relief case load reflects directly the decline in applications. The number of general relief recipient cases decreased 30.5 percent between September 1940 and September 1941. Restrictions in funds, following the legislative appropriations in July, resulted in the closing of many general relief cases, but these "forced" closings account for less than one-third of the total closings in the general relief load. *Increased employment and the general bettering of business conditions*

are largely responsible for the decline in applications and load. The rate of decrease per month has been low, but steady. *It is still too early, however, to predict a continuation of such decrease over the next few months. The general relief case load fluctuates widely with changes in economic conditions, and any unfavorable swings in the business trends of non-defense industries or any slackening of the defense activity in St. Louis is sure to be followed by an increase in applications for relief.*¹

Applications for assistance by nonresident lone men have been showing a consistent and steady decline in past months. This is particularly apparent when the present period is compared with the same months of last year, and the condition exists equally in those agencies offering service and relief to nonresident men and in the shelters giving temporary care. We believe that this is due to the fact that under present employment conditions in the St. Louis area, any able-bodied lone man can soon find a job sufficiently remunerative to enable him to be self-supporting. The fact that less temporary care is requested would also indicate that there are fewer such men traveling at the present time. The only exception to this downward trend is noted by the local organization for aid to veterans, which reports a considerable increase in requests by those veterans who have migrated to St. Louis and are asking assistance until they receive their first pay check, or are requesting treatment or hospitalization due to sudden illness or an acute condition of a chronic illness.

Applications by nonresident girls and women have increased. The local Travelers Aid Society reports that they tend to congregate in centers of increasing population and in defense areas and also are following the concentrations of service men. Travelers Aid also reports that they have returned some nonresident families to their homes because they failed to secure employment in defense industries.

We anticipate a continuing increase in applications from nonresident families and we think this may well reach serious proportions by the early part of 1942. If our previous estimates as to the employment situation and continuing in-migration prove to be accurate, there will be large numbers of rural families coming to this area through the winter months, and few of them will secure attractive, if any, employment. Such families will attempt to get by on the assistance of friends or to apply to family welfare and relief agencies before they are willing to give up and return to their former homes. The fact that the present trend of applications from nonresidents is steadily upward indicates that the advent of cold weather and the increasing migration will result in a more serious situation.

We also anticipate increasing applications from newly unemployed who are forced out of work by material shortages and priorities, and continually increasing difficulties in securing housing for families in the lower economic levels. This latter problem, particularly, will undoubtedly reach serious proportions before the winter is over. Those organizations or institutions caring for the aged have felt few if any effects as a result of defense employment or migration. Institutions particularly tend to continue on a fairly even keel, with practically no change in population levels and none anticipated during the coming winter.

We previously noted in the report of the Social Security Commission the tendency of old-age assistance rolls to level off. This agency also reports that so far they do not notice any appreciable number of these recipients obtaining defense employment. Most of them live as members of families rather than as lone persons, and what few effects have been felt are those felt by the family groups.

We anticipate some slight decrease in old-age-assistance rolls arising through two circumstances: (1) Those recipients of old-age assistance who possess certain skills needed in defense industries but have been unable to secure employment in the past will tend to obtain jobs under the present employment situation. A few such cases have already been reported, but we doubt if the number will be large, as there are few skilled workers among the recipients of old age assistance. (2) Those living as members of families will be indirectly benefited by the improvement of conditions in these families. This group will also be small.

Services to children.—This field includes all of the various children's institutions in St. Louis and St. Louis County and those public and private agencies dealing with foster home care for children. We have also included in this group some observations upon the aid-to-dependent-children program administered by the State social security commission. (The commission's statement as to the condition of the caseloads in this program was included in the previous section.)

The practices of the agencies in this field in regard to applications for care by nonresidents vary widely. Most of the institutions for children accept children from outside St. Louis City and County, but such acceptances are on the basis of

¹ Italics are ours.

applications from the home area of the child, so that while they might be nonresidents of this area, they are actually not so considered by the institution. The foster care agencies are not likely to receive or accept applications for placement of children from nonresident families. Under most circumstances such families would be referred to family welfare agencies. The Board of Children's Guardians, a foster home agency financed by the city of St. Louis, is limited, of course, to legal residents of St. Louis. Residence requirements for an aid-to-dependent-children allowance are set by State statute. The day nurseries in most cases have no restrictions upon residence, and accept children from families who have just arrived in this area if the family circumstances seem to merit day nursery care for the children.

We believe it safe to say that none of the agencies in this field are feeling any pressures directly chargeable to migration. Many of them are, however, feeling such pressures as a result of improved employment conditions, largely due to the fact that many mothers are apparently going to work to supplement family incomes.

The day nurseries report a steady and rather constant increase in the number of applications, beginning to be particularly noticeable in the spring of 1941. This increase in applications reflects directly the tendency for more mothers of young children to obtain employment. Most of the nurseries are unable to accept the bulk of these applications, although investigation shows that they would under normal conditions merit day nursery care. The situation is complicated by the fact that day nurseries in this area were already operating at full capacity and facilities have not been expanded so far to allow for a like increase in load. Some expansions are now being planned.

Applications for foster day-care of children are also reported to be increasing, although slightly. Programs for foster day-care may offer a partial solution to the day-nursery problem, but they can scarcely be expected to absorb the increased demand in this field without setting up additional nursery facilities. Foster day-care is still a comparatively new method of caring for children and its full possibilities are not yet well known, particularly in the St. Louis area.

We anticipate a continued increase in applications for day-care of children of working mothers at least as long as the employment situation continues to be favorable. This tendency toward working mothers may also affect the aid to dependent children load. Current grants in the city of St. Louis for aid to dependent children average \$25.05 per family and \$10.54 per child. With employment conditions what they are, it is easily possible for any woman who has worked before and has a skill that is currently in demand to earn far more than this in defense or in general private industry. When income from employment tends to pass the allowance level, these mothers will prefer to work and place their children during the day and forfeit their right to aid to dependent children grants. Information currently at hand does not indicate that this is yet happening in appreciable numbers.

We also anticipate an increased need for protective services for children. Such services are now being rendered almost entirely by the private agencies, but a recent survey by the United States Children's Bureau recommends that such a program be set up by the city of St. Louis. There are some evidences that the demand for such services is already increasing slightly. As more and more children unaccustomed to city life are brought into the area, they will be needed still more. We should note that, in our opinion, the demand up to the present time represents more an unmet need of the past than increased pressures due to the defense program.

One direct result of the defense program which is rapidly becoming acute with child-placing agencies is the shortage of foster homes. Agencies have always had difficulty in keeping a reserve supply of satisfactory foster homes available; under present conditions, they are not able to keep up with current needs. This is caused largely by two factors: (1) Families can receive a larger return for the unused space in their homes by renting rooms to defense workers. This also means less work and worry for the woman of the house than caring for foster children. (2) Many women who formerly were willing to take foster children in their homes now prefer to obtain jobs on the outside. It will be noted that both of these reasons are more directly connected with the improvement of employment conditions than they are with migration.

Group work and recreation services.—This field includes the settlement houses and neighborhood group work centers operated by private agencies, and parks, playgrounds, and community centers operated by city departments and boards of education.

In this particular field there are no restrictions as to residence of adults or children involved. Facilities of the neighborhood settlements and the municipal recreation centers and facilities may be used without question by residents and nonresidents alike.

So far, pressures upon this group of agencies have changed very little from trends of recent years. We do note, however, slight increasing demands on those programs operated for the younger age groups. There are indications here that many mothers are now working and are allowing the agencies to supervise their children during out-of-school hours. A number of agencies report difficulty in getting younger children out of the buildings in the evening, presumably because their parents are not at home to receive them. It has been the practice to have all younger children out of the building by 9 p. m. so that programs after that time could be concentrated on older age groups.

There are also evidences of slightly decreasing demands on those programs operated for the upper teen age and older groups. Members of these groups are many of them working and have more money than they have experienced in the past, and are more inclined to buy their recreation on the outside. The agencies also report considerable difficulty in planning programs that will continue to hold the interest of these groups.

The division of parks and recreation of the city of St. Louis reports steadily increasing attendance at parks, playgrounds and recreation centers. Pressures upon recreational centers were exceedingly heavy during the summer season, and a very heavy program is being planned for the winter season to take care of people coming in. They report that their athletic leagues are overcrowded with teams and that they have difficulty in finding enough play space for the leagues which wish to participate. They have also been asked to provide space for daytime leagues for groups working night shifts in defense plants.

Pressures on all types of recreational activities are also increasing. Attendance at the zoo, art museum, parks, and other activities sponsored by municipal organizations or departments has been very heavy all summer and shows a continuing upward trend. This is particularly true of the various types of commercial recreation, such as movies, bowling alleys, taverns, and similar establishments. We believe this reflects not only the increased number of people in the community, but more directly the increased employment. As employment has increased over 20 percent in the past 18 months, there are also 20 percent more people with pay checks in their pockets and ready to spend them.

Hospital and health services.—Included in this field of service are all clinics and hospitals, public and private, and the various health agencies.

Practices of this group concerning care for nonresidents vary according to the sponsorship of the service. Public clinics and hospitals, both city and county, do not accept nonresident cases, either in the clinic or hospital, except as emergency cases.

The privately operated clinics and hospitals also have varying practices on applications by nonresidents for free care. A few accept them without question. Some make a policy of not accepting any nonresidents for free care, and others do not accept them unless they have been in town 6 months or more, with a few extending the period to 1 year. These practices, of course, do not apply to emergency cases. The practice is usually quite flexible, as most admitting is done either through a medical social service department of the clinic or hospital or through a regularly established admitting service, and allowances can be made for any unusual situation by the professional workers on duty there.

Those patients who are able to pay their own way are, of course, accepted without question in any of the private hospitals.

The general trend of visits to clinics is downward, with most of the decrease being found in public clinics, and a less rapid decrease in the use of private clinics. This decrease in clinic attendance has been particularly marked since April of 1941. At the same time, most of the clinics report a slight but general increase in applications from nonresidents. It is our opinion that the decrease in the use of clinics represents a generally improved financial condition in this group of people, as with the large increase in employment more of them are able to purchase private medical care.

Both clinics and hospitals report a general increase in auto and in industrial accident cases, although no figures are available to show the extent of this. As employment in the area has increased slightly more than 20 percent in the past 18 months, an increase of 20 percent in industrial accidents could be expected. It is our opinion, and that of the clinics and hospitals, that the increase is more than this, probably due to the employment of untrained personnel and possibly also to a speed-up in industrial operations. Many of the clinics also report a

general improvement in patients' incomes, which means a general moving up in the type of hospital care purchased, that is, patients who were formerly in the "free" class are now moving up to "part pay", and former part-pay patients are moving up to "full pay". Many clinic patients are also now able to purchase their own medication and appliances. Clinics also report that some patients have been able to secure defense jobs after rejection by the draft board and correction of physical defects.

Perhaps the most serious situation in the health field in this area at the present time is the matter of hospital facilities for the care of the acute sick. This condition is directly complicated by the in-migration of over 30,000 additional population as a result of defense employment, and will become more serious if this migration continues as we expect.

A study of the adequacy of hospital facilities for care of the acute sick in the city and county made last month by the social planning council shows that there are available in the community a total capacity of 6,266 beds. With our estimated population of 1,130,000, we have a present rate of 5.5 beds per thousand persons, compared to an accepted rate for industrial urban centers of 5 per thousand.

St. Louis, however, is known as a medical center, and its hospital facilities serve an area much wider than the city and county. Any measure of adequacy must take this factor into account. The study shows that during the first 8 months of 1941 only 80 percent of the days' care were rendered to residents of the city and county, a condition which has continued for many years. If the bed capacity is discounted to this extent, we obtain an actual rate of 4.5 beds per thousand, and have the following picture of facilities actually available to residents:

Beds necessary (at rate of 5 per 1,000)	5, 650
Beds available (80 percent of 6,266)	5, 040
Existing deficit	610

At the present time, then, St. Louis city and county have an actual deficit of 610 beds. Some additions are planned in the next few months, but we also estimate, as pointed out in previous sections of this statement, that the population of this area will increase by an additional 40,000 by the end of 1942 due to additional migration into the area. If this occurs, we will then have a deficit of approximately 775 beds.

It is also generally agreed by hospital authorities that a further test of the adequacy of hospital facilities of a given community is the extent to which they are used. The above-mentioned study further shows that during the first 6 months of 1941 the average occupancy in 20 private hospitals with a bed capacity of 3,734 was 80 percent. The two major public hospitals, St. Louis City for white persons, and Homer G. Phillips for Negroes, show occupancies respectively of 84 and 82 percent.

The American Medical Association estimates that the optimal rate of occupancy in general hospitals approximates 75 to 85 percent. It is clear from this that St. Louis facilities, with occupancies of 80 percent in private hospitals and 84 and 82 percent in the two major public hospitals, the two groups representing 85 percent of the local capacity, are well within the danger zone.

Another indication of the crowded facilities is the fact that the hospitals are actually turning away patients because of lack of room. One large hospital with an average occupancy of 87 percent for the first 6 months of this year, reports that it has actually turned away over 400 persons since the first of the year, in addition to keeping a large waiting list. The increasing population and the fact that more money is available with which to purchase hospital care is rapidly making the situation more acute.

The real danger in this situation, of course, lies in the fact that there is little current reserve available for use in case of emergencies. There are no available beds in the general hospitals; approximately 100 beds are available in the municipal isolation hospital, and approximately 250 beds in the industrial hospitals could be made available for general use in case of a serious epidemic or disaster.

The hospital and health division of the Social Planning Council, with the full cooperation of the Medical Association and other interested groups in the city, is currently at work on this situation. The facilities of the community could be expanded considerably if funds were available for the purchase of equipment necessary to open up unequipped wings or sections in existing hospitals. It does not seem necessary at the present time that additional buildings be constructed. The margin is so slight, however, that the entire picture may change almost overnight.

City and county health officials report that there is real danger of serious epidemic or disease during the coming winter. Indications are that this section of the country is due for a recurrence of the periodic flu epidemics. There are also many dangers inherent in the fact that large numbers of unvaccinated and unacclimated families have moved into the area and are being crowded into substandard housing.

There are also real dangers in the lack of proper sanitation and sewage facilities, particularly in certain sections of St. Louis County. Facilities there have long approached inadequacy, and are not built to accommodate the population increases that are coming in certain areas. Many trailer camps and emergency housing locations are springing up in unincorporated and unserved sections.

Another complication of the defense program and the shifting population is found in the fields of food inspection and similar health measures in certain defense areas. Unlicensed boarding houses in former private homes, restaurants established overnight in tents in defense areas, and similar conditions are taxing the inspection facilities of municipal authorities to the utmost.

Municipal and county health authorities are, however, fully aware of these dangers and are taking all possible steps to meet them. These conditions will undoubtedly be reported to the committee in greater detail by the health authorities.

THE POSTEMERGENCY PERIOD

In the preceding sections, we have given the practices regarding nonresidents in the various fields, and the conditions as we find them now, together with the developments likely to result from the defense program. These statements have been based on the assumption that the local aspects of the program will continue with little change in size or character through 1942.

There is also the question, however, of what will happen if and when the defense program is terminated, particularly as this will concern those individuals and families requiring some form of assistance through some part of the health and welfare structure. While this is a very difficult question to answer, because obviously so much depends upon the timing of the termination, it is not one that can be ignored.

We have pointed out the practices regarding nonresidents in the various fields. In general, these take two forms: (1) Restrictions of the public agencies are in most cases set by statute, although some have been added by administrative regulation because of lack of funds, (2) private agencies show little discrimination regarding nonresidents, and what practices are in effect are flexible and can quickly be changed when the need arises.

The field of principal interest in considering the postemergency period is that of family welfare and general relief. The public agency operating in this field, the Social Security Commission of Missouri, has no legal limitations upon the granting of relief to nonresidents. The current regulation which limits such relief to emergency cases pending their return to legal residence is administrative only, and was probably caused by the extreme shortage of funds for general relief. If additional funds were made available either by State appropriation or by Federal grant, there would be no reason why this regulation could not be immediately lifted, and full provision made for general relief to nonresident families and individuals. The private agencies, which carry a comparatively small portion of the general relief load of the community, have always been extremely flexible in their regulations regarding care for nonresidents, and what regulations have been in effect have in most cases also been dictated by a shortage of funds.

The seriousness of the postemergency period for nonresident families and individuals will depend upon when the emergency period ends. The St. Louis area is extremely diversified in its industrial production, and with a normal tapering off of defense orders and emergency production, could probably absorb a reasonable number of defense employees. However, if the emergency period should end soon, let us say within the next year, the situation will be extremely bad. There will be large numbers of families and individuals in the city, many of them unemployed or in groups most likely to be laid off immediately, who will not yet have established any kind of residence which would make them eligible for relief or assistance. Migration would also still be going on, and transfers between cities and between rural and urban sections would still be in progress.

If, however, the emergency period should continue until 1943 or 1944, we do not believe the effects would be quite so bad. Migrating groups would then have become more or less established in some community, and the problem would be the expected one of readjustment from defense production to normal peacetime production. This problem in itself would be bad enough, but, as we see it in this

area, it is not likely to involve the additional question of nonresidence of large groups.

So far as general relief and assistance in St. Louis is concerned, it will not require any revision of local or State laws to make full benefits of the local programs available to nonresidents. Some uniform policy between States would be of decided advantage in adjusting interstate difficulties, difficulties which are already well known to this committee. It is entirely possible that if the problem is anything like as large as we all expect it to be, that Federal assistance in general relief for both transients and resident employable persons will be needed, the amount of assistance depending upon when and under what circumstances the emergency period ends.

The legislative committee of the Social Planning Council is already on record as approving Federal matching of State funds for general relief to transients and employables, provided these funds are administered by the same State agency administering the balance of the general relief program.

As this problem of postemergency adjustment appears to us now, it is largely one of early recognition, careful planning and organization, and sufficient funds. The timing and speed of the readjustment which is sure to come will determine to a large extent the seriousness of the problem.

THE EFFECT OF INCREASING PRICES AND PERSONNEL SHORTAGES

So far in this section we have been discussing needs of the families and individuals and the caseloads of service agencies as they are affected by the defense program. There are, however, two administrative problems which should be mentioned here, namely, increasing prices, principally on food, and the difficulties of holding agency personnel. While not directly connected with migration, these factors do condition the ability of the agencies to meet the demands made upon them, and we believe are of interest to this committee.

Retail food prices in the St. Louis area have increased approximately 18 percent in the past year. The Bureau of Labor Statistics index was 97 in September of 1940, and 114.6 in September of 1941. This increase has had two direct effects upon the ability of agencies to meet demands. Institutional agencies, a large part of whose expenditures are for food, have had these expenditures increased accordingly, while their budgets, regardless of whether they come from public funds, from the community chest, or are raised by the agency, have not been increased proportionately to allow for it.

Those agencies granting direct assistance to individuals or families find themselves in a comparable situation. Figures compiled by the home economist and dietitian employed by a group of local family agencies indicate that the cost of those foods used by families on relief has increased even more than the general retail price index. The Bureau of Labor Statistics increase was 18 percent; there was a comparable increase of 25 percent in relief food. Approximately 85 percent of the general relief grant to families is customarily expended for food, so that a 25-percent increase in the cost of food would mean that the same grant would purchase 20 percent less food. As most of the agencies have been unable to increase their grants to families, and none of them have been able to increase grants by a sufficient amount to balance the increased food cost, this price rise has been borne to a large extent by the families on relief, in the form of decreased food consumption.

Other prices in the St. Louis area, particularly those for fuel and clothing, have also increased, but none so much as that of retail food.

There is a serious shortage of proper personnel in many of the agencies. This is most serious in the hospitals, where large numbers of nurses and other hospital employees have gone into Army and Navy service. A Government grant has been made to local nursing schools to provide for additional faculty and scholarships for the training of additional nurses. The full effects of this program, however, will not be felt for almost 3 years. Under Red Cross auspices, a training program for emergency nurses is now being set up which will provide a short-time course for practical nurses. Many former nurses now married are also returning to work, but most of these are already on the job, so that little further improvement can be expected from this source. Here also the situation is similar to that pointed out in our previous discussion of hospital facilities, that is, the present situation is fairly well in hand, but the community possesses no reserve for use in case of emergency.

Group work and recreation agencies have also felt the personnel shortage through the loss of large numbers of their volunteer workers to the armed forces. This type of work normally attracts the young, single man, who, of course, has

been the first to enlist or the first to be drafted. This shortage was first felt last spring when the recruiting of camp counsellors for the summer camp program was started, and has since become acute in the winter programs of many agencies. Emergency recruiting and training programs are being set up in the city to help alleviate this shortage.

Many of the agencies have also lost much of their professional personnel to more attractive positions in the defense set-up, and similar losses have occurred in clerical personnel. Welfare positions are as a rule rather poorly paid, so that present employment opportunities with their increasing salaries have attracted a large number of agency employees.

SOCIAL DETERIORATION OF AREAS AS A RESULT OF THE LOCATION OF PROJECTS
UNDER THE NATIONAL-DEFENSE PROGRAM

We should also like to bring to the attention of this committee another condition resulting from the backwash of the national-defense program, a condition not often considered in an analysis of that program. This refers to the social deterioration of certain geographical areas of the community as a result of the location in or near them of defense projects. We can best illustrate this by describing these results in relation to two areas, one in St. Louis City and one in St. Louis County.

The first is the area northwest of the small-arms ammunition plant of the United States Ordnance Department, located at Goodfellow and Bircher Boulevards. Construction on this plant is not complete, but the result of its location is already apparent. As first planned, the plant occupied a tract of approximately 125 acres divided by Goodfellow Boulevard, all of the tract being zoned for industrial use. Later expansions have enlarged it to include an adjacent city park, a tract owned by the board of education and held for a new high school, and approximately 20 adjacent city blocks already in use for residence purposes. Taking over the residence area entailed the condemnation and wrecking of approximately 50 dwellings, many of which had just been completed. The total area of the plant is now over 280 acres.

A description of the residence area lying immediately north and west of this plant, most of it in St. Louis City, extending into the eastern portion of St. Louis County, will serve to illustrate our point. Prior to the advent of the small arms plant, this section ranked higher than the city average in proportion of land devoted to residential and industrial uses. All social indicators stamped it as a solid, middle-class, residential section, bordering on industrial sections. Eighty-six percent of the homes in the area were one-family dwellings, and 62 percent were owner-occupied. This compared to home ownership in St. Louis City proper of only 31 percent. Many of these dwellings were frame, and many had been constructed or improved by the owners themselves, who had lived there for many years. Sixty-eight percent of the residents owned cars, compared to a city figure of 50 percent. Forty-nine percent had telephones, compared to a city figure of 35 percent. The area was lower than the city figures on practically all health rates.

Most of the residents are factory workers or white-collar workers within the lower salary brackets. Families tend to run in general larger than the city average, and most of the section had the character of a middle-class neighborhood, well established, with a deal of pride in homes, gardens, and lawns. Certain sections, particularly those bordering on St. Louis County, were recently developed as subdivisions with single-family homes selling at four to six thousand dollars. Many of these new homes were taken over with the expansion of the small-arms plant.

A short drive through the area will show what has happened to it. The establishment of this 280-acre plant, said to be the largest in the world, has made a complete change in the character of the area. Aside from those residents who were forced to move by the condemnation of their homes, many others have left because of the dirt and turmoil of the plant construction. Many homes have been turned into boarding houses and rooming houses. Front lawns that were formerly well-kept and were the pride of the owners are now used for parking lots. Ornamental fences have been torn down, and lawn decorations destroyed. Tent restaurants, taverns, and cheap business enterprises are on practically every corner. In short, the area now has the character of a typical blighted residence area in a factory section.

As a second example, we point out the conditions in the northwest section of the county, in and surrounding the city of Ferguson. The situation here is similar, but the community differs from that around the small arms plant. Ferguson lies at the center of a large triangle, with the small arms plant on one side,

the new turret plant of the Emerson Electric Co. on another, and the municipal airport, including the new plants of Curtiss-Wright Corporation and the McDonnell Aircraft Corporation on the third.

Ferguson is one of the oldest communities in St. Louis County. It is a well-established, suburban city, with 5,700 inhabitants in April 1940. It lies about 5 miles out from the city limits, separated by an intervening strip of semi-rural land. Ninety-seven and a half percent of the homes are one-family dwellings, one of the highest figures for any city of the county, and 72 percent are owner-occupied. Ferguson also is a community of families larger than the average. It was typical of the older, well-established, suburban communities, of which there are several around St. Louis.

The picture is now completely changed. The population has increased by an estimated 1,000, and several thousand additional persons have moved into the areas immediately surrounding the city. Housing is extremely congested, and former residences are being expanded into multi-family dwellings. Trailer camps of 10 to 200 trailers have sprung up in surrounding unincorporated and uncontrolled territories. Sewage facilities are over taxed, and the health hazards in nearby areas are probably the worst in St. Louis County. A great number of women are working without adequate protection and care for their children. There are evidences of organized and commercialized prostitution.

This community, in addition to the problems of social deterioration due to an influx of new people and new conditions, is now faced with the problem of community planning and organization on a scale never before known to them. As early as June of 1941, these problems were recognized in Ferguson, and community leadership was brought to bear upon them. Mass recreation has already been instituted, and other committees are being started to deal with problems of health, welfare, education, and similar ones.

It is possible that the community was frightened and over anxious in its first recognition of these new problems, but, if so, this over anxiety was beneficial in that it resulted in quicker organization of community forces to meet them.

We have presented here the direct effects of the defense projects upon two different types of communities, one a section of the city and the other a suburban community. We do not present these in any sense of criticism of the choice of location for these projects, as we recognize that the immediate needs of the defense program may over shadow the possible effects of that program. We do wish, however, to bring these effects before the committee, so that the social results in terms of community deterioration can be recognized. The blighting effects upon these and other similar communities will be felt long after the emergency has been passed.

EXHIBIT A.—DEFENSE HOUSING NEEDS IN ST. LOUIS COUNTY

REPORT BY E. G. STEGER, DIRECTOR, SOCIAL PLANNING COUNCIL OF ST. LOUIS AND ST. LOUIS COUNTY, ST. LOUIS, MO.

Housing needs.—In our previous statement to this committee, we emphasized in several sections the serious housing situation both in St. Louis City and St. Louis County and the health hazards in several sections of the county as a result of the large number of families living in trailers and other emergency housing. Since the completion of our main statement, additional information regarding these conditions has become available; information which we believe will be of value to this committee, and which may aid in the solution of the problem.

At least 700 families in St. Louis County are now living in emergency housing.—This is the estimate of health authorities who have the job of inspecting trailer camps and tourist camps. Approximately 500 of these families are living in trailers. The largest camp in the county, which has received a great deal of publicity, has approximately 125 trailers; this formerly was a picnic grove which has been turned into a trailer camp. The second largest camp accommodates from 75 to 100 trailers and the next largest from 50 to 60. There are also 5 or 6 other "legitimate" camps furnishing trailer facilities. In addition, there are an estimated 200 trailer camps scattered throughout the county, in unlicensed and more or less uncontrolled locations. Many of these are in groups of two or three, located in back yards and similar places where they purchased facilities from the home owner.

Obviously this is an exceedingly difficult situation to control. Many of the smaller communities in the county have been forced to pass restrictive legislation to keep the small camps from springing up in the community. In one city a group of six or eight trailers immediately across the street from the business

district was forced to move through legal proceedings because of lack of proper sanitation. Such camps offer many health hazards and are potential sources of epidemics and disease.

We also wish to call to the committee's attention the effect of such living conditions on the families involved. Practically all of these trailers are owner-occupied; nevertheless the location is at the whim of the landlord and they may be forced to move on short notice. Many of these trailer families have children, and, while trailers have been tremendously improved in recent years, we submit that they are a very unsatisfactory equipment for home life.

Many of the tourist camps in St. Louis County have also been turned into permanent residences for defense workers. Health authorities estimate that approximately 200 units of housing are so occupied at the present time. While health and sanitary controls of tourist camps are much more easily administered than those of trailer camps, the hazards are still great. The families also have an even more insecure tenure than those in trailer camps, for while these trailer-camp occupants at least own their own trailers, tourist-camp occupants have nothing to hold them to the spot.

In addition to the 700 families in St. Louis County, there are many others in emergency housing in other portions of metropolitan St. Louis.—The Farm Security Administration recently established a Government-operated trailer camp with approximately 50 units in the outskirts of Wentzville, St. Charles County, next to the Weldon Springs TNT plant. Other privately operated groups are located in the outskirts of St. Charles and similar ones on the east side. We estimate that approximately 1,000 families are living in emergency housing in the metropolitan areas of St. Louis.

Cooperative housing may offer the solution to this situation, with decided advantages to the Government in the cost of defense housing, many advantages to the defense workers in terms of morale and home tenure, and with possibilities for a more stable housing situation in the emergency period. Charles F. Palmer, Federal Coordinator of Defense Housing, on November 14, announced that a cooperative housing plan was available for defense workers; that groups of such workers could organize and apply at the Federal Housing Administration for mortgage insurance under Defense Housing Title VI, which permits insurance up to 90 percent of the appraised value of the home. We understand that a revolving fund is contemplated which would assist cooperative groups in setting up such housing developments.

St. Louis County is ideally located for such a project. As pointed out in our previous statement, many large projects, including the small arms plant, Emerson Electric, Curtiss-Wright airplane plant, and others not so large are located in the northwest section of the city-county area. Immediately across the Missouri River from the north section of the county is the Weldon Springs TNT plant, directly accessible to the new superhighway into St. Louis County. A recent check made at the TNT plant, when workers were going off duty, shows that 9 out of every 10 cars turn toward St. Louis County. These and other factors make St. Louis County the logical location for a defense housing program.

Cooperative housing rather than direct Government control of defense homes would save the Government millions of dollars of defense housing expenditures and would meet a definite need not now met by any of the current programs. It would offer quick relief from the pressure of inadequate housing in this area and would hold temporary housing to a minimum. Adequate housing would serve as a protection against labor discontent and undue labor turn-over in defense industries.

It seems to us that a cooperative housing plan also offers additional advantages to the defense worker and his family. It would keep morale of industrial workers in defense plants at a high level and would offer the following among other advantages:

(1) It would give the individual defense worker a chance of participating in the building of his own home.

(2) It would safeguard the equity of the individual worker and his family and would safeguard the security of home tenure.

(3) It would reduce construction cost through mass purchasing and possibly prefabrication, and through elimination of undue speculative profits of private operators.

(4) It would make housing available to industrial workers on a sound basis and within the ability of the worker to pay and at the same time improve housing standards.

Such a plan would also have stabilizing advantages for both the community and the individual during the post-emergency period.—As against a Government-owned and operated project, a cooperative plan would offset some of the dangers of large-scale Government operation of housing during the readjustments of the

post-emergency period. As against privately financed and controlled housing, such a plan would enable the individual to have a home within his ability to pay and with his equity protected by his cooperative group instead of through his own efforts as an individual owner.

If such a project were set up in a semirural section, with two or three acres of land for each home there would also be a definite subsistence value during this period. The owner, from his own land, would be able to meet part of his own family's needs during a possible period of unemployment. Such a subsistence homestead would also have the advantage of resale to old-age pensioners, recipients of old-age and survivors insurance, and retired workers who could supplement their cash income by the products from their own plot of ground and would probably be enabled to live without additional supplementation.

STATEMENT BY F. J. JEFFREY, ASSISTANT SUPERINTENDENT, ST. LOUIS PUBLIC SCHOOLS, ST. LOUIS, MO.

REPORT OF THE NATIONAL DEFENSE TRAINING PROGRAM, ST. LOUIS PUBLIC SCHOOLS

This report is made at the request of Mr. Jack B. Burke, field investigator, House Committee on Defense Migration, on the points suggested in his letter of October 31, 1941.

(1) "General organization of the St. Louis National Defense Training Program." An organization chart of the national defense training program is attached.¹

(2) "Total placements of trainees, etc." The school's report on placements to October 1, broken down into various areas of training, is attached. This report is based on, (a) placements made by the school upon employer requests, (b) reports of trainees to the school, and (c) upon reports from employers to the school.

(3) "The working arrangements between your office and the Missouri State Employment Service." The schools and the employment service cooperate fully to the extent of the facilities of each. A "consultant" from the Missouri State Employment Service attends all meetings of the school's advisory committees, and the Missouri State Employment Service and the school are represented on the "Council of Administrators" as required by the State department for vocational education.

(a) In accord with the regulations issued by the United States Office of Education, requisitions for enrollees are made by the school on the Missouri State Employment Service for the pre-employment courses. It has been found necessary to supplement these requisitions by enrollments at the school, with subsequent registration with the employment service.

(b) Enrollments in supplementary courses for upgrading men employed in defense industries are made at the school through the advice and assistance of employers and labor organizations.

(c) The defense program reports to the employment service on the evaluation of each trainee completing a pre-employment course.

(d) The defense program reports to the employment service all placements from pre-employment courses made by the school from requests of employers and also reports to the employment service self-placement of individual students who send this information to the teachers.

The employment service makes no report of placements to the defense program office. Therefore, our records of placements are made solely from reports received from the trainees by our follow-up system and from reports by employers direct to the school.

(e) By direction of official circulars from the office of education, the Missouri State Employment service is to furnish the school information concerning the areas of training needs and the number of trainees required on calendar dates. Only one such report has been received from the employment service in the 18 months of our program, and that report contained no information of use to the school.

(4) "The relationship between your office and the Office of Production Management training-within-industry program." The training-within-industry program has supplied the school with information leading to the introduction of new classes in both supplementary and pre-employment training. Each of such classes gives direct contact between the school and a specific defense industry. Plans have been considered and are now ready to be put into operation for the training of instructors for the training-within-industry program.

(5) "The need for instructors in the program." At the inauguration of defense training in both pre-employment and supplementary classes, competent teachers

¹ See p. 8743.

from the school force were available and competent mechanics could be found to supplement the school force, on either full or part-time basis. All men taken from industry were given teacher-training courses in service and supervised by the trained teachers from technical high school. It has been increasingly difficult to obtain properly qualified men from industry to augment our teacher force or to fill vacancies left by resignations.

(6) "Your opinion of the relationship between management, the Missouri State Employment Service, and your office, insofar as employment statistics are concerned." This topic has been largely covered in No. 3. Our experience has been that the employment service has not reported to the school employment statistics upon which either preemployment or supplementary courses of training could be based. This has not had a detrimental effect on the program as the technical schools have for years maintained close connections with employers' associations, labor unions, and individual employers. The schools' connection with industry has made possible preemployment training under national defense with a highly satisfactory rate of placement. Supplementary classes, which far outnumber the preemployment in registrations, are set up from information furnished by industry to the schools' coordinators and heads of departments.

(7) "The above suggestions are not intended to limit the extent or scope of your paper."

(a) The introduction in September of this year of a State and local "Council of Administrators" consisting of one representative each of the school, the National Youth Administration, and the employment service has in no way been helpful to the national defense training program and has been detrimental in that it has hampered the usefulness of our local "advisory committees."

(b) The St. Louis public schools are greatly encouraged in the conduct of the national defense training program by the increasing support obtained from employers and labor organizations, especially for the supplementary program for employed men. We are further encouraged by the prospects of having some part to play in the training-within-industry program which can produce operators on the machines and with the materials required in defense industries.

(c) We are further encouraged by the great increase in interest expressed by employers and labor organizations in the development of apprenticeship programs. During the past year the school has doubled the number enrolled as apprentices with either an employer or a joint apprenticeship committee of industry and labor. This increase is largely due to the cooperation between the school and the United States Department of Labor Apprenticeship Bureau.

To: F. J. Jeffrey, Assistant Superintendent.

From: Alex M. Robson.

Subject: Report on Jack B. Burke's letter asking for (a) organization chart, (b) placement record.

Date: November 17, 1941.

Part I: Organization chart is attached.

Part II: (a) Total placement record of trainees from July 24, 1940, to October 1, 1941:

1. National defense training program in St. Louis, Mo.....	1,012
2. Regular day trade training Hadley Tech High.....	768
Total.....	1,780

Part II: (b) A break-down of the various types of training given: Welding, gas and arc; machine shop; aircraft sheet metal; auto mechanics; electrical (U. S. Navy); inspection (Army ordnance); aircraft wood forming; aircraft lay-out.

Trade training offered by the St. Louis board of education (September 1940 to October 1941):

(a) Total evening trade extension.....	1,566
(b) Total day part-time trade extension.....	252
Total.....	1,818

Enrollment of trainees in all training given by the St. Louis board of education (as of Oct. 1, 1941):

National defense training program.....	1,052
Smith-Hughes trade extension.....	1,818
Occupational trade training (above ninth grade at Hadley Tech)...	1,678
Occupational trade training (above ninth grade at Washington Tech)...	250
Evening school adult education for supplementary training.....	6,800
Total.....	11,598

ORGANIZATION
CHART VE-ND
St. Louis, Mo.

BOARD OF EDUCATION

DR. ANDERSON
Superintendent of Instruction

MR. JEFFREY
Assistant Superintendent

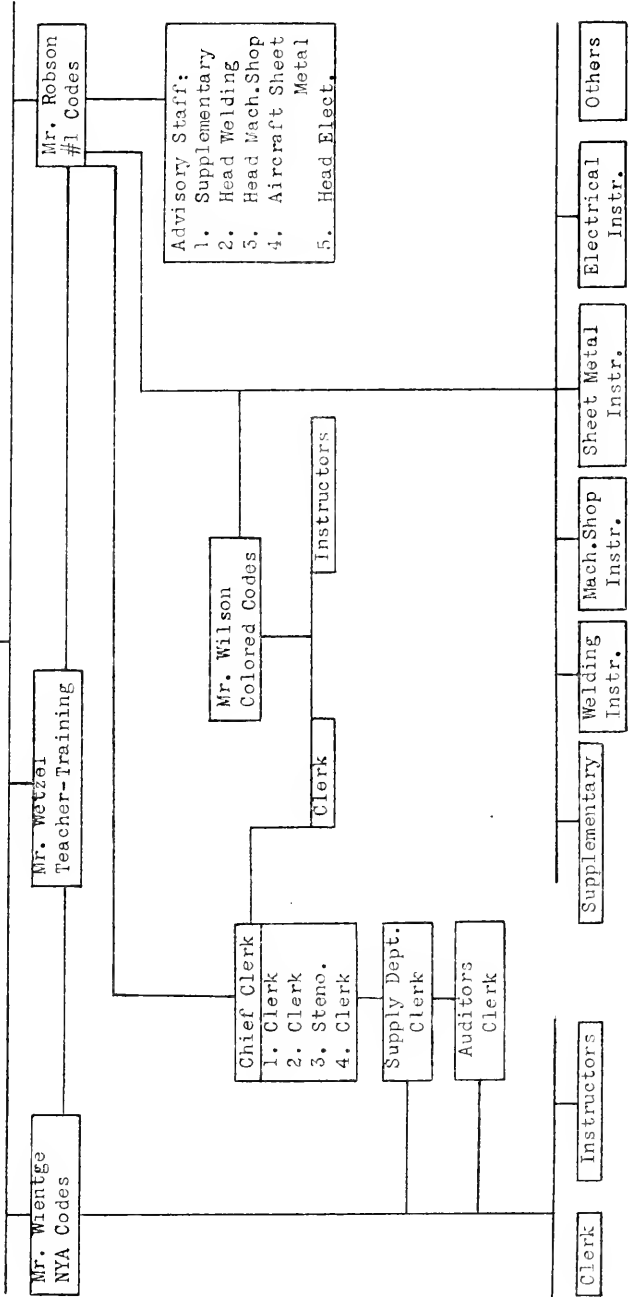


EXHIBIT A.—NEGRO ENROLLMENT IN THE NATIONAL DEFENSE TRAINING PROGRAM OF ST. LOUIS, MO.

NOVEMBER 28, 1941.

Col. HARRY D. McBRIDE,
Director, Office of Civilian Defense,
City Hall, St. Louis, Mo.

MY DEAR COLONEL McBRIDE: The following supplementary report is submitted in answer to a statement made by a representative of the St. Louis Urban League at the hearing before the House Committee on National Defense Migration on November 26. This statement was to the effect that the national defense training program in St. Louis did not enroll colored men for preemployment training in proportion to enrollment of white men.

In answer the following report of enrollment for the month of September and October 1941 in civilian preemployment courses is submitted:

Preemployment civilian enrollees, National Defense Training program, St. Louis

	September	October
Hadley Technical High School (white)	229	274
Washington Technical High School (colored)	88	79
Total	317	353
Percentage of colored enrollees	27 $\frac{1}{2}$ %	22 $\frac{1}{2}$ %

It should be noted that the percent of colored in the enrollment for preemployment training classes is much larger than the percent of colored population in this city.

Additional classes under the national defense training program are carried on at the Hadley Technical High School for the white in the training of enlisted men from the United States Naval Reserve, and the St. Louis program would be pleased to include a similar course for the colored if the Navy so requested.

Other classes are carried on at the Hadley Technical High School for white, under the national defense training program for supplementary instruction to up-grade men employed in defense industries, and at the present time none for the colored. The St. Louis schools will provide supplementary training classes for colored whenever the defense employers in this region employ colored mechanics.

Respectfully yours,

F. J. JEFFREY,
Assistant Superintendent.

STATEMENT BY LUTHER M. SLINKARD, SECRETARY, ST. LOUIS INDUSTRIAL UNION COUNCIL, CONGRESS OF INDUSTRIAL ORGANIZATIONS, ST. LOUIS, MO.

The issue of paramount importance today in the St. Louis area is no different from the general situation confronting other industrial centers throughout the United States, namely: Is it the intent and purpose of administrators of the Federal Government, particularly the Office of Production Management, to see that the available local labor supply is definitely made an integral part of the national-defense program in that locality, with certain basic assurances of protection, as set forth in the statement of Office of Production Management labor policy announced September 17, 1941?

If obtaining the maximum production of essential materials and equipment within the shortest period of time is the fundamental problem confronting our Nation today, is it to be expected that the fullest attainment can be acquired merely by awaiting the voluntary cooperation of that portion of industry and management who are rendering very little, if any, actual support to such objective policies of the national-defense program?

Certainly, if maximum results are accomplished without further delay, it will definitely require not only the fullest utilization of the available local labor supply, but will likewise mean that all available plant space, equipment, and

facilities must also be made a component part of this undertaking. Every indication shows that in numerous cases management is still pursuing the policy of "business as usual" and the most abusive of such hang-over practices is the fact that certain defense contractors are stimulating in-migration of labor by needless advertising for outside workers, despite the fact that all reports indicate a sufficient supply of qualified resident workers, many of whom are already being deprived of their regular employment by priority orders.

Organized labor has more reason than any other element in the population to be concerned with the fullest use of its productive capacity, both for defense and for the manufacture of essential consumers' goods. Experience has shown that labor suffers first and most from lay-offs and from higher prices caused by shortages, and it has most to lose from any failure to defend our democracy. Therefore, the fundamental problem which must receive the attention of industry, labor, and government is to utilize the local labor supply affected by priorities unemployment in the defense program, where every such individual can make his contribution to victory in the battle of production.

The record will show that to the best of its ability organized labor has in the past, and will in the future, render every possible support to the present emergency program; however, hasn't it become quite obvious that affirmative action must be taken so as to bring into alinement that portion of industry, primarily defense contractors who have not as yet demonstrated their willingness to render full cooperation, by adopting a policy to give first preference to the available local labor supply?

As an observation in behalf of the Congress of Industrial Organizations in the State of Missouri, and particularly in the St. Louis area, might I emphasize that we firmly believe that industry holding defense contracts, both prime and sub, should be required, not requested, to operate along the objective lines of giving preference to the available local labor supply in every instance where either a plant expansion program or a new plant is being utilized for defense production.

It is likewise our very definite contention that all defense contractors should be required to procure their additional labor requirements through an authorized local labor agency, such as the appropriate branch office of the Missouri State Employment Office. Let me point out that both the Missouri State Industrial Union Council and the St. Louis Industrial Union Council, central bodies of the Congress of Industrial Organizations have by appropriate resolutions instructed all component local unions to cooperate fully with the Missouri State Employment Service by participation in a complete registration program whereby all members, their respective skills and complete work experience record will be made available.

Such procedure will result in the Federal-State Employment Service being provided with a complete listing and classification of the local labor supply, a substantial portion having already been deprived of their regular employment and with every indication that an additional percentage will likewise be affected by further priority curtailment during the coming winter months.

In-migration in the St. Louis area, with its attendant social problems, has reached an alarming stage already and will become much more serious when the large defense plants actually get into production, unless some reasonable measures of safeguard are applied. It is obvious that too much stimulation and encouragement is being given to outside labor because of uncontrolled and unwarranted advertising, gate hiring, and scouting beyond the commuting distance.

Those defense employers who advertise for tool and die makers or other similar skills are pursuing an absurd practice because they simply gamble on getting such mechanics to respond, and it serves to create the impression that St. Louis firms must go outside of the community for the necessary labor. In fact the result is that following every such burst of needless advertising there is an influx of all types of workers, few of whom can be utilized, due to the lack of essential skills, and those who were hired have probably deprived a qualified resident worker of a job to which he is entitled.

The St. Louis Industrial Union Council is, indeed, vitally concerned about the evils of in-migration of labor since such practices tend to inflict additional and unnecessary hardships on the members of our organization who are affected by actual or anticipated priorities unemployment.

The present total membership represented by our organization is approximately 55,000, and includes a great variety of skilled, semiskilled and unskilled workers who normally are employed as production or assembly operators in the following general categories of mass-production employment:

CONGRESS OF INDUSTRIAL ORGANIZATIONS AFFILIATES AND TYPE OF INDUSTRY REPRESENTED

Amalgamated Clothing Workers, manufacture and alterations of men's and boys' wearing apparel.

United Automobile Workers, assembly of passenger automobiles and commercial trucks.

United Construction Workers, construction and repairing of residential and commercial buildings.

Electrical and Radio Workers, assembly of various electrical appliances for home and commercial use.

Flat Glass Workers, manufacture of products used in assembly of passenger automobiles, etc.

Leather and Luggage Workers, manufacture of varied items used for general public consumption.

United Mine Workers, District No. 50 (involving several groups): (1) General maintenance and service occupations in connection with public utilities; (2) manufacture and processing of drugs, cosmetics, and other related items for consumer and commercial use; (3) manufacture of chemicals, pigment, and other related items for both commercial and consumer use.

Retail and Wholesale Employees, manufacture, processing, storage and distribution of various essential commodities necessary for both consumer and commercial uses.

United Shoe Workers, varied line of occupations in connection with the manufacture of products for all general uses.

Steel Workers Organizing Committee, production of boxcars, streetcars, commercial auto bodies, and a wide variety of machine-shop work, including processing of steel; also a diversified line of steel fabrication products, all of which are used extensively by both the consumer and commercial buyer.

Textile Workers Organizing Committee, manufacture or processing of a varied line of products utilized by other industries and for general public consumption.

NOTE.—This listing is merely a brief sketch of a portion of the industries and occupations represented by the Congress of Industrial Organizations, through the St. Louis Industrial Union Council, and is not intended to present a complete analysis of such pertinent data.

Particular attention is directed to the fact that priority orders have already had a definite effect on consumer production in the automotive, electrical appliance, and steel fabrication industries and since the Congress of Industrial Organizations in St. Louis represents a substantial portion of the total number of workers engaged in such occupations, it should be readily understood that our organization is vitally concerned in having their skill, ability, and service made a part of the local defense production program.

Additional priority orders in the future are likely to affect other basic industries, such as clothing, chemicals, glass, retail and wholesale, warehouse, shoe, and textile.

Even though an industry is fortunate enough to obtain the essential materials required to continue in regular production, there is no doubt that the curtailment of production in certain other industries will tend to decrease the demand for consumer products, since decreased earning power is definitely reflected in the output of other industries within the community.

PRIORITY RIGHTS

All resident workers deprived of their regular employment by reason of priority orders and those who are subject to further priority curtailment should receive priority rights on any defense job in the locality in accordance with the following procedure:

(1) Those workers, who by their past work experience, are qualified to handle a defense job, should be referred and hired immediately.

(2) Those workers who lack certain essential skills should be referred to the national defense training program for a period of supplemental training, and then to the job.

(3) All workers assigned to defense training for a limited period of time should receive their unemployment benefits while serving in such preparatory capacity.

(4) All workers who have established seniority with their original employer should be furnished with a certificate of hire by the defense employer.

(5) Such certification to be handled by the defense contractor (new employer) and copies of same furnished to—

(a) The worker involved, either for his own records or to be filed with his respective local union.

(b) The former employer where seniority was acquired.

(c) The local office of the State employment service.

(d) The new or certifying employer to retain a copy for his own records.

Our organization is convinced that every effort should be made to have local industry apply the Office of Production Management labor policy in its fullest aspects, namely:

(1) Defense contractors agree to give first preference to the local labor supply when hiring new employees for expansion of production.

(2) Management of nondefense industries, where production has been curtailed and workers laid off due to priority orders, agree to recognize the certification and maintenance of the seniority rights of those employees who are compelled, or who elect to accept, to transfer to such defense employment.

Application of such labor policy, whereby defense contractors recruit their new employees, primarily from the local community, through the Federal-State Employment Service in cooperation with labor organization, will permit the registration of all skills of all available workers and provide for the fullest use of the local labor supply. Likewise, it will make possible an orderly transition of local labor to defense jobs during the present emergency, and later, orderly transition of the same workers to their original jobs when the defense program is concluded.

Recognition of, and adherence to, such labor policies will likewise tend automatically to minimize or eliminate the evils of gate-hiring, the use of fee-charging agencies, unregulated labor recruitment by scouting or needless advertising, and the creation of placement centers by defense contractors or other agencies.

Organized labor's view has always been that its offices know more about the conditions incident to hire, welfare, and the movement of workers than any outside interests. However, it is convinced that the objective policies of the Office of Production Management as they apply to labor market management represent an opportunity of cooperating with the Federal and State governments to the end that reliance can be placed upon such organizations not only to continue to protect the best interest of the workers as the unions have but to make the registration and placement of union workers more effective throughout a broader industrial field.

If management, primarily defense contractors, does not cooperate with the Federal-State Employment Service to the same full extent that organized labor is now doing, labor has no alternative than to believe that these objective policies are mere window dressing and lack force or potency, and that "business as usual" by organized labor might well be the best method of protecting its membership.

All affiliates of the Congress of Industrial Organizations in the State of Missouri, and primarily in the St. Louis and Kansas City defense areas, are prepared to cooperate 100 percent with the Missouri State Employment Service in both the registration and placement of workers, and are in the process of rendering such actual cooperation. However, without definite assurance from the Office of Production Management and United States Employment Service that the local labor agency, namely, the Missouri State Employment Service, can and will continue to get all job openings in these important centers, it is useless for the organized labor groups to hope for a great deal of assistance from the Employment Service. Furthermore, without the essential cooperation from defense contractors which will result in actual placement of workers, the present program of all-out registration of the local labor supply is simply an extravagant waste of the taxpayers' money, because it is expensive to accomplish such registration on a scale broad enough to produce concrete and effective results.

It is the general opinion that the various affiliates of the Congress of Industrial Organizations within the State would be very reluctant to withdraw from such registration and employment program and resort to the policy that organized labor can best attend to organized labor's needs, but rather, would insist that holders of defense contracts demonstrate the same degree of genuine interest in the national defense program by providing the final link to such chain, namely, that the available local labor supply be given first preference to all defense job openings in the respective area.

COMPETITION OF CONTRACTORS WITH EMPLOYMENT SERVICES

Isn't it absurd and extravagant for the Federal Government on fixed-fee and cost-plus contracts to permit certain companies holding such defense contracts to set up their own employment centers on a huge scale with the introduction of practices which make them not only competitive and detrimental to other local

industries, but competitive with the Federal-State Employment Service? There is no sound or logical reason for the maintenance of separate employment centers when an acceptable employment service, operated and regulated by Federal-State statutes, already exists in the locality.

What will be the effects of the defense program in the St. Louis area, in terms of increased employment, priorities unemployment and population increases, with their attendant social problems and possible housing shortage? A commonsense, nonhysterical consideration of the defense program and its many involvements is badly needed. Any tendency to accept the theory that unemployment will be completely wiped out in this area, by reason of the defense program, should be refuted immediately when full consideration is given to the facts in the case:

(a) While employment is expanding in various defense industries in the locality, (b) employment in nondefense industries is being curtailed by reason of priority orders on certain essential materials.

Various available estimates on the number of production workers needed on defense projects during the coming year reveal that 12 of the largest producers of defense materials in the St. Louis area—this includes all large contracts—will eventually employ better than 68,000 workers when operating at their scheduled capacity. It is estimated, however, that such employment figure will not be reached before the middle of 1942, and at the present such plants are now employing approximately 31,500 workers, excluding construction workers; therefore it is possible that an additional 37,000 employees will be added to the working force during the coming 9 months.

POTENTIAL WORKING FORCE

An analysis of this potential working force of 68,000 employees reveals some very interesting facts; namely, approximately 10,000, or about one-seventh, will be nonproductive and engaged in administrative, clerical, or service duties, while the balance, or 58,000, will be engaged in productive occupations. It is likewise estimated that about 13,000, or one-fifth of the total number of employees, will be women, which would indicate that about 55,000 men will eventually be employed in various defense occupations, not all of which will be productive work.

Recent surveys conducted by the Social Planning Council of St. Louis, by the St. Louis office of the Missouri State Employment Service, and by the organized labor groups, indicate that the St. Louis labor supply, as presently constituted, can furnish all the workers needed to meet the current demands of the local defense program. A recent report of the Social Planning Council summarized the local labor situation as follows:

"While a need of 37,000 workers is anticipated, there are certain groups that we know can be supplied from the local force. At least 8,000 of these are expected to be women. The 1940 census recorded an available supply of 15,400 unemployed women in St. Louis City alone. Many of these have probably obtained work in the meantime, but against this we must also balance the fact that increased employment opportunities can and will draw many additional women into the labor market.

"At least 4,000 of the additional workers will be Negroes. In view of the unemployment among Negroes, which was approximately 15,000 in St. Louis City in 1940, there is no doubt that the area can supply any needs in this group.

"If we subtract the 8,000 women and the 4,000 Negroes from the 37,000 needed, we have 25,000 white men to be supplied between now and next summer. About one-fourth of these will be unskilled, and three-fourths skilled or semiskilled.

"An analysis of the census reports as of April 1, 1940, shows that the labor force in the St. Louis area at that time was approximately 616,000 persons; 523,000, or 85 percent, of these were employed, while 93,000 were unemployed or working on emergency Government programs.

"Reports from the Bureau of Labor Statistics show an increase of approximately 86,000 in the employed group through June of 1941, the last month for which reports are available. If this increase has continued at approximately the same rate, by the end of September an additional 30,000 persons should have been employed. This would make a total of 640,000 persons in this area working in private employment at the end of September.

"This total figure of 640,000 workers includes from 30,000 to 40,000 construction workers. The local construction industry normally employs about 11,000 workers, so that from 20,000 to 30,000 of these are on temporary projects, and can expect to be laid off during the next few months. Many of these temporary workers will undoubtedly transfer to production jobs.

"From the present employment of 640,000 workers as compared to the labor force of 616,000 18 months ago, it would seem that all of the unemployed had been

absorbed in this area. We know, however, that this is not the case, since Work Projects Administration rolls for the city and county are still approximately at the July level of 8,500 persons. The general relief rolls have decreased only slightly. The active file at the State employment office still numbers around 80,000 applications, a figure which has been fairly consistent for many months.

"We are forced to conclude, therefore, that the labor force has been materially increased during the past 18 months. Such an increase could come from only two sources: (1) In-migration from surrounding territory into the metropolitan area; (2) the drawing into the labor force of persons who have in the past considered themselves as outside the force, but who are now seeking employment. Proof of this is found in the decline in high school and vocational school enrollment in the public schools this year. Also, many women may be expected to reenter the labor market as employment opportunities multiply.

"The normal population increase for this area would also have added approximately 5,000 workers to the labor force during the past 18 months.

"Another drain on the labor force has been the drafting of young men for the armed forces. There are at present between 9,000 and 10,000 local boys in this group. Beginning within the next few months, discharges will probably offset further draft calls, so that there will be little further drain upon the labor force from this source.

PRIORITIES UNEMPLOYMENT

"'Priorities unemployment,' a new term to the American vocabulary, will have serious effects during the coming winter. It is difficult to forecast just what these effects will be, as very little is known as to when and where this condition will strike. National estimates, however, are that from 2,500,000 to 3,000,000 persons will be thrown out of employment this winter from this cause. As the St. Louis area accounts for slightly more than 1 percent of the national labor force, our share of this total would be at least 25,000 to 30,000.

"The effects of this are already being felt. Several smaller firms in the area have been forced to close down because of a shortage of materials. The drastic cuts in auto production are expected to throw between 3,000 and 4,000 men out of work before the end of the year. Recent priority regulations on construction materials may have other serious effects on that field of employment.

"These and other similar factors will tend to offset increases in employment from defense and other causes, so that we may shortly expect a leveling off of the employment curve."

Careful consideration of all factors as they relate to employment opportunities and the resulting in-migration of labor can best be visualized by the fact that 30,000 to 40,000 persons have been added to the population of St. Louis and St. Louis County during the past 18 months. Only about one-fourth of this number is the normal population increase, therefore from 20,000 to 30,000 persons have migrated to this area due to expanding defense employment. Basically, it can be assumed that employment trends in the St. Louis area will soon enter a leveling-off stage since the effects of priority unemployment in certain industries are apt to offset any indication of increased employment in the defense industries.

The present available local labor supply is sufficient to meet all expansion demands that are known to date and no further in-migration is necessary to supply the needed defense workers; in fact, if further in-migration is invited or stimulated, it will simply mean that qualified resident workers with seniority in local industry, who have been deprived of their regular employment by priority orders, will be deprived of their opportunity to employment in the local defense plants and consequently will be forced to join the vicious and endless movement of migratory workers with the hope of obtaining work in some other community faced with the same fundamental problems.

EXHIBIT A.—LABOR POLICY AND DEFENSE UNEMPLOYMENT

STATEMENT OF POLICY BY THE OFFICE OF PRODUCTION MANAGEMENT FOR HANDLING OF LABOR PROBLEMS ARISING OUT OF CURTAILMENT OF AUTOMOBILE PRODUCTION

Sidney Hillman, director of the Labor Division of the Office of Production Management on September 17, 1941, issued the following six statements of policy which labor and management will be expected to follow in handling labor problems arising out of the curtailment of production in the automobile industry.

The statements of policy were prepared at a series of conferences in Detroit, Mich., participated in by representatives of the leading automobile manufacturers,

the United Automobile Workers-Congress of Industrial Organizations, the U. S. Employment Service, and the Labor Division of the Office of Production Management. The text of the six statements follows:

Statement No. 1.

Where a man working on nondefense production is laid off and obtains defense employment with another company, and that fact is certified to his former company, he will not have to report back for civilian production work in order to protect his seniority so long as he retains the defense employment to which he was certified. If he shifts from one defense employment to another, there must be a recertification as to his new defense employment. Employers concerned with the application of this policy will work out arrangements which will result in the maximum possible acceleration of the defense program.

Statement No. 2.

Transfers of employees to defense work shall be by seniority in the following order:

First, those fully qualified for skilled or semiskilled jobs on the basis of past experience and training.

Second, those who can qualify within the period normally given to new employees.

When management and representatives of the workers are agreed that no employees or an insufficient number of employees with seniority are available in the first group, new, fully qualified employees will be hired.

Statement No. 3.

When hiring new employees for defense work, qualified applicants working on nondefense work with seniority in local industry will be hired before workers coming from other localities. When so hiring, the qualified applicant with the longest seniority record will receive preference.

The senior employees among those working in plants where employment is decreasing who can be spared; who elect to accept such defense employment; and who are found acceptable will be the first released with full protection of their seniority rights.

Statement No. 4.

Skilled tradesmen laid off, partially employed, or employed at occupations other than their trade or its equivalent in defense usefulness, will be released upon their request, with protection of their seniority rights, for full time defense work (40 hours per week) at their trade. The need for these workers in defense employment will be certified to the worker's employer.

Statement No. 5.

The above policies are to be construed as a pattern for industry and labor to follow and are not retroactive. It is understood that their application is a local community problem and must be worked out on the basis of cooperation between plants in a community and the workers involved.

The operating machinery to effect this point will be set up at an early date.

Statement No. 6.

1. Recall of employees: An employee loaned or laid off, whether unemployed or currently employed on defense or nondefense work, must report back for defense employment to the company with which he holds his original seniority, if and when called, on notice of at least 1 week. Recall of employees to defense work presupposes, and management will endeavor to provide, full-time employment, contingent upon the availability of the essential tools, material and facilities. Skilled tradesmen will be subject to recall only for full-time defense employment at their trades or equivalent.

2. Defense training: For the purpose of these policies, defense training is to be considered defense employment, provided there is an understanding between the employer and the employee that the employee is being trained for a specific pay-roll job.

EXHIBIT B.—REGISTRATION OF CONGRESS OF INDUSTRIAL ORGANIZATIONS MEMBERS WITH STATE EMPLOYMENT SERVICE OFFICES

ST. LOUIS INDUSTRIAL UNION COUNCIL, AFFILIATED WITH CONGRESS OF INDUSTRIAL ORGANIZATIONS, ST. LOUIS, MO.

Officers, Representatives, and members of Congress of Industrial Organizations Affiliates.

Greetings: Enclosed herewith for your benefit and guidance is copy of self-explanatory resolution recently adopted by the annual convention of the Missouri State Industrial Union Council and the last regular meeting of this organization; likewise, a copy of industry-wide provisions for the handling of transfers and placement of auto workers, such having resulted from a series of conferences between representatives of United Automobile Workers, Congress of Industrial Organizations, Office of Production Management, United States Employment Service, and management of the automobile industry.

Serious study should be given to the details of both enclosures and your organization is urged to render all possible cooperation in a speedy registration of your members with the St. Louis office of the State Employment Service, in order that a sufficient supply of experienced, qualified production workers will be available for referral to various defense production plants located in St. Louis and vicinity.

It is obvious that the American Federation of Labor craft unions will make every possible attempt to place their members on such jobs, even to the extent of endeavoring to place construction workers on various production operations which can only be construed as absurd and ridiculous. Such policy being fostered solely for the purpose of perpetuating American Federation of Labor members on the defense projects irregardless of whether they are actually qualified to perform the essential operations required to produce the maximum amount of results for the National Defense Program.

Certainly under the circumstances, it is imperative that all local unions render the degree of cooperation that will be instrumental in providing the maximum benefits to your membership.

Further information on such program will be made available upon request.

Fraternally yours,

LUTHER M. SLINKARD, *Secretary.*

[The resolution referred to above is as follows:]

RESOLUTION

Whereas the national defense program of the United States Government calls for complete utilization of manpower as well as materials and productive facilities; and

Whereas the Office of Production Management has designated the United States Employment Service as the official defense employment agency and has so notified employers; and

Whereas the offices of the Missouri State Employment Service, a component part of the United States Employment Service, does not have available complete work history and data and skills of all workers in the city of St. Louis; and

Whereas this information is necessary to the Federal defense program in order to utilize to the best advantage the available skills of all workers and to guarantee success to the defense effort; and

Whereas such complete registration of members of local unions affiliated with the St. Louis Industrial Union Council and the subsequent methods of referral of such registered workers will work to the advantage of both organizations and their members: Therefore be it

Resolved, That this organization go on record urging the immediate registration of all Congress of Industrial Organizations members at the employment service office in such order and such manner that those members who may be first affected by dislocation of employment through the defense program will be registered first, those who may subsequently be affected registered next and finally those

workers who are now employed in defense occupations registered in order that a complete employment pattern may be available; and be it further

Resolved, That each local union follow the pattern of registration of its members, as laid down by the annual convention of the Missouri State Industrial Union Council, through consultation with the regional labor supply committee of the Social Security Board and the Office of Production Management; and be it finally

Resolved, That such program of registration be promoted and coordinated through the St. Louis Industrial Union Council and each local union be instructed to forward regular reports of their supporting activity in behalf of their membership.

EXHIBIT C.—PROGRAM FOR UNION REGISTRATION

UNION REGISTRATION PROGRAM MUTUALLY AGREED UPON BY THE CONGRESS OF INDUSTRIAL ORGANIZATIONS AND THE MISSOURI STATE EMPLOYMENT SERVICE, INSTRUCTIONS, AND RELATED FORMS

Each local will furnish the employment office with membership lists of its members. This list should be in alphabetical order and contain the full name and street address of each member. These lists will be used in some very important checking by the employment service as to previous registration, etc., and will be used in making arrangements for the registration of the members of the various locals.

A representative of the employment office will contact the head of each local and make arrangements with the executive of the local as to the dates of registration and the number that can be handled on any designated date. The employment service will furnish each business agent and shop steward with a letter, copy of which is attached. Included with this letter will be a self-registration form complete with an occupational check list and instructions on how it is to be filled out. Each member will fill out the self-registration form before appearing for his interview and this form will be checked by the officers of the local, or the shop stewards, for completeness and legibility prior to the interview.

The employment service will have on hand at the place of registration, sufficient interviewers to handle the number of members scheduled at the designated time and those interviewers will cover very completely with the member, the information he has put on his self-registration form.

As each work sheet is completed, the applicant will be given an employment service identification card, containing his name, social security number, and date of application. The work sheets will then be sent to the office of the employment service where they will be transcribed on the regular application cards. Supervisors will then classify each card, according to the work record and qualifications of the applicant.

Upon completion of the program for each local, the local will receive from the employment service a list showing classifications of each member. In this connection, it is desirable that any questions asked by the membership relating to the registration program be first taken up with the executive of the local who, in turn, can get the required information by calling his employment-service representative.

In the event of mass lay-offs, due to seasonal industries or the curtailment of activity in non-defense industries, the employment service should be notified of such as soon as possible. Registrations of these workers can then be scheduled and every provision made to help place these workers in other jobs.

Any change of address should be forwarded to the employment service by the secretary of the local.

It is suggested for the convenience of the union membership and to relieve congestion in the employment office that the interviewing be done at the union hall. However, this is not absolutely necessary and arrangements can be made to interview in the employment office or at any place that is agreeable to both the membership and the employment office. The details on this can be worked out with each local by its officers and the employment service representative.

INSTRUCTIONS FOR FILLING OUT REGISTRATION FORMS

Attached are two forms: (1) A preliminary registration form and (2) an occupational check list. These are needed by the St. Louis office of the Missouri State Employment Service to quickly and adequately register your skills in this defense-registration program. If you have registered with the employment office before, you should also fill this out, since your application already in file

may not be complete. Fill in all spaces, answering every question. Please print all information requested on both forms.

Occupational check list.

The attached occupational check list should be checked first as it will be helpful to you in filling out the registration form, which is also attached. Fill in all items pertaining to yourself on the occupational check list which is attached, checking all jobs which you can do or have done. This will be extremely helpful to the interviewer and will be checked very carefully with you at the time of your interview. This information may be used in placing you on some defense job.

In case you do not find listed some job you have done, circle the name of the job on the list that is closest to the job you have performed and this will be covered with you by the interviewer at the time of interview.

Preliminary registration form.

Most of the entries are self-explanatory. You will observe that on the lower half of the face of the registration form there are four boxes. If you are a skilled or unskilled worker, fill in only the top box as indicated, and ignore the rest. This form is a universal form and is used for all types of workers. You may ignore, of course, any questions concerning commercial workers, personal service workers, or agricultural workers.

At the bottom of the page you will note a space "Use this space to show any other kind of work experience you have had." In this space list such items as your hobbies, special machines on which you have skill, or other work which you can do or have done and have not listed elsewhere on this form.

On the reverse side, fill in all of the spaces and describe clearly, exactly what you did on each job beginning with your last job or the one you have now, and working back to your first job. On any of these jobs in which you used a machine, indicate whether you merely operated it, or adjusted it and set it up. If you are a construction worker, or if you have worked for a great many employers, list the five most important jobs.

MOUC-ES-10267
Form ES-574
9-41

FEDERAL SECURITY AGENCY
SOCIAL SECURITY BOARD

OCCUPATIONAL CHECK LIST

(Inventory of Skills for National Defense)

- | | |
|---------------------------------|-------------------------------|
| 1. Name | 5. Present job |
| 2. Address | 6. Present employer |
| 3. Telephone number | 7. Address |
| 4. Social Security number | 8. Business or industry |

This inventory is being taken to find out the skills of the working population for purposes of national defense. In the space after the occupations listed below, place a check mark (✓) only after the job or jobs in which you have had experience or for which you have completed training *and which are different from your present job.*

Occupation	Check	Occupation	Check
Absorberman		Barrel reamer	
Airplane coverer		Barrel rifler	
Airplane machinic		Barrel roller	
Airplane woodworker		Beamer	
Architect		Bending-roll operator	
Armorer		Bessemer converter blower	
Asbestos worker		Beveler, eye glasses	
Assembler		Blacksmith	
Autoclave operator		Bleacher operator	
Automobile-body repairman		Boilermaker	
Automobile-generator repairman		Boring-machine operator	
Automobile mechanic		Boring-mill operator	
Automobile radiator man		Bricklayer	
Babbitter		Cabinetmaker	
Bakelite mixer		Cable splicer	
Ball warper tender		Calker	
Band sawyer		Canvas worker	
Barrel chanberer		Card grinder	
Barrel drilller		Carman	
Barrel polisher		Carpenter	

Occupation	Check	Occupation	Check
Cement finisher		Metallurgist	
Chamberman		Milling-machine operator	
Chemist		Millman	
Cooper		Millwright	
Coremaker		Model maker	
Crane operator		Molder	
Cut-off-saw operator		Molder operator	
Cutter		Motor analyst	
Detailer		Motorcycle repairman	
Die assembler		Optician	
Die designer		Ornamental-iron worker	
Die maker		Ornanceman	
Die setter		Painter	
Dishing-machine operator		Panel maker	
Dope mixer		Patternmaker	
Doper		Pipe fitter	
Draftsman		Planer operator	
Drawer-in, hand		Plasterer	
Dresser tender		Plater	
Drifter		Plumber	
Drill-press operator		Profiling-machine operator	
Drop-hammer operator		Propeller mechanic	
Dynamic balancer		Pulpit man	
Electrician		Radio-chassis aliner	
Electric-motor repairman		Radio repairman	
Engineers, professional		Rebeamer	
Engraver		Refrigerating engineer	
Estimator		Rib-frame builder	
Explosives operator		Rigger	
Fabric worker		Riveter	
Filer		Roller	
Finisher, watch manufacturing		Sand-control man	
Foreman		Scarfer	
Fox-lathe operator-watch manufacturing		Shaper operator	
Fuselace-frame builder		Sheet-metal worker	
Gas-producer man		Ship fitter	
Gear cutter		Shubber tender	
Glass blower		Spar builder	
Glazier		Spinner	
Grinder operator, precision		Still operator	
Gunsmith		Structural-steel worker	
Hammersmith		Substation operator	
Hardener		Switchboard operator, electric furnace	
Harness repairman		Tailor	
Heat treater		Tail-surface-frame builder	
Hoisting engineer		Tank-car repairman	
Honing-machine operator		Temperer	
Hot-mill engineer		Template maker	
Hydraulic press operator		Tenter-frame clipper	
Inspector		Tester	
Instrument maker		Textile machine fixer	
Instrument repairman		Time-study man	
Jig-boring-machine operator		Tinner, automatic	
Joiner		Tool designer	
Jointer operator		Tool dresser	
Keller-machine operator		Tool-grinder operator	
Knitting-machine operator		Tool-maker	
Lathe operator		Tracer	
Lay-out man		Trainer, watch manufacturing	
Lead burner		Transformer rebuilder	
Leather worker		Tube bender	
Lens grinder		Tubing-machine operator	
Lens polisher, eye glasses		Underturner, watch manufacturing	
Lineman		Upholsterer	
Loftsmen		Variety-saw operator	
Loom fixer		Varnisher	
Lumber grader		Watchmaker	
Machinist		Weaver	
Machine set-up man		Welder	
Magnet winder		Wheel cutter, watch manufacturing	
Maintenance mechanic		Wing-frame builder	
Melter		Wire chief	
Metal spinner		Wire drawer	
Metal-tank worker			

Describe briefly your experience or training in the jobs you have checked:

Please do not write below this line.
 Remarks (for use by State Employment Service):

This form has been given to you to save your time and for your convenience.
 Please answer all the questions you can and return the form as the interviewer
 instructs you.

(Please print)

LAST NAME			FIRST	MIDDLE	INITIAL	SOCIAL SECURITY NUMBER			DO NOT WRITE IN THIS SPACE	
ADDRESS			STREET		CITY	AGE	WHITE NEGRO OTHER	ARE YOU A VETERAN?		P _____
COUNTY			PHONE NUMBER			DATE OF BIRTH			S _____	
						DAY MONTH YEAR			S _____	
HEIGHT	SINGLE	OWN CAR		PHYSICAL CONDITION			INDUSTRIAL CODE _____		REMARKS:	
WEIGHT	MARRIED	DRIVER'S LICENSE								
EDUCATION—CIRCLE HIGHEST GRADE COMPLETED:										
GRAMMAR OR GRADE SCHOOL				HIGH SCHOOL			COLLEGE			
1 2 3 4 5 6 7 8				1 2 3 4			1 2 3 4			
NAME AND ADDRESS OF LAST SCHOOL ATTENDED						DEGREES RECEIVED				
SPECIAL SUBJECTS AND COURSES										
OTHER TRAINING NOT SPECIFIED ABOVE						ENGLISH		{SPEAK {READ {WRITE		
PHYSICAL HANDICAP, IF SO DESCRIBE						UNION MEMBER WHAT LOCAL				

NOTICE

If you have had experience in any of the following kinds of work, indicate same in the proper space below.

Use the reverse side of this sheet to show your former employers and the kind of work you have done for each employer.

For skilled and unskilled workers:

WHAT IS YOUR TRADE?	YEARS IN TRADE?	DO YOU OWN TOOLS?	READ BLUEPRINTS —YES	NO
		YES NO	READ MICROMETERS—YES	NO
WHAT MACHINES CAN YOU OPERATE?	WHAT MACHINES CAN YOU SET UP?	ESTIMATING EXPERIENCE—YES NO		
		DRAFTING EXPERIENCE —YES NO		

For commercial workers:

TYPING SPEED	STENOGRAPHIC SPEED	WHAT OFFICE MACHINES CAN YOU OPERATE?	STATE AMOUNT OF EXPERIENCE
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For personal services:

COOKING EXPERIENCE		SERVING EXPERIENCE	LAUNDRY EXPERIENCE	CARE OF CHILDREN	PRACTICAL NURSING
FULL CHARGE	ASSISTANT				
YES NO	YES NO				
HAND MACHINE					

For agricultural workers:

CAN YOU OPERATE MILKING MACHINE?	YES NO	STATE OTHER FARMING EXPERIENCE YOU HAVE HAD
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Use this space to show any other kind of work experience you have had.

EMPLOYMENT RECORD

Answer the Questions Asked Below for Each Employer You Have Worked for

EMPLOYER—LAST REGULAR JOB	WHAT WERE YOUR DUTIES?	HOW LONG DID YOU WORK?
ADDRESS		DATE LEFT
KIND OF BUSINESS		RATE OF PAY

EMPLOYER	WHAT WERE YOUR DUTIES?	HOW LONG DID YOU WORK?
ADDRESS		DATE LEFT
KIND OF BUSINESS		RATE OF PAY

EXHIBIT D.—CERTIFICATION OF HIRE FOR DEFENSE WORK

EXPLANATORY COPY OF PROCEDURE IN REGARD TO "CERTIFICATION OF HIRE FOR DEFENSE WORK" (FORM SES 326 WHICH IS BEING USED IN THE STATE OF MICHIGAN AND IS UNDER CONSIDERATION FOR USE IN MISSOURI)

When an employer hires a worker for defense work who was formerly employed by another firm with which he acquired seniority, that fact shall be promptly certified to that employer with which original seniority was acquired. Certifications shall be made on Form SES 326 (sample below) provided for this purpose and shall be prepared in quadruplicate. The distribution of this form shall be as below:

1. One copy to the worker involved (who will turn it over to his local union or retain for his own record).
2. A copy for the certifying employer's file.
3. A copy to the former employer where seniority was acquired.
4. A copy to the local office of the State Employment Service.

NOTE.—The responsibility for requesting certification rests with the individual member affected.

[Sample]

SES 326

Re: -----
Code classification

Certification of hire for defense work.

Seniority date

To ----- This is to certify that as of ----- we have
(Name of company or corporation) (Date)
employed on defense work ----- as a ----- formerly
(Name of person)
employed by our firm as a -----
(Name of skill or classification)

By -----
(Name of company) (Title of person in charge of personnel or employment)

NOTICE TO THE WORKER WHO ACCEPTS A DEFENSE JOB

To protect your seniority rights, it is necessary and to your advantage to see to it that this card is made out by your defense employer and a copy sent to the employer with which original seniority was acquired. You should also see to it that your new employer furnishes you with a copy which you should turn over to your union or keep for your own record.

EXHIBIT E.—THE GLASS INDUSTRY AND THE NATIONAL DEFENSE PROGRAM

REPORT BY R. J. REISER, PRESIDENT DISTRICT NO. 4, FEDERATION OF GLASS, CERAMIC AND SILICA SAND WORKERS OF AMERICA, REPRESENTING CRYSTAL CITY LOCAL, NO. 63

Crystal City Local, No. 63, of the Glass, Ceramic, and Silica Sand Workers of America, represents the employees of the Pittsburgh Plate Glass Co. at all of its glass factories.

This supplementary report relates the relationship in the flat glass industry in Jefferson County to employment in the automotive industry and the national defense work.

The Pittsburgh Plate Glass Co. operates six flat glass factories, three producing plate glass and three producing sheet (window) glass; both polished plate glass and sheet glass are used to produce laminated safety glass for automotive vehicles. Plate glass is used to produce tempered case-hardened glass also used in automobiles.

One of these six flat glass plants is located in Crystal City, Mo. being designated as works No. 9, Pittsburgh Plate Glass Co. At this factory plate glass is manufactured, a portion of which is made into case-hardened glass for automobiles; another portion is used along with flat (window) glass in laminating automobile glass.

The Crystal City plant obtains its natural gas via pipe line from Louisiana, and its electric power via transmission line. Silica sand, a major raw material used in the glass is obtained from a sand mine operated as a part of the factory.

The extent to which this factory is adaptable to defense production, and the extent to which this factory has already undertaken defense work in terms of employment on such work is as follows:

First. The following tabulation will indicate the extent to which facilities of this company are now engaged in direct defense work.

Unit	Number of employees	Percent engaged in direct defense work	Percent available for direct defense work
Machine Shop No. 9, Crystal City, Mo.	60	50	50

Second. We regard the flat glass industry as an essential industry. Glass products are going directly and indirectly into the national defense program. A partial list of the uses includes airplanes, naval vessels, military trucks, motorized equipment, optical glass, gas masks, glazing for airports and hangars, glazing

for factories producing military supplies, glazing for Army cantonments and defense housing, and glazing for transportation equipment, etc. Despite the foregoing, the fact remains that a total curtailment of automotive production will dislocate approximately 4,000 of this company's employees; a 50 percent reduction would seriously disrupt the local economy.

Concerning the extent to which the glass industry in general, and this company in particular is adaptable to defense production, and a forecast for the next 12 months in that regard, we regret to state that so far as we know, plant equipment for the production of flat glass is not convertible to other uses, either military or nonmilitary. In modern production of flat glass a continuous tank operation is involved. The molten glass flows from a continuously operated tank onto and through annealing lehrs designed, in the case of plate glass (which is manufactured at Works 9, Crystal City, Mo.) to produce a rough rolled glass, and in the case of sheet (window) glass, to produce a fire-finished product. To produce polished plate glass, the rolled glass is passed to grinding and polishing tables where the final finished surface is produced by abrasive and polishing wheels.

There are inherent limitations in the equipment essential to the production of flat glass which probably precludes any conversion of that equipment to other defense purposes.

The following recapitulation of actual average employment for the 12 months' period to August 31, 1941, of all flat glass plants of Pittsburgh Plate Glass Co., and the monthly break-down for Works No. 9 at Crystal City, was prepared by the central office of the company to show the percentage of workers involved in the production of automotive glass, and the reduction that would be effected in direct ratio to the reduction of automotive production.

Recapitulation—all flat glass plants

	(I) number of employees	(II) percent engaged in automotive glass production	(III) number engaged in automotive glass production	The employment shown in column III will be reduced in direct ratio to the reduction of automotive production
Works No. 1	2,123	87	1,847	
Works No. 4	1,760	12	211	
Works No. 9	2,202	61	1,343	
Works No. 10	492	22	108	
Works No. 11	452	36	163	
Works No. 12	810	23	186	
Total	7,839	49	3,858	

NOTE.—The employment figures above reflect full day continuous employment per man.

Works 9—Plate glass—Crystal City, Mo.—Record of actual employment for the 12 months' period ending Aug. 31, 1941

	(I) Number of employees	(II) Percent engaged in automotive glass production	(III) Number engaged in automotive glass production	(IV) After 50-percent curtailment of automotive production, the employment shown in column III will be reduced 50 percent
<i>1940</i>				
September	2,233	51	1,140	
October	2,271	55	1,250	
November	2,264	58	1,310	
December	2,236	77	1,730	
<i>1941</i>				
January	2,207	75	1,660	
February	2,194	43	945	
March	2,178	76	1,660	
April	2,174	75	1,240	
May	2,189	66	1,440	
June	2,200	66	1,450	
July	2,211	49	1,080	
August	2,070	50	1,035	
Average	2,202	61	1,343	

NOTE.—The employment figures above reflect full day continuous employment per man.

On the basis of the foregoing figures, a ready computation on the pending 69 percent curtailment of auto production can be made.

The union contract makes the following provisions which would be applied when a reduction of the force or working hours is necessary:

"Should any department in a factory be partially or permanently discontinued due to the installation of new machinery or technological changes, then such employees who have been affected shall be given an opportunity to transfer to the bottom of the promotion schedule in another department in the same plant providing they are qualified and meet the following requirements:

"First. Any employee having 5 years' or more seniority in that department or plant can displace an employee with less than 3 years' plant seniority, or

"Second. Any employee having 10 years' or more seniority in that department can displace any employee with less than 5 years' plant seniority."

The contract provides further:

"All available work will be equally divided among regular employees in any department who have worked in excess of 6 months in that department. Should equal distribution of work available result in such employees receiving less work than 24 hours per week, a reduction of force will be made so that the remaining employees will receive such minimum of hours of work per week."

At the present moment, the two departments to be most imminently affected, the Duplate and Hereulite departments, are engaged in the processing of safety glass. The Duplate department has an average of 590 employees, and Hereulite an average of 114. Their working hours have fluctuated from 23 to 36 hours per week in the past month. In order for employees to be laid off, work hours would have to drop below 24 per week for the entire department. Then sufficient workers would be laid off so that the remaining ones would have 24 hours per week. These lay-offs would be on a seniority basis. Of course, the present workweek could be reduced materially by overnight cancelation of present orders, or by failure to secure additional orders. Thus, the company is unable to forecast future possibilities of steady employment or mass lay-offs with any degree of accuracy.

In one report that was available to us the company made the following statement:

"We regard the flat-glass industry as an essential industry. Glass products are going directly and indirectly into the national-defense program. A partial list of the uses includes airplanes, naval vessels, glazing for airports and hangars, glazing for factories producing military supplies, glazing for Army cantonments and defense housing, glazing for transportation equipment, etc. Despite the foregoing, the fact remains that a total curtailment of automotive production would directly and indirectly dislocate approximately 4,000 of this company's employees; a 50-percent reduction in automotive production will dislocate approximately 2,000 of this company's employees. The number dislocated at any intermediate point can be readily determined. At a number of plant locations this company provides practically the only source of employment with the result that suspension of operations would seriously disrupt the local economy."

This statement, and principally the last sentence, is pertinent to this local plant and Jefferson County. The twin cities of Crystal City and Festus are dependent on the plant's operations for the major percentage of their income. It is on the plant's continued full-time operations and resulting pay roll that many retail establishments are depending and any major reduction would cause a spreading dislocation of workers in these establishments. The balance of the county would be affected to some degree by the same reduction as all workers are not residents of the twin cities.

The company's annual pay roll was approximately \$2,967,000 for the year 1939, and \$3,334,000 for the year 1940. This year's pay roll will approximate 1940. This sum removed from a county with a population of 32,000 would have serious economic effect.

An additional factor that must be coupled with any reduction of working hours would be the natural tendency of any workers faced with a reduced pay check to migrate to other points. To some degree this is already happening. Workers have left the plant to accept defense employment in the St. Louis area. Some of them are going despite plant seniority of years because they fear that the plant's shut-down might throw them out of work at a time when defense employment had reached a peak, and thus they would be without employment. Securing St. Louis employment would, in many instances, necessitate the worker moving to that point, thus adding to the burden on St. Louis housing conditions and removing any income from this locality.

The company expresses the belief that they doubt the conversational possibilities of the plant would be suitable for defense production. No survey of the plant has been made by any Government agency.

As the local plant's output goes in a large degree to the Chrysler Co., there might be a cross check made with this organization that would reveal the future trend of orders and thus be a means of establishing some estimate of future production. This could be made by comparing potential car-production figures against stock on hand, and on order at the local plant.

REPORT BY WILLIAM KLEIN, PRESIDENT, FESTUS RETAIL MERCHANTS ASSOCIATION,
FESTUS, MO.

The twin cities consisting of Crystal City and Festus, Mo., with a population of approximately 10,000 are in a serious condition.

Located in practically the center of Jefferson County and center of trading; and the most important contributor to the expenses of the State and the county, can and may become a ghost town unless some type of Government help is obtained.

Our leading industry—glass made by the Pittsburgh Plate Glass Co. in Crystal City—is forced to go on a 3-day basis until the first of the year, and then may close from time to time. This is one of the results of the curtailment of auto production which is supposed to be cut still more, and upon which the twin cities practically exist.

In Jefferson County we have unemployed at the present time 1,336 men and 536 women according to the latest report of the Missouri unemployment records of the twin cities. With 2,000 more laid off totally or part time, you can readily see our predicament.

Now, then, there must be something the Government can do for us with all of the following information:

1. Inasmuch as most all of these people that are unemployed, and those that may be, are already housed (they either own their home or rent homes already built); all live within a radius of 10 miles, housing and transportation problems would not happen in Jefferson County.

2. We are located 38 miles from the city of St. Louis and are near the Weldon Springs project. Also are conveniently located for another family plant to tie in with the other two, saving excessive freight, time, etc.

3. We have natural gas.

4. We have four sources of electric power instead of one so that current is available at all times, and electric power will not be a problem.

5. We have two railroads—the Missouri Pacific and the Frisco.

6. We have a four-lane highway extending all the way to St. Louis.

7. We have the Mississippi River all along the whole east side of Jefferson County.

8. We have 230 acres of rough grounds we will give the Government for any type of project; such as storing of and making ammunition.

9. We have the best silica sand deposits in the United States of America for use in molding steel, etc.

10. We have approximately 400 homes on Federal Housing Administration under titles I and II in which the Government has \$600,000 or more at stake.

11. We also have a factory building that occupies 30,000 square feet of space consisting of three divided floors with a power elevator, and is equipped with the latest type water sprinkler against fire.

(a) The above was used by Ely Walker as a shirt factory. This could be put into use as the Government has given them much work. If a little persuasion were used in awarding them contracts so that some of the work could be done in Festus, the building we are referring to will, and can, take care of employing about 300 to 400 people, which would help a little.

12. Lead smelter within 4 miles.

Our community of 10,000 needs some type of project for defense to prevent a ghost town, and with the above good requisites there is no reason why this community isn't given some type of a national defense project.

We have everything that is needed, and the Government will encounter no difficulties in housing, employment, transportation, electric power, natural gas, etc. We can and are able to deliver the goods easier, quicker, and better from our twin cities or surrounding county.

EXHIBIT F.—JEFFERSON COUNTY'S FACILITIES FOR DEFENSE NEEDS

INTER-OFFICE COMMUNICATION TO E. W. DWYER, DISTRICT SUPERVISOR, FROM ED. F. CUMMINGS, MANAGER, CRYSTAL CITY OFFICE, MISSOURI STATE EMPLOYMENT SERVICE

DECEMBER 1, 1941.

We would like to submit this report as a supplementary one to our report of November 28, 1941, which concerned the effects of automobile production curtailment to the Pittsburgh Plate Glass Co. of Crystal City and the area as a whole. This report endeavors to outline the facilities and natural advantages the county offers.

Transportation facilities are particularly good. Two railroads, the St. Louis-San Francisco (Frisco) and the Missouri-Pacific serve the county. Highways provide easy access to St. Louis and vicinity. Highway 61 is four lane wide north from Festus and Crystal City. Also situated on this highway are the towns of Herculaneum, Kimmswick, Imperial, and Barnhart, as well as several smaller communities. The recently completed Highway 25 provides a new two-lane road to Ste. Genevieve and the South. Highway 21, now nearing completion, will provide facilities for the central portion of the county.

The Mississippi River Fuel Co.'s pipe line passes through the county 1 mile north of Festus and supplies the area with natural gas. The Union Electric Co. brings power from four sources. Silica sand deposits are of the best in the country. A smelter operated by the St. Joe Lead Co. at Herculaneum is capable of further expansion.

The county is located on the western bank of the Mississippi River, just south of St. Louis County. Festus and Crystal City are 28 miles south of St. Louis city limits with a combined population of 10,000, while De Soto is 14 miles farther south with a population of 5,000.

Festus and Crystal City are dependent largely on the Pittsburgh Plate Glass Co. for employment and income. It is estimated that 75 percent of the homes are owned by the people who occupy them. Federal Housing Administration has financed 400 homes involving an estimated \$600,000. In addition to any of the glass plant facilities that might be utilized, there is a building of 30,000 square feet located in Festus. This building has three floors and was formerly used by the Ely Walker Dry Goods Co. to manufacture clothing. Its contains a sprinkler system and power elevator.

De Soto is dependent both on the car shop of the Missouri-Pacific Railroad which employs some 400 men and the International Shoe Co. branch plant. Both industries are subject to seasonal fluctuations. De Soto has a vacant building, one-story high, which contains 1,400 square feet. This is a modern building with steel sash windows forming a considerable portion of all four walls. This plant formerly housed a hat factory.

Both the twin cities of Festus and Crystal City, and De Soto have a considerable supply of skilled power sewing machine operators, mostly women, who are so situated that they are available for local employment but not elsewhere. It has been pointed out that the establishment of a defense industry along the lines of garment manufacture would thus be assured of an ample supply of workers. A survey made in July of this year showed 450 women skilled and available in this line.

It has also been pointed out that the area is well situated for the establishment of additional plants to tie into the munition making group in St. Louis and vicinity. The storage dump of the U. S. Cartridge Co. on Highway 66 includes part of Jefferson County in its acreage. The rolling and some hilly contours of the area lends itself to this field when the safety factor is considered.

One factor that is causing considerable unrest is the possibility that lack of employment in the area will cause a migration to St. Louis because of defense employment there. This is already becoming noticeable. If further curtailment of glass plant employment eventualizes, this migration might reach an alarming peak, unless some other source of employment is available to the workers.

STATEMENT BY ARNOLD B. WALKER, INDUSTRIAL SECRETARY,
URBAN LEAGUE OF ST. LOUIS, ST. LOUIS, MO.

NOVEMBER 26, 1941.

The indisputable loyalty of the Negro to his country and community is a well established fact. His contribution in every major conflict is an enviable record of many who deny him of his rights and privileges for which he has shed blood to protect. No other group can rightfully say that it harbors no saboteurs, fifth columnists, or responds to subversive propaganda which is contrary to our American democratic way of life.

For this record of loyalty and service to our country, many of these citizens are denied participation in the accepted advantages of a democracy, the right to work at a livelihood of his own choosing—not because of their inability to perform, but because of their color.

The Urban League, representing these loyal citizens, has virtually exhausted all legitimate and peaceful means to gain racial inclusion. Appeals have been made to all Federal governmental agencies, city administrative officials, and each segment of the community, including the various branches of the chamber of commerce, as well as private and public contractors and union officials.

STATISTICS

There are 108,000 Negroes in St. Louis, plus an additional 32,000 within the metropolitan area (1940 census). Of this number, over 40,000 are employable (Urban League estimate). According to the St. Louis Chamber of Commerce there are 2,500 factories producing over 70,000 different items for national defense. Over \$600,000,000 worth of contracts have been placed in St. Louis. It is estimated by the Post-Dispatch (August 17, 1941) that over 200,000 people will be attracted to St. Louis. We know that many of these will be Negroes, consequently increasing economic and racial problems.

On January 23, 1941, the Urban League conducted a survey of plants receiving large contracts. Out of 88 concerns, 56 were contacted. Excluding heavy industry and the shoe industry, these plants did not average 3 Negro workmen per plant. Of the 38 industries with contracts for more than \$100,000, with the same exclusions, no Negroes are hired in a skilled capacity and only a very few as menials. To our knowledge, this condition has not been changed to any noticeable degree by the President's ultimatum on no discrimination.

At present, discrimination against Negro workers falls into two principal categories: Construction and production.

CONSTRUCTION

Without doubt in this category the unions are the principal obstruction. Many contractors prefer and seek Negro labor. While displaying democratic charters, many American Federation of Labor locals openly discriminate against black workers. Since the late twenties the Urban League has fought the lily-white policies of the St. Louis American Federation of Labor building trades. Attached to this statement is a request by a local contractor who wishes to respect his contractual agreement with the Government to hire Negro workmen. This request was flatly refused.

It is a matter of public record how the Hoisters' Union, headed by Buck Newell, refused to let hoisters who were employed by local concerns join the union or continue on their jobs as Negro engineers. This was in spite of the company's willingness to pay the exorbitant union fees (1931 Urban League files).

Representatives of the contractor and Army (Weldon Springs) admitted to the Urban League and Government officials that their hands were tied because of the dictatorial policies of the local building trades, and it was over the latter's protest that the three Negro painters, the only skilled local of the American Federation of Labor were given work on this project (February 28, 1941). These men were denied work cards by their own union organization to which dues were being paid.

The bricklayers' membership (600 as of May 1941) was insufficient to cover local and Government work. The membership was open to nonresidents, while at the same time, two Negro members with "transferred cards in good standing" were continuously denied work.

On June 9, 1941, at 10 a. m., three Negro craftsmen for each of the brickmasons, cement finishers, and carpenters local, followed John Church's advice (secretary of building trades) and applied for membership only to be turned down in two instances, and advised in the last instance that cards would be issued if work were

available. At the moment, copies of letters requesting Negro workmen were in the hands of union officials.

In February 1941 a trip to the Western Cartridge Co., of Illinois, demonstrated how vicious this discrimination has become. Union officials in control of national defense housing refused to consider Negro craftsmen unless all white men of this vicinity were working, and the St. Louis building trades would give consent. One local of Wood River told of an incident of "tar and feathering" a contractor in 1921 because he wished to work a few Negroes in the construction of a high school, ironically named Lincoln.

Our experience with the building trades and their "practices of exclusion" in St. Louis causes us to question which is the stronger—the Government's expressed policy of nondiscrimination, or the union's undemocratic policy which denies jobs and prevents Negroes from obtaining the quota of employment definitely set up for them by the Government.

PRODUCTION

In this category, the employer appears responsible in the majority of cases. In the production of steel, Negroes share well in employment, but few are in the skilled brackets. By being in the unskilled brackets, these workers are easily replaced by technological improvements.

The U. S. Cartridge Co. is the only concern which has indicated plans for Negro workers in production. Efforts to talk with holders of large contracts, either individually or collectively through the chamber of commerce, have failed.

When the chamber of commerce presented a survey of plants for Government consideration for granting national defense contracts, the Urban League submitted a list of 1,500 skilled and semiskilled men for labor supply. Repeated efforts to be heard have been unsuccessful.

Negro women workers are an unknown entity in national defense jobs. The needle trades of St. Louis enjoys many large contracts. The International Ladies Garment Workers Union has concluded an agreement with Urban League officials expressing fairness and the willingness to work with Negroes. It is now the responsibility of the employers who have for years placed the exclusion on the doorstep of the unions.

Carter Carburetor, holding over \$1,335,535 in contracts, does not employ a single Negro. This can be multiplied many times by the many other large concerns.

As the Nation pushes its rearmament program with the avowed purpose of defending democracy, it is ironic that democracy should be forgotten to permit discrimination against our own minority race in selecting workers for defense industries.

Again I repeat: Which is subordinate? The Government's expressed policy of no discrimination or the unions' policy of discrimination in which many employers share?

EXHIBIT A.—ST. LOUIS EMPLOYERS, UNIONS AND NEGRO WORKERS¹

MATERIAL CONTAINED IN ARTICLE APPEARING IN NOVEMBER 1941 ISSUE OF OPPORTUNITY MAGAZINE

Unfortunately, St. Louis is known as being one of the worst labor spots in the country. Last month, high Army officials publicly announced that because of apparent irregularities in labor leadership, resulting in undue labor stoppages, parts of the remaining unfilled Army orders will be transferred to other cities and plants. Labor leaders in other sections of the State have stated to Urban League officials that their organizations do not wish to have anything to do with many St. Louis labor leaders because of their ruthless and racketeering methods. This, as a prelude to a factual account of a struggle for jobs in behalf of the Negro worker, should explain many problems facing the St. Louis Urban League.

The struggle for defense employment in St. Louis has certain unique aspects. With the exceptions of the shoe industry, steel industry, and textile industry, the job prospects are still in the construction stage. Even at this period we may safely analyze the job opportunities for the Negro worker.

The St. Louis Chamber of Commerce, in a recent survey, estimated that the 12 major defense plants in the St. Louis area will require 68,400 workers when operating at scheduled capacity. Approximately 37,000 are now employed. Excluding construction workers, 31,400 are now working in these plants and in the next

¹ This is essentially the material which was contained in an article which appeared in the November issue of Opportunity Magazine.

10 months 37,000 will be added. A survey of these same plants indicated that 58,000 production workers will be employed to 10,400 nonproduction workers. Of this number, 55,400 will be men and 13,000 will be women. The local labor supply can meet this demand as there are 93,000 workers in this area available for employment, in spite of selective service and rising employment figures. To this number must be added technical workers and the normal immigration which should approximate 75,000 workers. Over \$700,000,000 in defense orders have been allocated to metropolitan St. Louis. There are approximately 140,000 Negroes in this area, of which 108,000 live within the corporate limits of St. Louis. Out of this number 63,000 are employable and available for national defense work. The league finds its jobs increasingly difficult as, like Kansas City in the western part of the State, St. Louis is socially and traditionally southern without many of the labor advantages of cities in the solid South.

To reiterate, jobs at present fall into two categories: Construction and production. Let us examine the black workers' plight in the construction field directly related to national defense. At peak periods of construction the cost plus fixed-fee job (small-arms plant) employed 1,500 Negro laborers out of a crew of 4,500 laborers (9,000-man pay roll). Thirty miles from St. Louis the Government built a TNT plant, employed 6,000 men, of which 600 were Negro laborers. Twenty miles from St. Louis, 100 Negro laborers worked on the construction of a powder plant dump.

The only skilled men employed in this immediate vicinity at present are the three Negro union painters working at \$15 per day as the result of the persuasion and coercion of the Urban League and Office of Production Management representatives in joint conference with the contractors. In spite of the Negro unionists being in good standing with the white parent local, they were excluded from this employment as these were "white union men's jobs." These are the only skilled Negro craftsmen working in this area. The auxiliary local numbers 7 men, of which 6 are active. The white parent local numbers 2,300 men and refuses the Negro local more men.

Two months ago, 12 Negro union bricklayers were working on a private union job. Only two of these men were St. Louisans (10 were from Kansas City) and their memberships were received in Tennessee and forced upon the bricklayers' local by the league during the time the national convention of bricklayers met in St. Louis. The local refuses to admit more Negroes or to grant work to these men whose qualifications are beyond question.

The Urban League is continuing its 15-year fight against the exclusion of the American Federation of Labor building trades in St. Louis which has received national recognition for being one of the most entrenched and racket-ridden groups in the country. In these years the league has been directly responsible for or participated in the fight which has given the black craftsmen a painters' auxiliary, plasterers' auxiliary, and two brickmasons with cards. Negroes participate in over 36 locals and internationals in St. Louis, many holding responsible positions. The Negro Building & Hod Carriers' Union has been organized for years, but recently fell into the hands of the receivers and management of the international vice president of the white local. The white local has been exposed as racket-ridden and 4 leaders have been indicted by the grand jury for the theft of \$6,000.

The building trades make no secret of their exclusion of the black craftsmen, and 1 week ago defied a conference with the mayor and Government officials on this matter. After many conferences and much persuasion, the league, Government officials, and Mr. E. J. Bradley, vice president of the Brotherhood of Sleeping Car Porters, forced the carpenters' local to give examinations to 15 Negro carpenters on the strength of a proportional clause in a Negro housing project which is now under construction, and which both unions and contractors are ignoring. St. Louis proper has no defense housing; the closest being at Alton, Ill., for the Western Cartridge Co. When league representatives approached these contractors, they referred to a "gentlemen's closed shop" agreement with the American Federation of Labor unions which exclude Negroes. In conference with these unions they were told of the contractors' willingness to employ Negro craftsmen. The unions refused membership until all white craftsmen were employed, which obviously meant nonresident as well as local, as union books were open to these journeymen. These unionists reminded the league representatives that the community would not stand for Negro craftsmen, and referred to 1921 when a white contractor, building a Wood River, Ill., high school ironically named "Lincoln," was tarred and feathered for employing Negroes. We were in Wood River, the closest town to this housing project, talking with the same people.

The Negro housing project has a 3.2 percent Negro skilled craftsmen clause, based on the 1930 census percentage of Negro craftsmen within the total St. Louis population. The Government officials, the mayor and the league have been unable to force the local housing authority, contractor, or union to honor this signed contract. Last week the industrial secretary prepared a list of eligible complainants for a suit to be filed by the local N. A. A. C. P. against the contractor and housing authority. If an injunction is granted it will force the employment of cement finishers, carpenters, brickmasons, and other craftsmen of which the contractor admits he is in need and which the union cannot or has not supplied.

Our experience indicates that this is purely a local matter, as in cooperation with other groups and Government officials, the league made it possible for 150 Negro carpenters to work on the same job with white carpenters in the construction of Fort Leonard Wood, a distance of 140 miles from St. Louis, but outside of the jurisdiction of the St. Louis building trades.

In the field of production the efforts are less complete in many details due to the present stage of employment and the traditional prejudices of employers and workers. One can safely say that in construction, the area of obstruction is definitely on the union's part; in production—both unions and employers are equally responsible.

When the St. Louis Chamber of Commerce received advance information that the United States was to prepare for defense, it set a pace for the other large cities by compiling data on all types of St. Louis production which could be utilized by the Government for purposes of defense. Likewise the St. Louis Urban League received "closed information" that the metropolitan committee on preparedness of the chamber of commerce was conducting this cataloged survey. Consequently, the league surprised and probably embarrassed the committee, and certainly the labor supply chairman who at that time was the head of the local State employment service with certain convictions on Negro labor and agencies, by placing in their hands a catalog of 1,500 Negro workers' names who could be used to produce national-defense material, but who were in many instances denied employment not because they lacked skill but because of their color.

The local Curtiss-Wright plant was increasing production and workers. Locally this company has a long record of working Negroes only in the traditional jobs. This has greater complications than earnings lost to the Negro community, as the local board of education refuses training to Negro youth based on local industries' employment categories and specifically Curtiss-Wright. Out of 3,000 workers only 30 Negroes were employed and these as porters. After much persuasion by the league and other groups, the Curtiss-Wright management agreed to use Negroes in other categories providing the experiment of training and use of Negro craftsmen in the Buffalo parent plant was a success. On October 1, 15 Negroes were called in for interviews, only 4 were employed and the reason for the exclusion of the remaining 11 was that their formal training was so superior to the presently employed whites that friction would certainly develop. Confirmation was received from a high Government official that workers within the plant have circulated and signed a petition stating that "we, the undersigned white workers, do not wish to work with Negroes." The league has made certain suggestions on this matter and the results are unknown to date. It should be said that St. Louis is one of the few cities where the American Federation of Labor aircraft locals control the Curtiss-Wright plant.

The previously mentioned 68,000 workers needed in national-defense production will be working in 5 principal categories: Administrative and technical, clerical, skilled, semiskilled, and untrained. Because of the traditional attitude of labor and the board of education on training at this stage, Negroes can expect employment only in the latter 2 categories. This conclusion is based on a recent survey by the league and the recent cataloging of 1,000 workers with training and experience which would qualify them for work as foremen, supervisors, and adjusters for one of the local arms plants. There are many with the educational background and aptitude for training which could qualify them if given short training courses. Many could transfer skills. A fewer number were machinist helpers and still fewer, machinists. College men and persons with mechanical backgrounds constitute the majority of the men interviewed. There are unlimited numbers for unskilled production work.

The most hopeful prospect in production work is with the small-arms plant with which the league is working to absorb large numbers of skilled and unskilled Negro workers, women as well as men. Approximately 3,000 will be employed, of which 400 will be supervisors, foremen, and machine adjusters. A 6 to 8 weeks, course of instruction will be given men in these categories with pay while learning. The league has interviewed over 1,000 who will receive preferential consideration.

Final selection and training will start as soon as labor disputes and slow construction permit the plant to be completed and as soon as the bullet machines are delivered—now 2 months late. Negroes will make .30 caliber rifle bullets, while .50 caliber machine-gun bullets will be made by whites. Our calculations are that also over 500 Negro traditional jobs will be available.

WOMEN WORKERS

Now what is to happen to the Negro women in this total defense picture? The league has not overlooked this problem, yet our efforts have been less successful. So far, greatest relief has come through national defense indirectly. As white womanhood has left the formerly traditional Negro job for higher paying and better working conditions in national defense, the job she leaves behind has returned to Negro women workers. In St. Louis, the Negro woman in national defense is still an unknown entity. The needle trades of St. Louis enjoy huge contracts. Prior to national defense, this industry received the league's arduous attention. After 8 years of buck passing, 6 months ago, a 4-point agreement was made with the International Ladies' Garment Workers' Union and the league. This agreement placed clearly the responsibility for Negro exclusion on the doorstep of the employer. In St. Louis this industry is controlled by a minority which has a history of persecution and to whom our arguments are now more vital and meaningful than they were 2 years ago. So far, only 1 plant has employed Negro power-machine operators (24), and the league has now 2 very good prospects, 1 of which is a factory chain. According to plans, women will be used in large numbers in the production of small arms. Women will operate tempering machines, bullet-jacket trimming machines, packing and gaging automatic machines, and be employed as inspectors.

The urban League is continuing to develop among employers a greater awareness of the availability and capability of Negro workers for semiskilled and skilled types of employment in nondefense as well as defense industries. Success in replacing a white painter with a Negro union painter in our large Negro hospital led to efforts to obtain employment for Negroes with the General Motors plant, Southwestern Bell Telephone, as well as smaller plants and hotels.

Armed with the President's Executive order, a survey was made by the league of 57 out of 87 plants holding contracts. When construction, heavy industry, and the shoe industries were excluded, these plants contacted did not average 2 Negroes per plant. Out of 12 plants holding the largest contracts, only 4 employed Negroes and these were in the traditional jobs. This does not mean that the Executive order has not been of service. Other than as an additional tool of persuasion, its effects are not very apparent.

In talking with production employers all will admit good intentions and knowledge of such an order, but only two representatives of large concerns have expressed concern over the President's order and how to be loyal in face of local prejudice and tradition. The league anticipates greater compliance through governmental projects rather than nondefense industries. One thing is certain, the unions' leadership and membership are generally indifferent.

The league is quite concerned over the recent announcement that the building trades and the local State employment office are planning a registration of union membership which means the transfer of construction workers into production workers. We are certain such a plan is not aimed primarily at the Negro workers, but will certainly mitigate against them because of the traditional exclusions existing in the building trades previously mentioned. Certain safeguards have been promised. We shall continue to remind the obstructionists that democracy demands full participation.

EXHIBIT B.—SOME EXAMPLES OF DISCRIMINATION AGAINST NEGROES

STATEMENT OF EVIN S. MATHEWS AND BLYDEN A. STEELE, OF ST. LOUIS, DESCRIBING INSTANCES OF NEGRO DISCRIMINATION

AUGUST 11, 1941.

We, the undersigned, were summoned Friday, August 8, 1941, by telegram from Edward Donnelly, secretary of the Bricklayers, Masons, and Plasterers' International Union No. 1, of Missouri, to report to bricklayers' headquarters at once for work on a Federal project. After leaving our jobs and returning to homes and to the home local, we were sent to work on National Youth Administration center at Leffingwell and Montgomery Avenues, for Saturday and Sunday,

August 9 and 10. After quitting time Saturday, we were told by the man in charge of the work that we would not be needed next day, Sunday; that they would finish up with the five white bricklayers, who also worked Saturday. We left and later got our tools.

Reported to the secretary, Edward Donnelly, 4020 Page Boulevard, Monday morning, August 11, 8 o'clock. Inquired if we were summoned for only 1 day's work on a Federal project. Donnelly stated that it was expected that the two of us would do the entire masonry alone, approximately a week's work. However, he had no explanation for the fact that five other bricklayers were used and our services were dispensed with after 1 day's employment. Then we inquired for employment at the small-arms plant. When this request was made, Donnelly stated that he had canvassed several contractors and found only one who would give us employment; some small contractor with bungalow work, for which the union scale is only \$1.25 per hour. This work we did not choose to accept, and asked to be certified from No. 1 for work at the small-arms plant. In answer to this, he stated that he does not send bricklayers from the hall for employment at the plant, that all hiring is done at the plant. While we were in this conversation with Donnelly, several bricklayers came in and transacted business with him. One was a bricklayer who made his final payment on his initiation fee and signed his application blank for international union membership. Another was a bricklayer from Iowa who paid for and secured a working privilege permit to work in the jurisdiction of No. 1 of Missouri. After making continuous requests for employment at the small-arms plant, Donnelly suggested that we go there, as all bricklayers were hired at the plant.

We immediately left and went to the small-arms plant. As we approached the employment gate which was open, we saw one-half dozen or more bricklayers within the gate. Also inside the gate was Leo Havey, business agent of No. 1, and Art Smith, the bricklayers' steward at the small-arms plant. Just ahead and going into the gate was the bricklayer from Iowa who had received a working privilege permit. We went inside the gate as several other bricklayers did, and waited while Art Smith took the names of two bricklayers, including the bricklayer from Iowa. Immediately we requested employment in the plant. He turned and said, "Havey has something for you fellows"; that the hiring is done at the hall, and suggested we go to the hall. He then went into the employment office. Havey had disappeared into the employment office as we approached the gate. Then Smith went into the office and called the two bricklayers, whose names he had just taken, into the employment office. All of this took place within the enclosure between the gate and office door. Two or three other bricklayers, whose names had not yet been taken, came in the enclosure and approached the door, then went in the door, and we went in also. One was the bricklayer who had just paid his initiation fee. Inside the office some man of the personnel department approached these two bricklayers and asked if they were bricklayers. They said "yes," and he told them where to line up and wait to be employed. He turned and asked us what we wanted. We told him we were also bricklayers and were applying for employment in the plant. He told us to wait outside the door and said he was not ready for us yet. We told him we were merely seeking employment and wanted to see Havey or Smith, who were hiring the bricklayers. He told us that it was too crowded inside, although other prospective workmen continued to come in the door. When we again stated our business there, he then turned and called a city police officer and told him to put us out. We quietly complied with the officer's request and stepped outside the door.

Outside the employment office we explained to the patrolman that we were not trouble-makers—that we were trying to exercise our rights as citizens of a democracy and were trying to participate in the defense program as was proclaimed and ordered by President Roosevelt on June 25, 1941. Suddenly three or more uniformed guards of the Burns Detective Agency appeared within the enclosure to clear all to the outside of the gate. We explained our position to the head guard who remembered that one of us (Steele) had applied through him for permission to see Mr. Marshall, at the main gate, about a month previously in regard to employment. While conversing with the guard, Art Smith passed by. We again requested employment at the small-arms plant. In answer to this, he told the guard we belonged outside the gate.

After discussing the matter with the guard, the patrolman, and gatekeeper, they all informed us that the hiring as far as they see and know, is done through the union local. We went out of the plant gate. We returned, as was suggested by guards and gatekeeper, to our local office to again apply through the hall for employment. Donnelly was emphatic in stating that he does not send brick-

layers to the plant, although we saw several of the bricklayers (who were at the bricklayers' office earlier that morning at the same time we were there) go into the office and be hired. When he insisted that the hiring is all done out there, we requested that he call the employment office and state that we were in the union hall and were desirous of employment. He called and spoke to Havey.

At the end of their conversation, he said that the job was loaded up for the day. Later, about 12 o'clock, we got authoritative information that Mr. Marshall, personnel manager for Frueo Construction Co., stated that he needed 100 bricklayers or more, but that he cannot hire us unless No. 1 of Missouri says so.

We returned again on Wednesday, August 13, about 9 a. m., to seek employment at the small arms plant. When we approached the gate, there were about 12 bricklayers inside and the bricklayer steward was taking their names. One bricklayer from Virginia, who had not as yet received a working-privilege permit from our local, was being hired. Several other bricklayers came inside the gate with their plumb-rules wrapped as is frequently done by bricklayers when traveling, which indicated they were from other cities or States. The bricklayer steward took the names of all bricklayers within the gate and then asked aloud if there were any more bricklayers. We immediately stated that we were there for employment and that we were bricklayers and asked to be employed. The bricklayer steward turned away and said: "You fellows must think you are something special." We then asked Havey why were out-of-town bricklayers being hired and we have paid up union cards in this local and have applied for employment since the job first started. Havey replied: "Go to the hall there's work for you there." The men whose names were taken, were taken into the employment office where the fingerprinting and other routine of employment are completed. We then left the site of the plant.

Later we went to the hall and had a lengthy conference with Mr. Fitzmaurice and Mr. Donnelly. Mr. Fitzmaurice admitted that our nonemployment at the small arms plant was due to discrimination. He also admitted that 100 bricklayers were needed at the small arms plant. He stated that the international union and the local would not raise any objection if we were given employment there and he insinuated that it was the fault of the construction company and its representatives. We then asked if he would go to the employment office while we applied for work so that if we were refused, he could state that the international union and the local would have no objections to our employment. He stated that he did not want to put anyone on the spot and declined to go with us to the plant.

Later the same day, we learned that the Office of Production Management representative, Mr. E. R. Quick, was in the city investigating the matter. We had a conference with Mr. Quick Thursday morning at 10 a. m. August 14. The conference lasted a couple of hours and we placed the matter in detail before him. At the end of this conference he asked us to give him the entire next day, Friday, to arrange for our employment with Messrs. Havey, Marshall and Fitzmaurice and told us to call him at 5 p. m. Friday. We asked if we should apply again for employment Friday morning, but he suggested that we wait until we hear from him at 5 p. m.

Later Mr. Quick stated that he had failed to arrange the conference as he had hoped but that he had talked individually to those involved but the result was that he could not bring about our employment at the plant.

August 16, 1941, we received a letter from the international union stating that the matter of our employment at the small arms plant was entirely beyond their control and that they were unable to be of any assistance.

Be it further understood that one of us, Steele, applied at the small arms plant in writing the first week bricklaying began, to Mr. Marshall, personnel director at the Frueo Construction Co., for employment. At a later date, we sent two more letters of application, one to Mr. Marshall, and one to Mr. Voiron, dated July 20, 1941.

We, the undersigned bricklayers, declare the above to be a true statement of our efforts to obtain employment at the small arms plant, 4300 Goodfellow Avenue, St. Louis, Mo., being built by the Frueo Construction Co. for the United States Government on cost-plus-fee basis; said employment has been denied because of race and color.

ELVIN S. MATHEWS,

218 North Whittier Avenue, St. Louis, Mo.

BLYDEN A. STEELE,

5506 Garfield Avenue, St. Louis, Mo.

EXHIBIT C.—REQUEST BY CONTRACTOR FOR NEGRO LABOR

JUNE 10, 1941.

Re: No. 1-1, Carr Square Village, St. Louis, Mo.

Mr. JOHN L. CHURCH,

*President, Building and Construction Trades Council,
1220 North Grand, St. Louis, Mo.*

DEAR SIR: Our contract with the housing authority states that we are to employ 3.2 percent Negro skilled mechanics on this project. At the present time we have no Negro mechanics in our employ. It is imperative that we live up to this part of our agreement.

We can use this percent of Negro labor at this time and would like to know if the building trades are in position to furnish these men at this time.

Yours very truly,

J. E. DUNN CONSTRUCTION Co.,
A. J. TIMS, *Superintendent.*

TESTIMONY OF PANEL REPRESENTING CITY OF ST. LOUIS— Resumed

The CHAIRMAN. Various members of the committee will now ask you questions. Afterwards, if some thought occurs to any of you which has not been covered, you will be permitted to express yourselves.

Now, Mr. Mayor, can you tell the committee how much migration, planned or unplanned, there has been into the St. Louis industrial area since June 1940?

MAYOR BECKER. Mr. Chairman, it has been variously estimated. I have seen statements in the press, varying between 80,000 and 200,000 for St. Louis and St. Louis County. However, there is no accurate check that we can make. A real survey would show over 40,000, I should say. I can say to you that somewhere in the neighborhood of 40,000 would be a better approximation of the migration brought about by reason of our defense plants here. That is for St. Louis and St. Louis County.

The CHAIRMAN. What is the population of St. Louis?

MAYOR BECKER. Over 800,000. There are over 1,000,000 between St. Louis and St. Louis County.

DISTINCTION BETWEEN COUNTY AND CITY

I hope the members of the committee will bear in mind that St. Louis is a peculiarly situated city. It is not in any county. We have St. Louis County and the city of St. Louis, distinct and separate. St. Louis for itself has municipal functions as well as county functions, but it lies in no county. So we are still in a section, so far as area is concerned, that was given us in 1876, and we have never been able to increase our area for the city of St. Louis. St. Louis County, immediately adjoining, embraces a section with a municipal area, just as in St. Louis. You may drive into incorporated towns without knowing you are passing from the city of St. Louis into a completely different county. This should be kept in mind, for the reason that here you are dealing with the city of St. Louis itself and with the county separately. But they are, in point of fact, parts of one industrial area. When we speak of the St. Louis industrial area, we speak of

the section lying immediately across the line, going into Illinois, in addition to St. Louis and St. Louis County.

The CHAIRMAN. The county of St. Louis has about 200,000?

MAYOR BECKER. About 275,000.

The CHAIRMAN. What is the population of that part of Illinois which lies just across the river and is included in the St. Louis defense area?

MAYOR BECKER. East St. Louis has about 90,000, and the whole area has about 250,000. You have over there the Tri-City area, so-called—East St. Louis, Granite City, and Alton, in Madison County. Contiguous to East St. Louis, directly north, that section includes a quarter of a million persons.

The CHAIRMAN. Is there any duplication of taxes between county and city?

MAYOR BECKER. No; they are separate.

We have 114 counties in the State, and in addition to those we have the city of St. Louis. So we have really 115 counties. St. Louis has all the responsibilities of a county.

The CHAIRMAN. What would you do if you wanted to make application to the Federal Government for assistance in building a sewage-disposal project?

MAYOR BECKER. The county would proceed as an independent entity. The county has enjoyed many benefits by reason of its proximity to St. Louis. It has grown in population. It has the advantage of larger space. Half of the county is still an agricultural area, but you might say the other half is really the same as our city here. It has the same problems, largely. It is made up of incorporated cities.

The CHAIRMAN. When you campaign for mayor of St. Louis, do you go out to the county of St. Louis?

MAYOR BECKER. No; we stay within our own confines. We make the 28 wards here. Our city has no county judges or county court. We have a city set-up, and take on, in addition to it, the necessary State officers, who have their offices here.

Mr. ARNOLD. Mr. Gwinner, the mayor gave a figure of 40,000 immigrants. Has any survey been made to determine how many of these migrants have secured jobs?

Mr. GWINNER. As nearly as we can figure, the total number of unemployed in the area has dropped from 90,000 to 45,500. Now, some of those jobs undoubtedly went to residents. It is impossible to tell how many of the migrants got jobs. The number of employed jumped from about 525,000 to around 645,000.

Mr. ARNOLD. That is an increase of 120,000.

DEFENSE CONTRACT AWARDS

Mr. CURTIS. In terms of dollar value, what is the volume of defense contracts in this area, Mr. Whiteside?

Mr. WHITESIDE. Up until November 1, as far as we were able to determine, it was about \$591,000,000. I should say that in addition to that there have been some contracts let here, particularly for defense plant operations where the production order has not been stated. They are orders of a more or less secret nature. There are other orders for subsistence items, which are not reported. They would raise that total, in our estimation, by \$150,000,000 or \$200,000,000;.

so roughly, we would say that \$750,000,000 in defense contracts have been awarded here since the beginning of the defense program.

Mr. CURTIS. In general, that money goes for what type of product?

Mr. WHITESIDE. It is probably as broad a spread as in any area. It goes for the construction of aircraft and aircraft parts, ammunition, ammunition components and supplies, clothing, machinery, ordnance equipment, all types of equipment to go into camps and camp buildings, such as camp bakeries and the like. For instance, there are packing materials, transportation equipment, cables, photographic equipment, and a miscellaneous category for hospitals and athletics.

Mr. CURTIS. Would you give us a list of the major firms that have these contracts and the number of workers employed?

Mr. WHITESIDE. I don't have that with me, but I will be very glad to supply the committee with such a list.

Mr. SPARKMAN. Mr. Karches, could you give us an estimate of the peak employment required by these contracts?

Mr. KARCHES. Mr. Whiteside would be better equipped to answer that. There have been various estimates.

Mr. WHITESIDE. Referring to the mayor's statement, I would like to call your attention to the fact that this area includes the east side of the river. The 12 largest defense contractors will, at their peak, as they now estimate, require approximately 70,000 workers. They now are employing more than 30,000, so there will be a net addition of fewer than 40,000 to their present employment.

Mr. SPARKMAN. Have those figures been broken down according to skills and types of labor required?

Mr. WHITESIDE. I haven't broken them down. I understand the plants have broken them down, and have been working with the public employment service in such a break-down.

SKILLED LABOR

Mr. KARCHES. You might estimate 30 to 35 percent will have to be skilled.

Mr. WHITESIDE. I want to be absolutely clear. I didn't say that 40,000 would have to be brought in from outside the area. I want to make it clear that these plants, at their peak employment period, will need probably 40,000 more workers, but many of these may be residents rather than migrants.

Mr. OSMERS. I wonder if Mr. Slinkard could tell us if he knows where these workers are to come from.

Mr. SLINKARD. There are several channels through which those 38,000 or 40,000 employees needed by the expanding defense program might be requisitioned or procured.

Primarily, however, there is the problem of unemployment among those people who have in the past been working on what today are deemed nondefense items, and are rapidly being affected by priority unemployment. What the ratio of that priority unemployment will be, what the total number affected in that manner will be, remains to be seen. It is expected by various organizations in the community to be a large number. In fact, I would say that a greater portion if not all of the needed 38,000 or 40,000 can be found available in one capacity or another here in the St. Louis area.

Mr. OSMERS. Mr. Gwinner, has your organization made any estimate of the local labor supply?

Mr. GWINNER. We figure it at 86,000 for the entire metropolitan area. That includes about 30,000 incoming migrant workers in the past 18 months—not normal population increase. It is estimated that 30,000 to 35,000 have entered the labor market who would not normally have been in it.

LABOR SUPPLY MEETS REQUIREMENTS

Mr. OSMERS. How many of those are available to fill the need mentioned here of 38,000 to 40,000 new workers?

Mr. GWINNER. We figure the present unemployed group is 43,000 to 45,000.

Mr. OSMERS. Mr. Slinkard, in your opinion could these labor needs have been filled in the community without migration?

Mr. SLINKARD. Yes.

Mr. KARCHES. May I add that we circularized some 1,500 companies in Missouri, asking various questions, one of which was:

“Approximately how many workers now in your employ may be unemployed because of priority unemployment?”

Of the 1,200 or 1,500 questionnaires sent, we had about 20 percent response. In the group covered, there were 5,546 workers to be unemployed on account of priorities. In St. Louis, 130 concerns answered that questionnaire, which represents approximately 60 percent of the replies. However, more defense contracts are concentrated here in this area than elsewhere in the State.

I wish to add that I believe we have sufficient labor in this area to take care of our needs. There may be some dislocations from the effects of priorities, but diversified industry, with which we are blessed here, may be the means of absorbing these people.

Mr. OSMERS. In some other areas where they do not have the diversification you have in the St. Louis area, thousands of people are becoming unemployed due to priorities. In view of this fact, have you noticed any constant flow of migration into St. Louis—needless migration we might call it—as a result of priority unemployment elsewhere?

Mr. SLINKARD. I would reply to a portion of your question, leaving off the latter part which refers to priority unemployment elsewhere, because I don't think all the migrants might fall in that category.

I might say they are attracted in many cases by needless advertising on the part of some of the defense contractors. For instance, a defense plant which may be in need of a particular skilled worker, by the mere insertion of an ad in out-of-city or out-of-State newspapers requesting tool and die makers, may draw a few qualified tool and die makers into St. Louis; but at the same time this advertisement is likely to attract an even greater number of persons who are not tool and die makers and who have no essential qualifications.

A more practical approach to the problem in case tool and die makers are needed is through the accepted employment services, which can first determine whether that type of worker is available in this area, and second, if not available, can requisition such persons from some area where priority unemployment may be having its effect.

Mr. KARCHES. I have headed the industrial relations office in St. Louis and I know some of the employment procedures. Checking

them from time to time, I find that employment managers generally make an effort to minimize the numbers of people whom they attract from other areas, and try to hire men on the basis of their record in local industry, except for jobs requiring higher skills, such as tool and die makers.

REGULATION OF PRIVATE EMPLOYMENT AGENCIES AND LABOR CONTRACTORS

The CHAIRMAN. Gentlemen, we have gone into that problem in our investigation, and we have found that some private employment agencies have been dealing in interstate commerce, in arranging for people to go across State lines, through the advertisement of jobs. We have also found that some labor contractors have been taking poor people, 35 in a truck, and treating them worse than cattle, with no stops at all, from Texas to Michigan, from Florida to New York. This committee, therefore, introduced a bill for the regulation of private employment agencies and labor contractors. I was unable to go to Hastings, Nebr., to open our recent hearings there, for the reason that all week we had in Washington people from all over the country testifying regarding the committee's two bills.

Mayor BECKER. Are those bills passed?

The CHAIRMAN. The hearings are now before the House Labor Committee. This is the first time in the history of the United States, as far as I know, that any reform of this nature has been undertaken. We have been very busy in this country in the last 165 years. We have made regulations concerning interstate commerce in iron and coal and other resources, but we have done nothing concerning human interstate commerce. That is why we are now trying to approach this problem. We are not attacking the honest employment agency, but we are after those fellows who cheat poor people in search of work.

From Nebraska, for example, 32,000 farmers have gone out in 8 years. They take to the road. They don't know where to go, and they run into these private employment agencies. Many of them have been victimized. It is a shame and a disgrace. They should have been helped right at home, before they left; they should have been provided with information as to job opportunities. When they take the road they should be treated at least like human beings. These farmers who pull up stakes and leave because the farm is gone do not change overnight morally and spiritually. They are still good citizens of the United States.

Mayor BECKER. I have just glanced through this analysis of the bill. It takes up the very questions we have been discussing.¹

The CHAIRMAN. The same hazards await people coming to St. Louis, Trenton, Hartford, Los Angeles, or Seattle. That analysis says in plain language just what the bill means, and we may want your support for it when the time comes.

Mayor BECKER. I should like to bring to the committee's attention certain things I have observed—I am speaking primarily as mayor—among the people that have come in and contacted the mayor's office, and in the mail which goes over my desk.

¹ H. R. 5510, a bill to regulate private employment agencies engaged in interstate commerce, now pending before the U. S. Congress.

EFFECT OF ADVERTISING ON MIGRATION

There has been a very large influx of labor to our city, and a good portion of it has been attracted seemingly by newspaper articles with reference to the hundreds of millions of dollars awarded in contracts here. For example, you learn that we are having built here by the Government the largest small-arms plant in the world, which ultimately will employ 30,000 or 40,000 people. The facts are correct, but when that story is given out through the newspapers, the fact should also be stated that here in St. Louis we still have, despite the building of new plants and the expansion of others, a considerable number of unemployed.

When they were building Fort Leonard Wood, we still had about 50,000 unemployed. At the present we have 43,000 unemployed. At the same time, those men who are working on the building of the TNT plant and on the small-arms plant—and there are thousands of them, working three shifts a day—will some day come back into the labor market. As those buildings are completed, that group of men—and they are skilled workers too, because they are working on fireproof buildings required skilled labor—will come back into the class of unemployed. That is something that has not been stressed. In addition to the 43,000 unemployed people here in St. Louis, with these Government emergency buildings being built, we still have that group of potential unemployed.

When Fort Leonard Wood was completed, as fast as they were through, the workers came right back into St. Louis. Those men had the best opportunity and a far larger percentage of those men got jobs than did our workmen resident here in St. Louis.

MOVEMENTS OF SKILLED LABOR

MR. SPARKMAN. Mr. Mayor, may I interrupt to suggest that a large number of those skilled construction workers are not restricted to this local area for their operations? For example, in my home town there is being built a large defense plant, and a great many of the skilled structural steel workers on that plant are coming from St. Louis.

MAYOR BECKER. And when you are through with them, they come back here.

MR. SPARKMAN. Those highly skilled workers are not restricted to a small area. They operate pretty well all over the country.

MAYOR BECKER. Provided there is employment elsewhere for them. You take your own community. You see the same thing happen in your community. You have skilled workers, and they will leave and go back to the places they came from.

We are not worried as much about our skilled labor as we are about the 43,000 unemployed, with migration still coming in. They come in every day, mostly in cars. Sometimes they are stranded upon the street. Their gas runs out even before they get to a destination or can put the car on a lot. That is happening every day, and it is going to continue just as long as you have newspapers to carry the facts as additional contracts are given out. That is our problem.

THE CHAIRMAN. Mr. Mayor, we find comparable conditions in other defense centers. My own opinion is that the Federal Government has

not been entirely successful with the Federal Employment Office, nor have the State employment agencies.

Let me give you an example. Do you know, Mr. Mayor, and gentlemen of this panel, that a couple of months ago in Washington evidence was introduced that there were at that time 5,000,000 unemployed employables on the agencies' registers in the United States?¹

Mayor BECKER. May I ask you, Mr. Tolan, as of what date that was?

The CHAIRMAN. About June. In mid-June the committee went to San Diego and held a hearing there. San Diego has 1 housing project of 3,000 units, which houses about 10,000 people. I asked them how they were affected with regard to skilled and unskilled labor. They said they had no trouble at all, excepting with the painters. Well, I had in my office, I don't know how many letters from painters in the San Francisco area who wanted jobs—good painters. So I had to go back and write them all letters. In other words, there is some missing link there.

Another problem we found in Baltimore and other places was that the management or employers won't go to employment agencies. They would rather have the men pile up at the plant gate and interview them themselves.

I think we have to do something about it, to get the Federal Government on the job and create a more efficient clearing house for employment. If you employ your local people, skilled or unskilled, when this war is over you will have averted excess migration.

Mayor BECKER. Absolutely.

The CHAIRMAN. This committee has heard testimony in Detroit and Washington concerning the increased problem of priority unemployment. Priority unemployment in some parts of the country, combined with so-called defense booms in others, inevitably leads to heavy migration of workers. The committee would like to have the opinion of the panel as to the degree to which the St. Louis area has worked out methods of minimizing this migration.

Congressman Curtis will ask the questions.

MINIMIZING DEFENSE MIGRATION THROUGH SUBCONTRACTING

Mr. CURTIS. Mr. Karches, one of the means which this committee has advocated to minimize defense migration is subcontracting. We are interested in the full use of the labor supply for defense, and have taken the position that subcontracting will help to avert major dislocations. What arrangements have been made by manufacturers and other interested groups to secure their share of defense contracts through subcontracting in St. Louis?

Mr. KARCHES. There are several means. One is to educate the manufacturer to use the facilities provided by the Government, the Contract Distribution Division of O. P. M. seeks to establish a closer relationship with the manufacturer.

Another means of stimulating subcontracting is to encourage defense clinics of a type that would be practical for the small manufacturer—

¹ See testimony of Arthur J. Altmeyer, chairman, Social Security Board, Washington hearings, pt. 17, p. 6782.

that is, to give him an opportunity to view small component parts that might fit into his particular operations.

Another would be—and they are now attempting it—to make visits to the prime contractor, to get contracts. A number of those meetings have been effected between small manufacturers and the prime contractor. One difficulty here, however, as described by a large prime defense contractor in this locality, is that he has bid in at a certain unit price for a certain item, and to let it out to any small contractor or small manufacturer would cause him to assume a loss. There is no protection for that individual. He is very much interested, in this particular instance, in participating in any constructive program of that nature.

Another effect—and this does not pertain to defense contracts as much as to the operations, inventories, control orders, and priority orders—is that individuals have found that their suppliers are unable to supply them because they are furnishing materials to the various ordnance divisions for contracts to be completed as late as 1945. They find the suppliers sympathetic with their problem but they usually say, "We are feeding the inventories of the various ordnance divisions."

MAYOR BECKER. Mr. Tolan and gentlemen of the committee, as we look over and try to find the crux of our priorities situation, there has constantly recurred to us in the investigation that I have made the fact that our Government has not impressed sufficiently upon those who get these tremendous contracts that they should not, in order to carry out parts of that contract, go into the building of additional machinery, when such machinery is existent in some other plant.

NEW PLANTS CONSTRUCTED WITHOUT REGARD TO EXISTING FACILITIES

Now, as one concrete illustration, we have here in St. Louis a concern that has 11 machines of a general type that requires die makers, tool makers, and other skilled labor to operate. These machines roll out metal to the finest, thinnest dimensions. The Ford Co. got its last big contract, for which the Ford people are now putting in additional plants and equipment. They will require for this particular Government contract 4 machines of the identical type of which there are 11 in St. Louis today. This concern, just as soon as the Ford contract was made public, sent a member of its staff to see the Ford man and to explain that they had 11 machines ready for use, of the exact type that the Ford Co. needed. But they couldn't get that subcontract. They were told that the entire plant would be completed there in Detroit and that they would build 4 new machines instead of using those that were already in St. Louis. That is one specific instance to illustrate my point.

This committee before whom we are appearing can be heard, and any suggestion that you make is bound to be given notice and publicity. There is this one angle to be stressed, namely, that any large contracts which require additional machinery to be set up should be reexamined, and if that machinery is available, no matter where, the business ought to be subcontracted.

UNNECESSARY PRIORITY DISLOCATIONS

One other note on priorities: Here in St. Louis we have a concern that employs 160 people. The amount of brass that they need in connection with their output is so small that you could not make a brass cuspidor out of the metal that they use in a week's time. Yet that little essential piece of brass they cannot get under priorities. You are going to throw out of employment 160 people for a little amount of brass that can't make any appreciable difference in the defense program.

You members of this committee are practical men, who have traveled all over the country. You are men of experience. You get information not from one community alone, but in its ramifications and variations in each town you visit. You hear various versions of it, but the underlying trouble is the same. I say that if you would see to it that any decision under the priority rule is based upon the facts of each individual case, gentlemen, you would do much to solve this terrible priority situation, which every large community feels.

We have felt it more than any other, probably because we have 386 types of industry, out of some 480 that the Government lists. If you could in some way have whoever is handling priorities consider how much an individual manufacturer needs of a given material, as compared with the total number of men to be thrown out of work for the lack of such material, that would be most helpful. I have men come in to me every day asking: "Can you do this or that? We have to shut down this or that department, and if we shut down this department, our overhead will be so high that we will have to stop the entire plant." In many cases the complete set-up makes a unit whereby the manufacturer can have a little profit; but if he closes down one of the divisions of that unit, his overhead isn't cut in the same proportion. These men are facing that situation. We in our community are worried about what we are going to do with the plants as they shut down.

The CHAIRMAN. This committee has been hammering at problems of that kind. Unfortunately, the defense effort did not begin at the beginning. We should have had an inventory, to start off with. We should have asked: How much material have we in the United States? How much machinery can be used for defense? How much labor have we in the United States? The committee has hammered on that, and recommended it in our report, and now I can say to you that Washington is getting a complete inventory.

Chances are, Mr. Mayor, they didn't know about those 11 machines that you mentioned. But you see, there is the problem—we have never been provided with an inventory of what we had. For example, let us say we have a hundred million tons of steel. The American people are not going to object if we need 50,000,000 tons for the ships and the Army and national defense. But if we have 50,000,000 tons left after the defense needs are provided, the people of St. Louis have a right to object if there is not an equitable distribution of that 50,000,000 tons. To that end there should be kept, in regional offices, an inventory of the material and labor supply. You shouldn't have to go to Washington. You should have the information right here. The American people are willing to sacrifice in this war, but they don't want to suffer unjustly.

ALLOCATION OF CRITICAL MATERIALS AND CONTRACTS

Mr. KARCHES. The manufacturers are very much interested in the recent efforts of Mr. Odum in allocating critical materials for a certain period of time to cover the needs of small firms, so that they may remain in operation. There are garment companies that can't get needles. That is another case to add to the one that the mayor has mentioned.

A move was made by the various procurement offices of the Quartermaster Corps, to permit them to allocate contracts with some discretion in various localities, not according to bid prices, but according to what could best be done for a particular community, and even allot the contracts to various industries within a community. Those are two steps in the right direction, as agreed upon by a number of manufacturers here.

Mr. SLINKARD. Plans to do a comprehensive job of inventorying the facilities of industry and the labor supply have been proposed numerous times during the past year, not only by labor but by management and by communities. I am firmly convinced, as the record will show, that those plans have not received conscientious consideration. It is well and good to assume that an agency in Washington is heading up the program. That is as it should be. But it is not humanly possible for the personnel of such an agency to handle all the ramifications of this program. Therefore by industries and by communities there should be established "industry councils," with equal representation of labor and management, and with the Government sitting in as coordinator, to analyze the plant facilities, the labor supply in the community and the manner in which these can be put to the best use in production for the defense program.

Speaking of St. Louis in particular, our organization is convinced that every effort should be made to have local industry apply the O. P. M. labor policy in its fullest aspects. One is that defense contractors agree to give first preference to the local labor supply when hiring new employees for their expansion of production.

Second, and right along with that, the defense contractor is to give serious consideration to subcontracting, to use as much as possible of the available plant facilities for the manufacture of parts that can go into the completed item; because unless these plant facilities and such working personnel are utilized in that fashion, the plant is going to become idle and the employee personnel is going to be thrown into the bracket of those deprived of employment by reason of priorities.

In addition to that, management of nondefense industries where production has been curtailed by reason of priority orders should agree to recognize the certification and maintenance of seniority rights of those employees who elect to accept transfer to defense employment.

MAINTENANCE OF SENIORITY RIGHTS

The maintenance and certification of seniority rights while they are working on defense—on a temporary job of a year or two—would eliminate a second evil, namely, mass unemployment, with no orderly transition, when the defense program starts bogging. For example, if a nondefense employer finds it necessary to reduce production and lay off 25 or 50 percent of the force, as is happening daily in St.

Louis, the first procedure should be to utilize those people in the defense expansion program. If they have the essential skills they should be hired immediately; if not, they should be referred to a training program, and upgraded by supplemental training; and while in such a training period, they should receive unemployment benefits in an even greater amount than our present State law provides. Then, when upgraded to fill the job specifications, they should be certified to specific defense jobs.

If that is done in the present emergency, you will have an orderly transition of resident workers; you will obtain the fullest use of the local labor supply. And it is extremely important that recognition of seniority on the part of nondefense employers be established so that when the defense program is completed and those same people are again thrown out of work, they can revert to their original employment, with their regular seniority status. In this way you will eliminate the second evil, of having migratory labor taking jobs of local workers, or of local management supplying its employment needs on a hit-or-miss basis with whomever they can get at whatever wage scale they care to pay.

Mr. OSMERS. Mr. Chairman, I think that both Mayor Becker and Mr. Slinkard have made very valuable contributions. Possibly, I believe that because their ideas so closely fit in with my own. I think that the policy of the Government with respect to plant expansion has been positively brutal. I represent a highly industrialized district. We have plants closing 2 miles away from a huge plant under construction. In addition to the stupidity of that policy, I would like to point out its effect on national defense. Every time we erect a new plant we take steel and copper and other supplies that are vitally needed for the sinews of war, and we transfer labor and skills into the construction of unnecessary new plants, which will be white elephants after the war is over. I have industries in my district that are going to throw 50 and 75 men out of work because they can't get a couple of hundred pounds of lead, or some other material; and in the face of that, we have huge plant expansions going on throughout the country.

We have just come from Nebraska. There are little factories in all those communities out there, where farming is the backbone of the economic life of the State. Those little factories are being choked to death because they can't get the tiny amount of materials that they need to continue producing.

I think the Government should adopt some policy whereby materials will be allocated with some thought as to the percentage of materials to the dollar value of the completed products and the amount of labor employed. I don't think we will have an intelligent policy unless we adopt a method such as that advocated by Mr. Slinkard, to have committees of men and management, under the guidance of Government, and to allocate these materials as equitably as is humanly possible.

We have to go into the field of subcontracting. We are trying to improve our efforts now, but so far our progress has been miserable. I think the work of the Labor Division of O. P. M. has collapsed completely. They have been unable to enlist the full support of labor for the program.

Mr. CURTIS. In asking this question, I am not challenging anyone's patriotism or motives. In the case of this concern which had avail-

able 11 machines very much like the 4 new ones to be used in the new Ford plant, does that type of company have any representation among the dollar-a-year men making policy in Washington?

COOPERATION IN DEFENSE PROGRAM

Mayor BECKER. That particular concern which has those 11 machines available isn't large enough to give you a dollar-a-year man, but every single request that has been made of it by the Government, in any way, shape, or form, has been carried out completely. That concern is 100 percent back of the defense effort. And I want to say this before this committee. I wish that you could have been here on Armistice Day to have observed the parade that was given here, in order to see the attitude of the public here in St. Louis. I have letters in my files which say that never anywhere has a turn-out en masse been observed like that Armistice parade. We had 8,500 soldiers from Fort Leonard Wood, and they brought complete units here, excepting tanks. And our public, a thousand miles from the coast, in this emergency—which is a good distance which makes you feel that this community is not going to be bombed—was 100 percent back of the emergency plan. Now, whether or not individually they may have been agreed on foreign policy or emergency plans was not evidenced, but it showed that in this community the die is cast, and it is 100 percent back of national defense.

Mr. CURTIS. Perhaps I didn't make my question clear. Without a doubt many of these men who have been loaned by industry to the Government, I would say all of them, are true patriots. But as long as we follow that system, small industry does not have the men to loan to the Government to help formulate policy.

Mayor BECKER. The small plants are willing and ready to loan their key men. They are ready and willing and able to serve; and just as soon as the Government finds that it can use them, they are ready to go. These men in the small plants, doing work in their own communities for civilian defense, and working out methods of doing something the Government wants done, are showing as good citizenship as those who have gone to Washington.

Mr. CURTIS. I agree with you.

Mayor BECKER. This is one of the largest cities in the United States, and speaking as its executive head, I want to say that there has been no request that has not been complied with by our small industries or our citizens as a whole.

When the Government came in here and decided to increase the small-arms plant from one able to produce 3,000,000 cartridges to one with an output of 9,000,000 cartridges a day, as a result of changes in the world, and when it needed acres and city blocks for additions to that plant it might just as well have gone over the line and taken adjoining property. But when the Government said, "This is what we want," although it took a public park in that section, our citizens in that area of the city got out of their homes overnight in order to allow dredges and the other equipment for the work of expansion to come in there.

Mr. CURTIS. I know that is very true.

The CHAIRMAN. We are now about 15 minutes behind, and we have to work under schedule.

TRAINING PROGRAMS

Mr. ARNOLD. I have a question for Mr. Jeffrey. To what extent are local training programs geared to actual and prospective production?

Mr. JEFFREY. They are adjusted as closely as we are able to make them, based on the information we have. We feel always the lack of accurate information as to the future labor needs. We feel also the lack of information on how many men are now being thrown out by priorities, men who can be transferred with the smallest amount of retraining. We work through various organizations—labor, manufacturers, employers—getting as much information as possible.

Mr. ARNOLD. You proceed on that information?

Mr. JEFFREY. Yes. The small arms plant has its own training program, for which the Government has made allowance in the contract. They know what their needs are going to be. They have set up their own training schools for head men, foremen, straw bosses, and maintenance men, which is just what they should do, because it is a highly specialized operation. They have been paying those men the prevailing wage while training them. Those men in turn will give a few hours of training to their operatives as they get into production. There is no problem with regard to the training through the schools in connection with that particular plant.

Mr. SPARKMAN. May I ask you, Mr. Jeffrey, since you started the vocational training program, how many persons have been placed in defense work?

Mr. JEFFREY. Up to the 1st of October, the number of men given preemployment training, training for new jobs, has been 1,012. That is the figure that is determined by follow-up methods of the school. As to out-training, there have been about 1,800. The remaining 800 may or may not be placed. We do not know.

Mr. ARNOLD. Mr. Steger, to what degree had the defense program succeeded in decreasing the volume of unemployment in St. Louis before priorities began to make themselves felt?

Mr. STEGER. As far as general relief is concerned, there has been an all-around decrease. The percentage is very small, but it has been steady. However, we expect an upturn on the basis of the priorities now in effect.

Mr. CURTIS. Mr. Walker, the committee understands that your organization has made a survey of the total employment of members of your race in St. Louis in defense plants. Can you supply us with the results of your survey?

EMPLOYMENT OF NEGROES

Mr. WALKER. I can to this extent. I can say that of the 108,000 Negroes in the city of St. Louis itself—we have about 140,000 in the entire metropolitan area—at no time, even the peak construction period of the small arms plant, were there more than 1,500 Negroes employed, and all of these were employed as unskilled laborers. On all national defense contracts, as such, at no time did the peak rise over 2,500.

We estimate approximately 63,000 employable Negro workers in St. Louis. I am unable to say definitely how many are employed or

unemployed. The last survey made of unemployment in St. Louis by the W. P. A. study indicated between 15,000 and 18,000 unemployed Negro workers. We do know that most of the Negro workers in this area are forced into the unskilled brackets because of certain exclusions practiced by certain unions and many employers.

We have only three Negroes working as skilled men with union cards on national defense jobs and these are painters who were forced on the St. Louis Building Trades by the Government and Urban League representatives.

I would like to add also that this is particularly important because we are experiencing migration at the same time we have this ever-increasing large number of residents who cannot find work, not because they are unskilled, but because they are Negroes.

This problem likewise concerns Mr. Slinkard, especially as to what the policy shall be in the labor pool established for the transfer of construction workers into production work, because Negroes are excluded from the construction field, as such, with the exception of painters.

Mr. SLINKARD. Insofar as defense construction is concerned, the C. I. O. has been excluded almost entirely; and going further, I would say that in the opinion of my organization it is assumed that the construction worker will follow his particular trade and will therefore continue to be migratory to a certain extent. Certainly with thousands of qualified production workers being thrown out of employment in the St. Louis area by reason of priorities, we are going to object strenuously to any qualified construction workers being permanently located here for the purpose of becoming production workers at the expense of resident qualified production workers who have followed that occupation.

We feel that there is sufficient construction work to be done on the national defense program to justify further migration of the qualified construction worker.

Mr. WALKER. May I add just this bit on priorities? We are particularly concerned with the plight of the Negro worker as far as priorities are concerned because the Negro worker has not been permitted to participate in the defense program, and priorities have dislocated a number of workers.

Mr. CURTIS. What are some of the industries in which Negroes are now working?

Mr. WALKER. They work for the ordinary manufacturer, the small manufacturer. They have been excluded from certain industries, such as steel, and we only have 35 workers at Curtiss-Wright. In all the remaining 386 industries in St. Louis, the Negroes are not employed in any appreciable proportion to their number. They are working in the traditional jobs in St. Louis, for the most part.

Mr. CURTIS. What arrangements have you made with employers and with the State employment service for the placement of your men in industry?

POLICY OF UNIONS TOWARD NEGROES

Mr. WALKER. We have had repeated conferences with the State employment service and have approached the chamber of commerce and the labor supply committee for the instruction of workers in every capacity from manufacturing to transportation. We have discussed

the matter with the C. I. O. We have attempted to discuss the matter with the A. F. of L., which has been for the most part unkindly disposed except with reference to unskilled labor, plasterers, and painters.

Mr. CURTIS. Are you having much success?

Mr. WALKER. I am sorry to say we are not having much success in the building trades.

Mr. CURTIS. Are your people largely residents of this metropolitan area, or have you had a lot of them come in here?

Mr. WALKER. We can't get the residents to working. We are concerned with the residents, but we are also noticing considerable migration. I don't know the figures. The school board has produced certain figures, and coming across our employment desk we have noticed letters from migrants. But for the most part we can say that neither migrants nor the majority of our residents are getting work.

Mr. CURTIS. How are you getting along with the training programs?

Mr. WALKER. I would prefer Mr. Jeffrey to answer that question.

Mr. CURTIS. Is there any comment you wish to make, Mr. Jeffrey?

TRAINING PROGRAM FOR NEGROES

Mr. JEFFREY. I understand that insofar as the building industry is concerned, which has been up to this time the largest employer in defense, there is no training program for white or colored, as the unions and contractors dealing with the direction of construction workers have not felt the need of training for the people they employ. There has been in this city, as compared with other large centers, such as Milwaukee and the eastern cities, need of only a comparatively small amount of training for the semiskilled operator. We have not yet reached the point, except in the aircraft industry, where that need has been a large factor. Our training program therefore has been confined, so far as both white and colored are concerned, to the training for those jobs in which there is some prospect of employment. That is the condition that is laid down by the Government to control that part of our system which is called defense training. At Government expense we train white men in welding, machine operations, and in the aircraft industry. We are training colored men in chipping and welding because there are possibilities of employment in that line so far. According to reports from industry and employment services, there are no prospects of employment for the colored in the machine line or the aircraft line. For the whites we have good opportunities in the contiguous area around St. Louis.

Mr. WALKER. May I add briefly that our experience is a little bit different from that described by Mr. Jeffrey insofar as training is concerned. We have found ourselves in a vicious circle. We are not trained for the jobs when the jobs are available, and then it is too late to train our men. Only one company so far with a large national defense contract has indicated a willingness to accept Negroes as machinists or in the skilled category.

Our board of education has not given us that training. So we are virtually barred. We have been promised a training course for production workers, but it was on an independent basis rather than by a publicly supported institution, such as the board of education.

The CHAIRMAN. Mr. Mayor, and Colonel McBride, I wish to say that deep concern has been expressed by witnesses appearing before this committee in various parts of the country as to what is going to happen after this spending has taken place and after your defense plants shut down here in St. Louis and throughout the country. What is going to be the result here, Mayor?

POST-WAR PROGRAMS

Mayor BECKER. We are expecting a depression after this emergency, probably greater than we had after the World War, by reason of the fact that this present emergency defense program is so much larger, so much more extensive. It is so comprehensive and it reaches into so many fields that we never covered in the first World War.

We are perhaps in a little more difficult situation than other large cities because we have here in our area so much of this defense work, with the TNT plant and the Curtiss Wright plant and the small arms plant in the St. Louis area alone.

When the emergency is over, with all these contracts that we have, the cessation of production will cut through all this like a knife, and we will be sitting here with all those people on our hands. They have to be taken care of. We have been working very hard in figuring out and completing plans for various kinds of work which we hope the Government will be able to start immediately when the defense program ends. In other words we are doing our share of planning constructive work—that is, work of a kind and character which leaves a permanent structure, something that is worth while. In other words, for every dollar that the Government puts into this plan of action we suggest something that is beneficial to the State and community, and to the Nation as well.

We are planning on that and hoping that out of these various programs we are setting up the Government will be able to finance for our community its share in proportion to our needs resulting from the number of emergency plants which the Government has placed here.

The CHAIRMAN. We are very much interested in any plans that will cushion the post-war shock. This committee will appreciate it very much if you would send us the plans that you have already mentioned.

Mayor BECKER. Would you like us to give you in detail the various plans which we are working on?

The CHAIRMAN. Yes; everything you have; because we are about the only ones who can do anything about it.

Mayor BECKER. You are the ones we want to contact, and we will appreciate the opportunity to hand you a detailed description of these various programs.

Mr. STEGER. There is an immediate as well as a post-emergency problem which has to do with housing. I would like to add to our written statement a supplement on that problem which was brought out through Mr. Palmer's release on cooperative housing.

The CHAIRMAN. We would appreciate having that very much. If, as a result of this hearing, something occurs to you gentlemen of the panel, we will keep our record open for a week or 10 days, and we will make your additional statements a part of the record.

We appreciate your coming here, and thank you very much.

**TESTIMONY OF PANEL REPRESENTING HON. FORREST C. DONNELL,
GOVERNOR OF THE STATE OF MISSOURI**

The CHAIRMAN. We will now hear from the Governor's panel. This group consists of the following persons:

Mr. William W. Anderson, director, State Planning Board, State Office Building, Jefferson City, Mo.; Mr. James Doarn, Missouri State Employment Service, 1101 East Capitol Avenue, Jefferson City, Mo.; Mr. J. W. Burch, director, extension service, college of agriculture, University of Missouri, Waters Hall, Columbia, Mo.; Mr. Lloyd W. King, State superintendent, department of public schools, Capitol Building, Jefferson City, Mo.; Mr. Proctor Carter, Missouri State Social Security Commission, State Office Building, Jefferson City, Mo.; Captain W. J. Ramsey, State highway patrol, State Office Building, Jefferson City, Mo.; Dr. James Stewart, commissioner, Missouri State Board of Health, State Office Building, Jefferson City, Mo.

Gentlemen, we appreciate your coming here. Mr. Anderson, I have been advised by the committee staff that Governor Donnell has designated you and various others to represent him at this hearing today. I wish you would present to the Governor our deep appreciation for his assistance in having you gentlemen come here. Please give him our very kindest regards.

Mr. ANDERSON. I will be glad to.

The CHAIRMAN. The prepared statements which have been handed in by the members of this panel are much appreciated, and they will be made a part of the record.

(The statements referred to above are as follows:)

**STATEMENT BY WILLIAM ANDERSON, DIRECTOR, MISSOURI
STATE PLANNING BOARD, JEFFERSON CITY, MO.**

The State agencies represented on the State panel have each prepared material in detail concerning their respective interests. The panel consists of: James Doarn, assistant director, State employment service; Dr. James Stewart, commissioner, State board of health; Hon. Lloyd W. King, State superintendent of schools, in charge of defense training; J. W. Burch, director, agricultural extension service; Proctor Carter, assistant administrator, social security commission; Capt. W. J. Ramsey, State highway patrol; and William Anderson, director of State planning board and executive secretary of State council of defense.

In order to give a bird's-eye view of the situation in Missouri, there are listed some general State-wide observations in brief form.

Normally about 70 percent of the manufacturing of the State is located in the St. Louis and Kansas City areas. About 99 percent of the defense production contracts have been allocated to firms in St. Louis and Kansas City. This does not include contracts for construction nor does it include subcontracts. Therefore, the bulk of migration due to production of goods is toward the two metropolitan centers.

In addition to the production of defense goods there is considerable defense construction. Much of this is located in the metropolitan centers for plant facilities, but large defense construction projects such as cantonments and manufacturing plants are being constructed in rural areas. To these projects there has been considerable migration of construction labor. These projects, however, are of relatively short duration and the migrant workers move on to other projects when the work has been completed.

From reliable reports, there appears to be a decided (but not a measured) migration from the smaller communities of the State to the industrial centers.

There also appears to be an excess of in-migration over out-migration from the State as a whole, this excess going largely to the two metropolitan centers.

The problem of unemployment caused by material shortages due to priority regulations is relatively unimportant at present but may become acute in certain industries as the emergency continues.

There is still a surplus of labor, mainly in the unskilled classes. Shortages, however, do exist in certain skilled classes in Missouri as elsewhere.

There is an adequate supply of construction labor available to supply the demand for any anticipated construction project.

At the present time there are 36,000 workers engaged on Work Projects Administration projects, and there are 11,000 applicants who have been approved but are unassigned because of insufficient funds. In addition, it is estimated that there are approximately 17,500 persons who, if they made application, would be eligible on the basis of need for Work Projects Administration assistance. The total is 64,500 persons, which indicates the employment problem has not been liquidated because of the defense program.

The problem of direct public assistance has not presented itself in areas where defense construction projects have been completed, as was anticipated. For the most part the workers were migratory and as soon as the job was completed in one place they moved on to another defense construction project. When the construction work on defense projects finally ceases, there is likely to be a serious problem of relief. It is anticipated that there will be large numbers of migratory workers stranded. The funds to care for the existing direct relief load in Missouri are inadequate. Should there be any increase in the relief load the State authorities will be unable to cope with it.

The construction of defense projects has created acute problems in rural areas where local facilities are inadequate and local authorities are unable to cope with them. Some of the problems created are:

Because of rapid increase and relatively large concentrations of population, the limited existing facilities for health protection are overtaxed. These communities are unable to finance the needed health facilities and there is considerable delay in obtaining necessary outside assistance, and it appears this assistance will be inadequate to provide the urgently needed facilities.

With the concentration of population, settlements, small communities and shack towns are springing up outside of present towns. Because of this uneconomical and improper distribution of population in newly developed areas, school and health facilities have to be provided at excessive costs. Housing in a majority of the cases in these newly developed areas is inadequate and of a very poor character.

There are ways and means provided for controlling the distribution of population through county zoning and planning. An enabling act passed by the last session of the general assembly will permit counties in defense areas to do county planning and zoning, but this is dependent upon local leadership and up to the present time local authorities have not availed themselves of this procedure.

One of the most serious problems in connection with construction of defense projects is the displacement of families because of large areas of land being taken over by the Government for defense purposes. In three of the large areas there were a total of about 1,143 families dispossessed of their farms of which approximately 307 were indigent and dependent upon public assistance. Slow payment for the land taken over, loss of crops, inadequate payments, and the difficulty in finding new farms constitute serious problems.

The construction of defense projects in rural areas has increased the traffic over certain roads as high as 965 percent with a corresponding increase in accidents of 417 percent.

There are so many Federal, State, and local agencies dealing with the problems in defense areas, some of which have conflicting authorities and cherished prerogatives, that it is difficult if not impossible at times to develop an orderly plan of procedure. Some way should be found to more effectively coordinate the efforts of the numerous agencies, all sincerely trying to do their part in improving local conditions caused by the disruption due to the defense effort.

EXHIBIT A.—PROBLEM AREA ANALYSIS, MISSOURI VALLEY REGION

REPORT BY HAROLD HOWE, CONSULTANT, NATIONAL RESOURCES PLANNING BOARD,
ON THE TIFF MINING AREA, WASHINGTON COUNTY, MO., JUNE 14, 1941

The study was conducted during a 2-week period, June 1 to 14, inclusive. The first persons with whom contacts were made were William Anderson, director of the Missouri State Planning Board, Jefferson City, and Ross J. Silkett, bureau of agricultural economics, representative for Missouri, Columbia. Both of these gentlemen were especially helpful in supplying files on the tiff problem, furnishing stenographic service, and generally giving suggestions and assistance in many

different ways. The first day on the job was spent in conferring with Anderson and Silkett and in getting oriented on the procedure to take in the short time that could be spent on the study.

On June 3, much helpful information was secured in participating in a conference of the special tiff committee held in the conference room of State board of health, Jefferson City. (The minutes of this meeting are attached.) The period from June 4 to June 10, inclusive, was spent in Washington County getting, at first hand, the picture of the problem in the area. The period from June 11 to June 14, inclusive, was spent in Jefferson City, drawing together a brief tentative report and getting the viewpoint of certain State agencies on the soundness of the recommendations to be inserted in the report. Mr. C. Woody Thompson, senior planning technician of the National Resources Planning Board, Omaha, was in Jefferson City during 2 days of this period, June 12 and 13, and rendered a real service in offering advice and assistance in preparing the tentative draft of the report. Not only did he help in this part of the work, but he also took the tentative draft of the report with him to Omaha and agreed to edit it and also to prepare the very important, condensed, summary statement. Too much emphasis cannot be placed on Mr. Thompson's part in this study; before the time it was undertaken, while it was underway, and after the tentative draft of the report was turned over to him on June 14.

In addition to the three men named above, the following persons were interviewed during the period of study: Rt. Rev. William Scarlett, Bishop of St. Louis (Episcopal) chairman of Gov. Forrest C. Donnell's five-member committee on the tiff problem; James W. Cox of the unemployment compensation commission; Paul D. Kelleter, forest supervisor, Clark National Forest; J. W. Burch, director, agricultural extension, University of Missouri, and a member of the Governor's committee; D. Howard Doane, St. Louis, member of the Governor's committee; R. W. Brown, president, Missouri Farm Bureau Federation; Dr. Harry F. Parker, Commissioner of Health for Missouri; Dr. H. A. Buehler, State geologist; Miss Charity Bye Schanks, home economics agent, Potosi; W. C. Wolfe, Superior Mineral Co., Cadet; Paul Cornielson, Farm Security Administration supervisor, Washington County, Potosi; Ernest Pearce, owner of tiff land and brick plant, Potosi; Rev. John H. Cook, Catholic pastor at Tiff, Mo. (he has been there for 18 years); Bruce Miles, manager of the National Lead Co.'s holdings, Potosi; Carl Ross, district supervisor, Farm Security Administration, Cape Girardeau, Mo.; J. J. Riggle, Farm Security Administration special projects supervisor, Washington, D. C.; Richard G. Taylor, in charge of Missouri State Employment Service, Flat River, Mo.; Walter Swearengen, deputy administrator of the National Youth Administration for Missouri, Jefferson City; Conrad Hammar, professor of agricultural economics, University of Missouri; John K. Brownell, forest ranger in charge of station near Potosi; William Nice, forest ranger (in charge of emergency program which is employing 325 Work Projects Administration workers in forest work until end of fiscal year) Potosi; and Mr. Neustadter, superintendent, barite sales division plant, of National Lead Co., Potosi.

An especial effort was made throughout the study to get the viewpoint of Federal and State supervisors on the recommendations that were to be made in this report. As a consequence, the recommendations in part IV of this report are in line with what at least one responsible administrator, in each of the agencies affected, would recommend as the desirable activity for his agency in the area.

Much attention is being directed toward the tiff problem in Washington County at the present time. The Governor's committee, previously referred to, will make its report in July 1941. The function of the National Resources Planning Board is to cooperate with this committee wherever possible and furthermore, the National Resources Planning Board should check from time to time to see to what degree the recommendations of this report are being carried out in the area. This dual responsibility can be executed through Mr. William Anderson, director of the State planning board, and secretary of the Governor's special five-man committee studying the tiff problem.

I. EMPLOYMENT BREAK-DOWN AND STABILITY CHARACTERISTICS

The population trend in Washington County has been upward, the increase being particularly large during the past decade. The total population in Washington County by census years has been as follows: 1910, 13,378; 1920, 13,803; 1930, 14,450; and 1940, 17,492. This is an increase of 21.1 percent between 1930 and 1940 as compared with a 4.7 increase between 1920 and 1930. During the past decade, only seven counties in the State had a higher percentage increase. One of these was St. Louis County. The other six—Butler, Dunklin,

Mississippi, New Madrid, Pemiscot, and Scott— are located in the extreme southeast corner of the State. Measured against the population increases in counties bordering Washington County, the increase in this county is not particularly significant. The increases in population in bordering counties between 1930 and 1940 were as follows: Crawford, 12.5 percent; Franklin, 11 percent; Iron, 8.3 percent; Jefferson, 16.2 percent; and St. Francois, 0.3 percent.

The population of Washington County is definitely rural. There are four incorporated places in the county and their combined population in 1940 of 2,952 accounted for only 17 percent of the county's total. The figures for these towns in 1930 and 1940 are as follows:

	1930	1940
Caledonia.....	143	139
Irontdale.....	395	446
Mineral Point.....	347	350
Potosi.....	1,279	2,017

The net gain in population of the towns of Washington County between 1930 and 1940 was 788, which fact shows that there were 2,254 more persons living in outlying sections of the county in 1940 than in 1930.

The major employments of the county may be classed under three headings, namely, tiff mining, farming, and timber work. Aside from the information which is available from the Census of Agriculture on number of farms, the numbers in these employments will have to be estimates. The problem is complicated in that many persons farm and also mine tiff; others farm and do some timber work. In a prepared statement which he read at the conference before Gov. Forrest C. Donnell on the Washington County tiff problem (April 14, 1941), Mr. E. S. Richeson, secretary of the Potosi Chamber of Commerce, stated that there were approximately 1,500 families whose chief occupation is that of hand mining tiff. Those 1,500 families, he said, average $4\frac{1}{2}$ persons per family, which means that a total of 6,750 persons may be put in this category. According to the 1940 census, there were 1,428 farms in the county. Statistics obtained in 1935 show that 57.8 percent of all farm operators in the county have supplementary nonfarm incomes, leaving only 42.2 percent full-time farmers. This latter percentage would be equivalent to approximately 600 farms. Assuming that there are the same number per family among the farmers as among the tiff miners, that would mean a total of 2,700 persons in this category. It should be noted here that this figure is based on the assumption that there are the same number of persons employed full-time on farms as there are full-time farm operators. This does not allow for hired laborers on farms (figures not available), although their number is probably not large. The balance of the farm operators in the county (that is \$28, or the difference between 600 full-time farm operators and the total figure of 1,428 for all farms) probably is, for the most part, engaged in tiff mining or in timber work and is included in Mr. Richeson's figures for those employments.

Mr. Richeson's report states that there are 650 families who have been, or are now, sawmill workers, small farmers, or timber workers. This group may be referred to as the timber workers of the county. Assuming the same number per family in this group as for tiff miners, there would be 2,925 persons in this category.

A recapitulation for all 3 major employments, taking into account their overlapping, and using this basis of estimate, would show approximately 2,750 families engaged in tiff mining, farming, and timber work. A total of 12,375 persons would be dependent for their income on these 3 employments.

In dealing with the income of the tiff worker, Mr. Richeson's report shows that the average production of tiff by all hand miners does not exceed 5,000 tons per month. The price of tiff is from \$5.75 to \$6.50 per ton. Assuming that the average price is \$6 per ton, the landowner receives on an average 60 cents per ton royalty and the hauler receives from \$1 to \$1.50, depending on the distance hauled. This leaves for the miner from \$3.30 to \$4 per ton. The average tonnage per month per family, according to Mr. Richeson's figures, is about $3\frac{1}{2}$ tons, or the equivalent of \$12 to \$15 per month income per family. The same report states that the cash income of those in the category of timber workers is far lower than that of the tiff miners. Comparable data on the cash income from farming are not available.

It is to be regretted that data on a complete labor survey of Washington County cannot be incorporated in this report. This survey, now being conducted (June

1941) by the Missouri State Employment Service, would yield much more definite information on the situation in the major employments than has been possible to present above. The labor report will be available early in July 1941.

The general impression gained from observing conditions in the area, and from conversation with persons in the area and elsewhere, is that hand mining of tiff is a declining industry. It might also be added that the price of tiff fluctuates widely. At the present time, because of general prosperity, there is an active demand for tiff. The situation in the county now—bad as it is—probably is not so bad as it would be in a period of inactive demand.

With cash incomes at the levels above described, it is hardly necessary to add that the relief load is extremely heavy in Washington County. According to Mr. Clarence Keathley, secretary-director of Social Security at Potosi, more than one-third of the population of the county is receiving some form of Government aid. Through the three programs of aid to dependent children, general relief, and old-age assistance, the State of Missouri spent \$57,650.12 in 1940. The Federal expenditures in the above-named categories plus those of the National Youth Administration, the Civilian Conservation Corps, and the Work Projects Administration amounted to \$565,684.22 in the same year. This would be a combined total by Federal and State agencies for aid in the above-listed categories of \$623,334.34 in 1940. This figure does not give the whole picture because it does not include the value of the services of the Farm Security Administration, the State crippled children's commission, the State board of health, the expenditures of the county for the care of the indigent, the amounts of local sponsor's contribution for Government programs, and the value of contributions by State and local private organizations. Speaking of sponsor's contribution, Colonel Casteel, of the State Work Projects Administration, reported that Washington County has made a sponsor's contribution of only about 9.2 percent of the work that has been done there. During the history of the Work Projects Administration, the Work Projects Administration and sponsors have spent \$1,559,024 in Washington County. In addition to this amount, approximately \$66,000 has been spent in the sewing room in the county.

II. FACTORS AFFECTING EMPLOYMENT AND INCOME STABILITY

The major occupations in Washington County may be classified under three headings: Tiff mining, farming, and timber work. Each will be discussed separately and following that an attempt will be made to give a composite picture of the general situation that now exists within the county.

Tiff mining.—Although tiff has been mined for many years in Washington County, there is still an abundance of the mineral underlying the soils of the county. Of course, the richer and more readily available deposits probably have been exploited. Therefore, the problem in the occupation of tiff mining does not result from the exhaustion of a resource as is the case of the timber worker, and in a somewhat lesser extent, of the farmer. On the contrary, the tiff miner is faced with a technological change in the mining of tiff which very definitely affects all those engaged in the occupation of hand mining.

Not one but many factors probably account for the change from hand to machine mining of tiff in the county. Mechanized mining is less expensive, it makes possible more complete recovery of the mineral, and the extension of mechanized mining in the county is only following the trends in mining found in other sections of the United States where the mineral is produced. The problem of hand mining versus mechanized mining was brought into sharp focus by the National Labor Relations case.

This case originated in Washington County and is now before the National Labor Relations Board. The National Labor Relations Act requires that employers bargain with the union which represents the majority of their employees. Jack Sullivan, for the local Congress of Industrial Organizations union, filed charges that a certain employer (Blount, et al) was not bargaining with the union. A hearing was held in November 1940 and the trial examiner (Josef L. Haktoen) in his intermediate report (dated February 10, 1941) made certain recommendations but the National Labor Relations Board has not yet handed down its decision. The question to be decided is whether the hand miners are independent operators or employees of the landowners. If they are employees, they will then come under the provisions of the Fair Labor Standards Act of 1940. If the landowners are held as employers, they must limit the miner's working time to 40 hours per week and see that each earns the minimum prescribed by the Fair Labor Standards Act. It is estimated that a miner's earnings now are approximately 20 cents per hour or less. The statute calls for 30 cents per hour. The employer would not only be obliged to pay that amount but he would also

be held liable for the period since October 1938 when the Fair Labor Standards Act went into effect. As a consequence of this case and pending decision, the landowners are wary about hand mining. One landowner expresses the viewpoint very well in the following words: "In the face of that accruing liability, it would be cheaper to chop off the royalty (from each ton of tiff mined on his land) and stop the liability than to collect the royalty and let the liability accrue."

That mechanized mining is coming into the county rapidly no one will deny. Even the casual observer driving over the county is impressed by the number of new washers being erected.

Farming.—Census figures lend support to the general impression one gets in viewing the agriculture of the county, namely, that the land is not farmed as extensively or intensively as in the past. In the face of an increase in rural population, there has been a decrease in the acreage of land used for crops in the county between 1929 and 1939. On those farms reported by census enumerators, 52,005 acres were used for crops in 1929, 47,643 acres were used in 1934, and 44,331 were used in 1939. This is a reduction of about one-eighth in the 10-year period. The census also shows that there were fewer milk cows and poultry on farms in 1939 than there were 10 years earlier. In some categories there were increases in production but in many the trend was the same as that for milk cows and poultry. Between 1935 and 1940 there was a decrease in the number of farms of the county from 1,539 to 1,428. This decrease occurred in the small farms as indicated by the following figures from the 1940 census:

Size of farms	Number in 1935	Number in 1940	Decrease	Increase
Under 10 acres.....	75	70	5	.....
10 to 29 acres.....	177	145	32	.....
30 to 49 acres.....	247	217	30	.....
50 to 69 acres.....	105	100	5	.....
70 to 99 acres.....	212	215	27	.....
100 to 139 acres.....	199	185	14	.....
140 to 179 acres.....	173	160	13	.....
180 to 219 acres.....	85	86	.....	1
220 to 259 acres.....	47	47	.....	.....
260 to 379 acres.....	103	106	.....	3
380 to 499 acres.....	39	48	.....	9
500 to 699 acres.....	20	21	.....	1
700 to 999 acres.....	14	17	.....	3
1,000 acres and over.....	7	11	.....	4

Another impression one gets in visiting the area is that, as a general rule, farming is not being carried on as effectively as it might. This statement applies to big farms as well as to little farms. A well managed farm—and there are a number in the county—stands out as something unusual. With rather poor management as the rule, the farms have deteriorated although they are not yet beyond recovery. The soil, although not the best, is productive as is amply demonstrated by the produce grown.

Bringing together these facts and general impressions, one can say that the occupation of farming is being neglected for various reasons. Apparently, this is true of the small garden plot as well as the larger general farm. Land ownership and leasing is of a rather mixed and confusing pattern in Washington County. Assurance of a more permanent tenure with a fixed and habitable place of residence, and the responsibility accompanying both, would undoubtedly raise the prestige of farming as an occupation with some of the residents of the county.

Timber work.—The occupation of the timber worker differs from that of tiff miner and farmer in that the resource from which he once earned a livelihood is almost exhausted and the time when this resource can be rehabilitated is a good many years in the future. What little timber remains is being used. These timber workers are dependent upon what few ties they can make from the inadequate timber stand that is being used.

Resumé.—To present a composite picture of the general situation as it exists within Washington County is to attempt the impossible. One alternative is to enumerate some of the factors in the picture. This obviates the necessity of coming to one general conclusion. The following is a brief statement of some of the factors that must be considered in planning any program for the county.

1. It is a county in which a large percentage of the people has a low standard of living. Washington County is not unique in this respect. Probably many other counties in the United States are as bad off. Many of the people are of French descent but one must not get the impression that those of low standards

are all of French descent or that all the French in the county are to be placed in this category. Nothing could be further from the truth. But viewing those of French descent for a moment one can get some insight into their background. The French element is easier to study because one can go further back into its history than in the case of some of the later arrivals. Many of the French that came to the county constituted the overflow—the misfits—from the French settled counties—the better agricultural counties—to the east.

A large percentage of the people care little about whether their children attend school, their dwellings are shacks, they are perfectly content with living as they are, they have no sense of the value of money earned, and they are shiftless. This statement makes one vulnerable to criticism, for someone might propose that these people are creatures of their environment. Give them the opportunity to earn a decent wage, to build a livable home, and matters would be different with them. Although there would be some difference of opinion on this point, the fact is that society does have a duty to make it possible for these people's children to make the choice whether they shall go on living as their parents do or improve their standard. While harsh things have been said about these people, it should be said to their credit that they are not criminally inclined, and residents of the community do not complain even of petty thievery.

The facts are that people who are weak—economically, intellectually, and physically—are usually exploited. These people, generally speaking, are weak in the first two categories and many of them, because of poor nutrition, are weak in the third. They show the marks of exploitation—past and present—in their faces. Exploitation breeds distrust, and distrust of everything new is a serious obstacle in the way of bettering conditions in Washington County.

2. The peculiar land ownership pattern was referred to previously. Spanish land grants preceded the rectangular land survey, and ribbon farms were carved out of these square or rectangular blocks. Then there are large landholdings of tiff land on which miners live. The following are some of the larger landholdings:

	<i>Acres</i>
National Lead Co. (Barite sales division)-----	16,000
Potosi Tie & Lumber Co.-----	12,000
Washington Land & Mining Co. (Shapleigh interests)-----	6,000
Payrole Mining Co.-----	3,000
W. C. Wolff-----	1,500
H. L. White-----	1,200
B. A. Blount et al.-----	800
Lester Kerney-----	600
McGregor Brother-----	500

Approximately 1,000 families live on these 41,600 acres. In some cases, the owner provides the houses. In other cases, the miners build their own houses. Washington County is a county of wide diversity of land ownership. For example, alongside the rows of huts that constitute the publicized Paw Paw Patch is a large farm with an extraordinarily large complement of farm buildings. In many parts of the county, the medium-sized farm, which is the bulwark of most rural communities, does not exist.

3. Stores are particularly numerous over the countryside. One is located at almost every crossroads. All seem to be doing a good business. One might suggest that these stores are the symbols of present-day exploitation of the tiff miner. In general, prices are high, goods are of inferior quality, the business is done on a credit basis, and the miner has little "money sense." Such a combination means exploitation. Furthermore, it is reported that some storekeepers encourage the miner in his disinclination to raise a garden. He is told—and he probably wants to hear it—of how foolish it is to tend a garden when he can be digging tiff and, with the money thus obtained, buy vegetables at the store.

4. Speaking advisedly, the present movement for "doing something for the tiff miner" did not originate with him. (It is not to be inferred here that he does not need help, for the fact has been proved beyond all doubt.) Those interested in the movement were not altogether thinking of the tiff miner. The storekeeper, for example, wants Government help so that he can sell more goods to the miner. Those interested in the introduction of machine mining want to prepare the way for that by having the Government ease the shock for the miner. Those in business in Potosi and those charged with the responsibility of county government have somewhat similar motives. Perhaps this is stating the case too bluntly and it would be better to state that there was an element of self-interest mixed in with the altruism of the citizens of Washington County in attempting to "do something for the tiff miner."

5. Local leadership that has the good will of a sizable block in the county is sadly lacking. Landholders apparently have not demonstrated to the tiff miner that they are working for the latter's best interests. Perhaps even if the landholders were doing infinitely more than the small amount they are doing, they would still not be able to get the workers' good will. The local leadership that does exist, for the most part, is recruited from the ranks of landholders or those closely associated with them.

It is the quite general opinion that the tiff miners, as a group, are temperamental in their reactions to public questions. They show inclination to reverse their thinking on public questions on short notice. This, added to the fact that they are a rather inarticulate group, makes the development of local leadership difficult.

III. DIRECTIONS OF READJUSTMENT

Before outlining the economic and physical readjustments for the area, a word may be necessary to explain what might appear to be undue emphasis on agriculture, forestry, and land use in the suggestions that follow. The emphasis is so placed after careful consideration has indicated that stress should be laid on these factors, for they are fundamental in the long-time economy of the area. The fact must not be lost sight of that Washington County is a part of the Ozarks, and in all consideration it is imperative that this county be treated in terms of the broader area in which it belongs. Thus, Washington County possesses all of the disadvantages and the advantages of Ozark agriculture. The main disadvantage may be summed up in the words "low farm income," which results in a standard of living at or near the subsistence level. The advantages are that a family in this region may make a low income go farther in providing the necessities of life than in many other sections of the United States. Nature has provided a comparatively mild climate, wild fruits and berries, and a supply of trees that may be used for a shelter and for fuel. Because low income is the rule rather than the exception, the individual family enjoys a certain degree of peace of mind in the knowledge that its position is about as good as that of its neighbor.

The emphasis purposely is placed on agriculture and forestry for the reason that "tiff" mining appears to have reversed the normal order of "putting first things first." Agriculture and forestry have been in partial, if not total, eclipse. The contrary relationship should exist, however, thereby relegating tiff mining to secondary position. Until the time comes that tiff mining is looked upon as a source of supplementary income to the rank and file of agriculturists and timber workers in Washington County, there can be no lasting solution to their problems. Old residents of the county state that that was the situation of a generation or more ago. Reverting to an order which has existed may be easier than striving to attain a condition which is without precedent.

The first major adjustment is to put a large part of the area of Washington County into the use for which it is best adapted. Prof. H. H. Krusekopf of the soils department, University of Missouri, has prepared a general land map of the county which, until such time as a soil survey is made, probably is the best information available on the general land classes of the area. His report and map show that although all of the county is very hilly, the soils in the western half of the county are uniformly stony and of low productivity. According to Professor Krusekopf "in this area very little of the upland is suited to farming although some can be utilized for rough pasture. In general, it is a region of forest land. The creek bottoms are successfully farmed, and include most of the arable land. The agricultural possibilities in this section are very limited." The area to which he refers comprises more than half of the area of Washington County. It should be emphasized that the border lines are not exact and definite delineation is not possible until information from a soil survey becomes available.

A definite step toward the needed readjustment took place in 1934 when the Clark National Forest was created to embrace an area comprising approximately the southwest quarter of the county. Approximately 132,000 acres of Washington County are in this national forest. Of this total, the Federal Government owns 68,000 acres, or approximately one-half of the area within the national forest. Probably the Forest Service can acquire eventually up to 75 percent of this area. If additional funds were available and approval given, the forest area could be extended to take in 147,000 additional acres in Washington County. This would more than double the present area in national forest. Increasing the area to this size would put to forest use the section of the county that Professor Krusekopf designates as "a region of forest land." It could reasonably be assumed that the Government might eventually purchase 75 percent of the extended area. Following these assumptions, the Forest Service might eventually own, in round numbers,

200,000 acres of land in the county. Such a program, in addition to insuring that the soils of approximately the western half of the county would be in the use for which they are best adapted, would create a labor market for many Washington County people. Mr. Paul Kelleter, supervisor of the Clark National Forest, stated that if funds were available for work on the 68,000 acres now owned in the county, the Forest Service would be in position the first year to give 200 days employment to a total of 892 men. Since certain of the work can be done only once in about 10 years, the succeeding year the employment would drop to 200 days for 250 men. These latter figures probably would represent the amount of labor required annually to care for the 68,000 acres. Increasing the acreage of Government-owned land to 200,000 would triple the area thus owned, but it would not result in a three-fold increase in the amount of labor required. Certain of the labor on the present area of national forest is of an overhead character which would not be increased proportionally with the extension of the area in forest. With the national forest in Washington County more than double its present size, and with 75 percent of the land in the forest owned by the Government, it is conservatively estimated that if funds were available, the Forest Service would be in a position year after year to give 200 days employment for 500 men, or if preferred, 100 days employment annually for 1,000 men.

The second major adjustment is to develop a program for the eastern half (actually less than half of the area of the county) of the county which will assure the use of the resources of the area in such manner that the greatest benefit will result to the residents of the region. In this description of the eastern half of Washington County, Professor Krusekopf states that "the soils are not everywhere stony, although there are areas of rough land. The soils are dominantly brown in color and more productive than in the west half of the county." This portion of the county is a combination of (1) mixed forest grazing and some crop land, and (2) rotation crop land. For the purposes of this report, this division need not be stressed since the suggested adjustments are for the entire eastern half of the county. However, in putting into force any of the suggestions made for this area, the delineation would be a most necessary guide. Again it may be advisable to remark that a soil survey would make these delineations more definite.

The task of suggesting adjustments for the eastern half of the county cannot be simplified in the sense of making one general readjustment as was the case of forestation for the western half of the county. The problem calls for many, not one, adjustments. However, one adjustment stands out as being fundamental. It is for some plan of putting people on small tracts of agricultural land. This can be brought about by public acquisition or leasing and subsequent lease or resale. The characteristics of the people, their part-time employment, and the peculiar characteristics of the land ownership in the area, as previously described, all justify such a program. Furthermore, to prove effective, such a program must be planned on a comparatively large scale. In this the Farm Security Administration has the facilities for playing the major role. This organization could begin its work with the subsistence units; e. g., cow, garden, etc., and work into the development of cooperative landholding and leasing associations.

The suggestions so far may have indicated a cleavage between east and west sections of the county. They were thus presented merely to bring in sharp focus two major lines of action and not in any sense is it the intention to make any distinction in the over-all suggestions for the area. The county should be considered as a unit and all programs to be effective must be well coordinated.

In discussing Washington County as a whole there are many pressing problems but none more significant than that dealing with the educational facilities for young people. The boys and girls do not have adequate facilities—and many are not taking advantage of the facilities they have to equip themselves for service as productive citizens. Training of a vocational character is inadequate and that which exists is reaching only a comparatively small group of young people. The finances of the county are being strained to provide even a modest school system. Too much cannot be expected from the local schools in the development of vocational training programs. This type of education is expensive to install and to teach. Under such circumstances, it appears reasonable to urge that the National Youth Administration give generously of its facilities to these underprivileged youths. It would seem that the National Youth Administration offers the one major opportunity for developing skills among many boys and girls who are in the county now because they do not know the trades that would give them entree to jobs elsewhere.

When all factors are considered, it is with the youth of the county that the hope for better conditions rests. One cannot get too optimistic about changing the ways of persons who have already lived most of their lives. Consequently,

stress should be laid on helping the boys and girls to readjust themselves. Acquiring a skill, as was mentioned above, is one important angle of the education programs. The National Youth Administration also can help in another way. Through its residence centers, it can teach how to live better by acquiring home talents, and by taking advantage of even the modest means that may be at one's disposal.

The suggested readjustments found in the preceding pages may be criticized on the grounds that they stress, unduly, what governmental agencies, rather than private initiative, can do for Washington County. For the immediate future—unfortunate as it may be—Government activity seems the major alternative. Furthermore, it would appear that laying the base for a long-time remedial program is also Government's role. The position of private industry in the future depends in large measure upon the degree of wisdom displayed by various governmental agencies in making their long-time plans for the county. Consequently, one of the most important recommendations that can be made is for research into the possibilities for developing small industries within the area. The same statement can be made concerning research into the best uses for agricultural land. For example, the rehabilitation of forests will open up possibilities for industries built upon the processing of wood products. The role of Government agencies is to develop a specific program of research into the utilization of forestry products. The role of private initiative is to take these findings and develop industries which will give employment to people of the county.

IV. RECOMMENDATIONS

SPECIFIC ACTION PROPOSALS

1. *Through Federal action.*

(a) Extend the boundaries of the Clark National Forest to include an additional 147,000 acres of Washington County land. Continue the program of land acquisition in the present area of the National Forest, and the area within the extension, until the Government owns approximately 200,000 acres of forest land in the county. This acreage would be approximately 75 percent of the area of the extended national forest in the area. Make funds available so that the Forest Service will be in a position to give employment for 500 men for 200 days a year, indefinitely. This employment figure is based on an estimate of the manpower needed to care adequately for the national forest in Washington County, after the present area is extended to include an additional 147,000 acres.

(b) Inaugurate an extensive Farm Security Administration program of public land acquisition, or leasing, of agricultural land in the county for the development of cooperative landholding and land leasing associations.

(c) Develop a specific program of research into the utilization of agricultural, forestry, and mineral resources of Washington County. In this program, the facilities of the Regional Research Laboratory of the United States Department of Agriculture, the Forest Products Laboratory, the Bureau of Mines, and other Federal agencies should be made available. In particular, it is urged that the Forest Products Laboratories should consider the establishment of pilot plants for the production of wood products.

(d) Establish National Youth Administration residence facilities at Bonne Terre and enlarge workshop opportunities at that point sufficient to accommodate 100 additional boys from Washington County. Enlarge the present residence center at Steelville to accommodate an additional 50 to 60 girls from Washington County.

2. *Through State action.*

(a) Develop a county land-use planning program in the county. In view of the proportions of present Government programs and the suggested new programs in the county, it is imperative that the necessary machinery be set up for coordination of all activities. The county land-use planning program provides the nucleus for this coordination and for the working out of cooperative relationships between the three levels of government—Federal, State, and local—in the county. An agreement for a unified effort for better land utilization and the rehabilitation of rural families, patterned along lines of the agreement recently adopted in the Pond Fork unit of the Mark Twain National Forest, is urgently needed. However, in Washington County this agreement should cover the whole county and should provide a broader approach and a membership of local as well as State and Federal agencies. (This recommendation, although placed under the heading of State action, really calls for action in all three levels of government.)

(b) Make a complete soil and land-use survey of the county. This survey should precede (a) any extension of national forest area, and (b) any Government program of acquisition or leasing of agricultural land.

(c) Periodically, there should be labor surveys by the Missouri State Employment Service, similar to the one being made in June 1941 as a basis for regulating the public labor load.

(d) Maintain a full-time complete health unit for Washington County for curative as well as preventative work.

(e) Develop Washington Park. This park is about 50 miles from St. Louis and only a short distance from the populous lead-belt area of St. Francois County.

(f) Make possible the creation of soil-conservation districts so that the services of the Soil Conservation Service could be made available for Washington County.

3. *Through local action.*

(a) Established vocational education—vocational agriculture, vocational home making, and possibly industrial trades and industrial education—in at least one school in Washington County.

(b) Rigidly enforce the compulsory State school-attendance law.

(c) Cooperate in land-use-planning activity to insure program coordination.

SPECIFIC PROBLEMS ON WHICH ADDITIONAL RESEARCH AND INVESTIGATION ARE NECESSARY

1. Revise the 1932 school plan for Washington County to assure that school facilities are meeting the needs of the area. The possibilities of school consolidation, bus transportation for pupils, relocation of families, and vocational training should be especially emphasized.

2. Make an exhaustive study of the industrial utilization of the mining and forestry resources of the county with the view in mind of finding jobs for Washington County people in industries now utilizing the products or in industries which would be created because of new uses which might be found. To state specific examples, further research might be conducted into the economic feasibility of establishing a charcoal plant, a brick plant, and an establishment for the manufacture of corrugated cardboard from Missouri oak.

3. Conduct an exhaustive survey of the adaptability of the area for truck gardening and of the markets for such produce.

Problem area analysis, tiff mining area, Washington County, Mo., by Harold Howe, consultant, June 14, 1941

Characteristics of employment	Factors affecting employment and income stability		Direction of readjustments	Program—over-all recommendations and public works recommendations	
	Basic natural resources	Essentials of regional economy			Current problems
<p>3 major employments: Farming. Tiff mining. Timber working. <i>Tiff mining</i>—Employs approximately 1,500 families or total of 6,750 persons dependent on tiff mining. Average family income \$12 to \$15 per month. <i>Farming</i>.—1,428 farms in county. 59 percent of farm operators classified as part-time operators. <i>Timber</i>.—Approximately 650 families engaged in timber working. <i>General</i>.—All types of employment are poorly paid, seasonal, and subject to rather wide price spreads, c. e., price of tiff varies greatly. After the Missouri State Employment Service makes its report in July 1941 a better picture of employment can be drawn.</p>	<p>Basic natural resources are minerals, forests, and farm lands. Tiff (barium sulphate) is the primary mineral and exists in adequate supply although probably not as abundant or readily available as in the past. Forest resources are practically exhausted. Farming occurs for most part in eastern half of the county, and, generally speaking, is poorly done.</p>	<p>Tiff mining by hand is not only a poor occupation, but it is being threatened by cheaper and more effective machine methods. If the National Labor Relations Board rules these to be employable by the mineral-hand-owners then hand-mining operations will practically cease. The number of acres in cultivation is declining although the rural population is growing. Farms under 180 acres in size have uniformly decreased in number whereas farms over 180 acres have increased slightly. Timber working is the poorest of the three major occupations and must be abandoned because of the exhaustion of the forests disappear unless rehabilitation of the stand is made possible by an adequate forestry program. The population has long been in the county. A strong French group is there, but there are many other nationalities represented. The people are poorly fed, poorly housed, indigent and generally suspicious of all moves to help them.</p>	<p>1. Unemployment. 2. Poverty. 3. High relief costs. 4. Poor health. 5. High rate of illiteracy.</p>	<p>Readjustments of the tiff area must be bottomed on the fundamental fact that mining must accept an incidental status. Agriculture and rehabilitation of forests must become the primary basis of employment. To this end soil and land use surveys must be made, and our expanded forest purchase program developed. Finally, such industrial possibilities as might be developed must be explored.</p>	<p><i>Program</i>—over-all recommendations and public works recommendations</p>
			<p>Specific action proposals: 1. Through Federal action: (a) Extend the boundaries of Clark National Forest to include an additional 17,000 acres in Washington County. Make funds available to Forest Service so that it can employ each year 500 men for 30 days each. (b) Inaugurate a forestry program of land acquisition and leasing. (c) Develop a specific program of research into the utilization of agricultural, forest, and mineral resources of Washington County by such agency as Forest Products Laboratory, etc. (d) Establish National Youth Administration residence facilities at Bonne Terre for boys and Steelville for girls, and enlarge workshop opportunities. 2. Through State action: (a) Develop a county land-use planning program. (b) Make a complete soil and land-use survey of the county. (c) Survey periodically the labor supply of the county. (d) Maintain a full-time complete health unit for Washington County.</p>		

- (c) Develop Washington Park.
 - (f) Enact a State soil-conservation district law.
3. Through local action:
- (a) Establish at least one vocational school in the county.
 - (b) Enforce rigidly the compulsory school attendance law.
 - (c) Cooperate in land-use planning activities.

Specific problems on which additional research and investigation are necessary.

1. Revision of 1932 school plan for Washington County.
2. Study of commercial potentialities of mineral and forestry resources of the county.
3. Survey of the commercial potentialities of truck gardening.

REPORT BY H. D. BOSSERT, CONSULTANT, NATIONAL RESOURCES PLANNING BOARD,
ON APPANOOSE COUNTY, IOWA, JUNE 28, 1941

Appanoose County has been the subject of many a social analysis. Because of this, and more particularly because of the factors which have prompted such analysis, many local leaders are convinced that the time for action has been "now" for several years.

Problems of the area center about the coal industry, whose development brought in thousands of people but whose decline has not been accompanied by proportionate emigration. Without coal mining, Appanoose County might have achieved its peak population as far back as 1870 instead of 1920.

The coal is still available in large reserve. Loss of railroad markets and competition from better grades of coal, as well as other types of fuel, have curtailed production. Increased knowledge of combustion, better preparation such as cleaning, sizing, and waxing hold promise of retaining or expanding present markets.

Eventual depletion of eastern coal reserves and more immediate reduction in petroleum available for domestic civilian consumption may increase considerably the demand for Iowa coal and, proportionately, for Appanoose County fuel. If so, the miners are ready to do the job, although their average age is increasing each year.

Local leaders, however, have come to the conclusion that in agriculture, rather than mining, lies the hope of the county's excess miners for subsistence and, on a modest standard of living, independence. Particular interest attaches to a subsistence farming plan prepared in some detail by local people and presented to Farm Security Administration representatives in 1938. Action on this plan on a trial basis seems warranted without delay. Local leadership will be supplied, but Government loans apparently are required.

In the ideas and energies of the local people are many signs of hope. Establishment in past years of the Appanoose County Soil Conservation Association, active participation in the program of the Chariton Basin Planning Board, creation of an areal public health unit, and continued indications of personal willingness to contribute toward the solution of common problems are strong evidence that morale and leadership have not been destroyed.

In 1936 the report *An Approach to County Planning—Appanoose County*, was issued by the Iowa State Planning Board. A wealth of factual material including the results of some original study, plus preliminary plans for recreational, transportation and other development, were incorporated in the publication. Local businessmen, public officers, engineers, farmers, and others contributed valuable time and information.

From this report has been obtained much of the background information for the present areal analysis. The latter would be improved by the inclusion of many illustrations, maps, and graphs from that source, but unfortunately these are not readily available except through the dismemberment of several copies of the publication itself. Reference is hereby made to that report as being the most productive single source of information about Appanoose County.

I. CHARACTERISTICS OF EMPLOYMENT

The population of Appanoose County was higher in 1920 than in any other census year before or since, although in 6 of its 17 townships, the peak was actually reached in 1870. Except for 1917 and 1918, the year 1920 also saw the highest production of coal in the county. From more than 30,000 people in 1920 the population dropped to 24,835 in 1930 and 24,245 in 1940.

The United States Census of Occupations indicates that there were in the county about 2,900 miners in 1920 and about 1,600 in 1930. The 1935 Census of Business shows 1,564 employed in mines and quarries, the latter undoubtedly accounting for only a small portion of the figure.

Thus in a period of two decades the county lost 20 percent of its population (about 1,900 families) including about 1,400 or 48 percent of its miners. Annual coal production, however, in the same period dropped from over 1½ million tons to less than one-half million tons, while total man-days employment in the mines fell from over 700,000 to less than 200,000. Decline of the railroad market has been responsible for almost all this change. The 2 factors of decreased tonnage and decreased man-days per ton combined to effect more than a two-thirds decrease in employment while the actual number of miners decreased one-half.

The 1930 Census of Unemployment indicated a total of 1,075 unemployed persons in Appanoose County. Of these, 543 were temporarily idle from their jobs, and 532 were out of work but able to work and looking for it. Of the 1,200 relief families in 1935 the head of the family was listed as a miner in 40 percent

of the cases. Work Projects Administration project employment for the 24 months ending June 1941 showed a fairly uniform total of 400-500.

All these factors point toward the conclusion that Appanoose County has an excess of some 400-500 miners.

The 1935 Census of Business gives the following employment and pay-roll figures for the commercial industrial group:

TABLE I.—*Appanoose County employment and pay roll, 1935*

	Number of employees	Percent	Pay roll	Average income
County total.....	12,572	100.0	\$1,879,000	\$730
Mines and quarries.....	1,564	60.8	1,127,000	720
Retail.....	503	19.6	275,000	546
Manufacturing.....	200	7.8	187,000	935
Wholesale.....	112	4.4	126,000	1,125
Service.....	55	2.1	29,000	528
Insurance, real estate, and finance.....	44	1.7	39,000	887
Construction.....	19	.7	16,000	843
Miscellaneous.....	75	2.9	80,000	1,067

¹ Not including 488 active proprietors plus unenumerated proprietors in manufacturing, mining, and quarrying.

Mining leads the commercial-industrial group in employment and is the No. 1 source of unemployment, yet agriculture is the leading industry with twice the income and two-thirds more employment than mining.

The farm population rose from 8,927 in 1930 to 9,694 in 1935, an illustration of the back-to-the-folks depression migration. In 1940 the total population on farms and in unincorporated communities was down to 9,423. Farm employment in 1935 stood at 2,485, comprising 2,304 farm operators and 181 hired help.

From a census standpoint, only 8,413 people were in the urban group in 1940, all towns except Centerville, the county seat, having less than 2,500 population. From an Appanoose County viewpoint, however, there were 14,822 persons in the 11 incorporated towns to 9,423 on farms and in unincorporated places. The 1930-40 population drop of 600 persons occurred almost entirely in the latter group.

Early miners from England, Wales, and Scotland were followed by Swedish, Italian, and Yugoslav workers. The latter two nationalities now predominate among the foreign-born group and comprise about one-twentieth of the population.

An accelerating decrease in the percentage of young people and increase in the proportion that are over 45 years of age explains the disinclination of the residual population to follow the trail of economic opportunity.

II. FACTORS AFFECTING EMPLOYMENT AND INCOME STABILITY

A. USE CAPABILITY OF BASIC NATURAL RESOURCES

Although practically all the land is in farms and almost 40 percent in crops, only about one-fourth of the total area of the county is made up of highly productive soils. The topography is mainly rolling, characterized by many short, steep slopes. This combined with the shallow surface and low absorption capacity of the typical soils has resulted in widespread serious erosion. Limestone and in most cases phosphate applications are needed for maximum production, especially for legume crops.

Probably about one-fourth of the area was originally timbered with hardwoods. Much of this has been entirely cleared. Practically all that remains is used as woodland pasture, preventing the establishment of new growth. Less than 1 percent of the county is now used exclusively for timber, and little of this gets the management needed for profitable timber production.

Much of the county is underlaid by a low grade of bituminous coal, easily accessible for shaft and drift mining. High in moisture content, the local coal tends to "slack down" or disintegrate and to heat in storage. Because it cannot be stored for long periods, it cannot be mined uniformly throughout the year. Washing decreases the ash content but does not materially reduce the high sulfur content. An area about equal to that currently under lease has been worked out. Coal reserves are estimated as adequate for many centuries at present production levels.

There are considerable, fairly well distributed deposits of limestone suitable for agricultural and road purposes. In view of the high acidity of the soil, the preva-

lence of local limestone is particularly fortunate. Sizeable deposits of gypsum are of doubtful economic value.

The climate is favorable to feed crop and livestock production. The growing season averages 160 to 170 days. The annual rainfall averages about 35 inches (it falls below 30 inches about 1 year in 3) and is usually well distributed through the growing season.

Farm water supplies are mostly taken from cisterns, shallow wells, and artificial ponds and are frequently inadequate. Natural springs furnish some water in the rougher areas. Larger supplies of ground water require drilling 600 to 2,500 feet and even at such levels are limited. The terrain and soil are adapted to surface storage, but this is used only for the city supply at Centerville and for fire protection at Moulton.

Opportunities for capitalizing on the local scenic and recreational advantages have been only slightly realized. The Suggested County Park and Parkway System which constitute figure 37 in the aforementioned Appanoose County report should be a stimulus in this direction. The county is rich in Mormon history, and is crossed by two separate Mormon trails.

B. ESSENTIAL FEATURES OF REGIONAL ECONOMY

Farming covers over nine-tenths of the land, produces twice as much income as mining and is predominantly made up of family sized commercial units raising field crops and livestock. About one-fourth the farms are part-time subsistence units under 50 acres and another one-fourth have from 50 to 109 acres. Resources and income per farm are relatively low, especially for these smaller units. About three-fourths of the part-time farms are operated by miners, whose average cash income for the year 1935 was \$270.

Tenancy historically has involved about one-third of the farms but since the middle 20's has risen to 46 percent in 1930, reversing the trend to 44 percent in 1940. Insurance companies and other corporations owned 13 percent of the farm land in 1937, 14 percent in 1939, a figure slightly above the average for the State.

Technological changes including the adoption of hybrid corn, restricting corn acreage to a smaller portion of the better land under the Agricultural Adjustment Administration program, and violent weather variations during the last 10 years obscure any trend in yields of crops which may be associated with declining productivity of the county as a whole.

Fifteen shipping mines, mostly unionized, produced about two-thirds of the average annual county total of 400,000 tons of coal in 1938 and 1939, and employed 61 percent of the workers. Seventy local mines, mostly nonunion, accounted for the rest of the production and employment. Although the basic union wage is in the neighborhood of \$5 per day for company men and \$1 per ton for miners, it is reported that the usual rate in local mines is about \$2 per day. A significant trend in the industry is the increase of local mine tonnage at the expense of shipping mines.

TABLE II.—*Employment and production in Appanoose County coal mines, 1938-39*¹

Type of mine	Year	Tons produced	Miners and loaders		Other underground employees		Surface employees		Total
			Number	Average days employed	Number	Average days employed	Number	Average days employed	
Shipping.....	1938	290,609	959	93.9	131	93.9	92	95.6	1,182
Do.....	1939	233,915	704	92.3	216	95.0	71	95.0	991
Local.....	1938	120,550	573	164.9	47	134.9	59	132.6	679
Do.....	1939	138,581	552	128.6	106	150.5	57	140.0	715

¹ Report of the State mine inspectors.

The market for Appanoose County coal is limited largely to the western two-thirds of the State, better grades of Illinois and other eastern coal controlling the eastern Iowa market. Because of its chemical and physical properties, the local coal is not economically adapted to certain industrial uses such as in the manufacture of plastics. With proper burning, however, it gives good heat at reasonable cost.

Ten incorporated towns in addition to the county seat serve the area. The latter, Centerville, dominates the retail trade and farm marketing of the county.

Half the other towns lost and half gained population in the past decade. Several communities probably are and should be doomed to extinction or relegation to the rural cross-roads class as the result of curtailment of mining and proximity to superior trade centers.

All incorporated communities are served by rail transportation. The major rail traffic movements are northeast and southwest, with minor movements north and southeast. The county is well situated to participate in trancontinental traffic.

The highway system is adequate as to mileage, but low tax resources and extremely rough topography in some areas have resulted in poorly maintained roadbeds. Half the mileage in county trunk roads, three-fourths the mileage in county local roads, and practically all the mileage in local land service roads are yet unsurfaced.

Farm buildings are poor in quality and home conveniences are conspicuously absent. According to the 1930 census, a lower percentage of farms in Appanoose County had automobiles, electricity, water systems, telephones, or radios than in any other county in Iowa. Average annual per capita income for the entire county is only three-fourths the State average. Annual per capita income from the business industry employment group in 1935 was \$730.

Formation in past years of a county soil conservation association, recent increases in agricultural liming and a growth of erosion-control consciousness indicate a realization of local problems upon which poverty and ineffective organization have hitherto prevented action.

C. CURRENT PROBLEMS

A major portion of the county's area is subject to serious sheet and gully erosion. Almost one-third of the population is on relief. Total relief costs, which have run as high as \$30,000 per month, are still exorbitant, have yet to produce any improvement in the ability of the clients to become self-reliant. In fact, the development of a relief career philosophy is a real threat. Although about average among Iowa's 99 counties as to population, Appanoose is exceeded by only 8 counties in number of unemployment benefit claims and payments.

TABLE III.—*Percent of population receiving relief in Appanoose County,¹ January 1937 through April 1941*

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1937	18.6	18.8	18.7	22.6	24.4	24.8	24.0	21.5	21.1	18.1	16.9	17.4
1938	18.1	20.4	25.8	29.5	30.2	31.1	31.1	29.8	29.0	26.3	25.0	24.2
1939	23.3	24.1	24.8	26.0	26.6	26.0	27.3	18.6	28.5	27.0	25.3	26.3
1940	28.5	26.2	27.5	25.7	29.5	28.7	29.2	29.5	29.5	29.3	30.2	29.3
1941	29.2	28.3	28.9	31.6								

¹ Prepared by State Department of Social Welfare; includes persons on general relief, Work Projects Administration, old-age assistance and aid to the blind minus duplication as represented by those receiving general relief and Work Projects Administration or old-age assistance. Of particular interest is the apparent trend toward a uniform month-to-month load, in contrast to the former situation in which mining activity reduced the winter relief list.

Illiteracy is the highest in the State. Low property valuations and income prevent adequate school support on the basis of present financing. In spite of the fact that the people in city, town and consolidated school districts of Appanoose County bear tax burdens half again as great, in proportion to the tax base, as the State average, they raise less than two-thirds as much school money per census child.

Social institutions and programs are far less numerous and less active than in the average Iowa county. Although soil depletion and erosion plus curtailment of mining have forced emigration of one-fifth the population since 1920, unemployment is still a major problem.

Declining in total numbers, and more especially in the age groups under 45 years, the people exhibit a weakened resistance to the palliative of direct relief, and a dulled initiative in solving their problems. Despite greater unemployment, reportedly fewer people from Appanoose than from surrounding counties have left home to seek work in the expanding defense program.

III. DIRECTION OF READJUSTMENTS

Needed adjustments in mining include: (a) Application of more uniformity in wage standards between shipping and local mines, and (b) improvement in con-

summer appeal and storing qualities of the local coal through washing, waxing, or oiling, and sizing. These treatments will be economically justified for certain markets. Further utilization by local industry, existing and potential, would help not only in raising the total demand but also in spreading employment through the summer months. Encouragement of more local industry at the present time is an attitude considered with caution by many local people who fear the after effects in case strictly peacetime economies do not warrant continuation.

In the field of agricultural adjustment the smaller commercial farmers need increased resources through one or more of the following: (a) Increased acreage. (b) Application of conservation materials and techniques. (c) Additional operating capital for which they may be unable to qualify from commercial sources. (d) More stable tenure relationships, including increased owner-operation.

Adjustments in most of these directions are now occurring under the stimulus of existing programs. The conservation features of Agricultural Adjustment Administration, the standard loan and conservation works programs of Farm Security Administration and education in farm and home management practices by the Extension Service could well be expanded, especially to provide more service to the farmers on the smaller and poorer farms. The tenant purchase program and a Soil Conservation district program (for which a petition is understood to be in process of circulation) should be inaugurated. Many small soil-conservation structures are required, and farm water facilities should be improved, including development of more farm ponds.

Certain lands which are too severely depleted and eroded, such as all or most of Union Township, should be retired by public purchase (either by the United States Forest Service or the Land Utilization Section of the Soil Conservation Service) and maintained in forest or permanent pasture. It is understood that a start has been made toward purchase of land in Union Township, which is located within the Chequest Forest purchase area.

The failure of either emigration and resettlement or development of new local industries to take up the slack in mining employment means that some 500 families must be provided with new opportunities for self-support or else provided with continued public support. Except for the alternatives of (a) no assistance and (b) a national resettlement policy, we face the question of how to maximize the self reliance of these families in their present locations.

Although depleted from its original status, the soil is yet the major continuing resource of the area. Its utilization in solving or at least mitigating the problems of the unemployed in Appanoose County has been proposed on two different bases. One program would establish each family on approximately 80 acres, with a modest amount of simple equipment and a budget providing for a maximum consumption of the products of home labor. Living standards would not be high, but subsistence would be possible without other employment. A detailed "subsistence farming plan" was prepared by the Chariton Basin Planning Board in 1938 and presented to representatives of the Farm Security Administration. Tentative approval was indicated but no action has developed.

The other program would provide smaller tracts, probably up to 40 acres, for part-time farming or gardening to supplement winter employment in the mines. Both programs are already in effect on an individual basis, and probably there is further need for both. Advocates of each favor a rather extensive program with public assistance and expert guidance. They differ, however, in their views on (a) the permanency of what is now a surplus population and (b) the effect of a subsistence farm program on the present commercial farm economy of the area.

The downward trend in population, particularly among the younger age groups, indicates a long-term natural solution to the problem of overpopulation. For many years, however, its effects must be faced. A major present problem, therefore, is to help establish on the land those miners adapted by experience or capabilities to subsistence farming, while at the same time protecting insofar as possible the commercial farmers of the area.

IV. PROGRAM

A. OVER-ALL RECOMMENDATIONS

Federal.

1. Purchase a majority or all of the land in Union Township for forest and related uses.

2. Inaugurate an extensive Farm Security Administration program for tenant farm purchase, rehabilitation and improvement of the economic status of the small commercial farmers.

3. Establish a Farm Security Administration program to make loans and provide guidance for subsistence farmers on a probationary basis leading to permanent

units of 80 acres or more for families which prove adaptable. It is suggested that this program be started with development of about 25 units.

4. Through the Agricultural Adjustment Administration program encourage further agricultural lining, permanent pasture and other approved practices on a conservation rather than production control basis.

5. Through the Soil Conservation Extension Services and others educate the farmers to follow conservation rather than exploitation principles, and assist them in construction of small erosion control structures, farm ponds, [etc., and in following proper land use practices.

State.

1. Through the Agricultural Extension Service, extend home management and farm management assistance to more of the smaller and poorer farms. More home consumption of farm products is a special need where cash income is so low as in this area.

2. Establish a State-aid program for schools and extend its benefits to Appanoose County.

3. Through the State department of health, extend the activities of the areal health unit.

4. Through the State Conservation Commission, establish additional park areas connected if practicable with trailways.

Local.

1. Establish a county soil conservation district to obtain the maximum services of the Soil Conservation Service.

2. Cooperate with the State department of public instruction in studying and effecting school consolidation.

3. Maintain vocational education programs, including the fields of agriculture, home-making and industrial trades, in Centerville.

4. Maintain a realistic attitude toward relief, employment, and economic opportunity, and assume leadership in carrying into effect programs already proposed for development of subsistence farms.

5. From the 1936 Approach to County Planning; Appanoose County, prepared by the Iowa State Planning Board, and in the light of developments since then, proceed to a county plan which takes into account: (1) Probable future population distribution (including a flexible program for part-time farming to relieve mining unemployment but not create an excess of capital investment in units which ultimately may prove too small for complete agricultural independence), (2) consolidation of schools, (3) readjustment of county and local roads to the expected population pattern, (4) development of the county's recreational potentialities.

6. In connection with this county plan, prepare a series of definite projects and establish budget-calendar status for each.

B. PUBLIC WORKS RECOMMENDATIONS

Public works should promote the conservation and improvement of basic natural resources, the materials for self-reliance on the part of Appanoose County residents, instead of adding to their future financial burdens while affording temporary employment.

1. A Conservation works program to build small erosion-control structures, terraces, farm ponds, etc., should accompany better land use practices by the farmers themselves. Establishment of a county Soil Conservation district will open the way for official sponsorship of Work Projects Administration projects to perform much of this needed work.

2. Public water supplies should be provided for a few communities whose economic prospects warrant the corresponding indebtedness. Moulton (with a present supply only for fire protection), Mystic (whose star is fading but whose capital investment justified protection) and Moravia (whose wide lots pose a special assessment problem but whose property values and stable population warrant such construction) should be considered for water supply systems in a future public works program.

3. Road and school construction should be undertaken only if in accord with the county plan for future development and the probable pattern of population distribution.

4. Additional public improvements in the towns should be constructed only after critical consideration of future population and income prospects. Projects requiring considerable maintenance at public expense should be especially avoided.

Problem area analysis, Appanoose County, Iowa, By H. D. Bossert, Consultant, June 28, 1941

Characteristics of employment	Factors affecting employment and income stability			Direction of readjustments	Program
	Basic natural resources	Essentials of regional economy	Current problems	Needed adjustments	Over-all recommendations
<p>Total population in 1940 was 21,000 persons, 35 percent of whom lived on farms. Gaintally employed in 1936 included in:</p> <p>Mining 2,500 Retail 1,500 Manufacturing 500 Wholesale 200</p> <p>Total number of nonfarm employees was nearly 2,000, besides about 500 active proprietors.</p> <p>Since 1929 there has been a general decline in rural population and employment. Mining is subject to both a declining market and seasonal fluctuations. Coal production fell from over 1½ million tons in 1920 to less than ½ million in 1940, while man-days employment fell from over 700,000 to less than 200,000 annually.</p> <p>There is now an excess number of miners estimated at 400-500. In 1938 and 1939 miners in shipping (rail) mines worked an average of 94 days annually in local (truck and wagon) mines employed, averaged 140 days per year. Work Projects Administration assignments total 400 to 500 throughout the year.</p>	<p>Two chief natural resources are agricultural lands and coal. Others include limestone suitable for agricultural use (high soil acidity is characteristic of county) and for local road building. Some gypsum deposits (not likely of future development) and forests (now almost entirely gone).</p> <p>One-fourth of the county has good productive soils, mostly on level uplands and bottomlands along streams. Terrain and soil textures, however, are such that most of the county is eroded to measurable degree. Most of the county is underlain with low-grade (high sulfur and moisture content) bituminous coal in sufficient quantity to last for centuries at present production rates.</p>	<p>Two major activities are farming and mining, with former producing twice as much income as latter. One-fourth the farms are part-time units under 50 acres; three-fourths of the part-time farmers are miners with cash incomes of about \$270 per year. In 1940 41 percent of farms were tenant operated. Farm income level is generally low (about 75 percent of State average) and quality of farm buildings and equipment is poor. In 1938 39 the 15 shipping mines produced about two-thirds of the 400,000 tons of coal mined annually; 70 local mines (largely nonunion) produced the remainder. Significant trend is expansion of latter at expense of the low large-shipping mines. Coal market limited mainly to western two-thirds of Iowa. Local coal is high in moisture and tends to stack down when</p>	<p>1. Declining market for coal and corresponding unemployment among miners.</p> <p>2. High cost of relief and excessive population on relief.</p> <p>3. Illiteracy and inadequate school program.</p> <p>4. Decline in personal initiative to seek employment elsewhere.</p> <p>5. Serious erosion on large part of agricultural land area.</p> <p>6. Inadequacy of social organizations and programs.</p> <p>7. Low income, low standard of living for average family.</p>	<p>Needed adjustments in mining include:</p> <p>(a) Uniform wage standards for all types of mines.</p> <p>(b) Improvement in coal preparation to permit longer storing and greater consumer appeal.</p> <p>Extreme caution should be exerted in establishing new coal-mining industries primarily for defense production and without economically justifiable peacetime functions.</p> <p>Agricultural readjustment should proceed or apply:</p> <p>(a) Conservation techniques and materials.</p> <p>(b) Additional working capital.</p> <p>(c) Increased acreage for economically undersized units.</p> <p>(d) Improved tenure relationships, including more owner-operators.</p> <p>To accomplish this there must be coordination of the programs of Agriculture, Adjust-</p>	<p>Over-all recommendations</p> <p>Public works recommendations</p> <p>FEDERAL</p> <ol style="list-style-type: none"> 1. Purchase all or most of Union Township for forest preserve. 2. Inaugurate extensive Farm Security Administration ten-acre purchase and rehabilitation program. 3. Make loans for 25 subsistence farm units (80 acres or more) on trial basis aimed at reduction of relief program and development of self reliance among unemployed families. 4. Through Agriculture Adjustment Administration encourage improved agricultural practices such as liming, permanent pastures, etc. 5. Through Soil Conservation Service encourage erosion control and aid in construction of check dams, etc. <p>STATE</p> <ol style="list-style-type: none"> 1. Extend home and farm management programs of Agricultural Extension Service.

stored, hence must be mined in proportion to seasonal requirements. High sulfur content prohibits variety of industrial chemistry uses to which better grades of Eastern coal are adapted.

The county seat, Centerville, is the only community over 2,500 and dominates the retail trade and farm marketing of the area. Of the 10 other towns, half gained, half lost population in the past decade.

ment Administration, Farm Security Administration and Soil Conservation Service. An important operating vehicle can be a county Soil Conservation District.

Excessively eroded lands should be removed from agricultural use.

A subsistence farming program for miners is needed.

2. Establish State aid program for schools and extend benefits to this area.

3. Extend activities of area health unit.

4. Create additional park and trailway areas.

LOCAL

1. Create a county soil conservation district.

2. Study possibilities for school consolidation.

3. Maintain vocational education program in Centerville.

4. Assume leadership in subsistence farm program.

5. Proceed with county plan and public works schedule.

REPORT BY MALVIN G. HOFFMAN, CONSULTANT, NATIONAL RESOURCES PLANNING BOARD, ON THE CENTRAL KANSAS OIL AREA, JUNE 26, 1941

I. CHARACTERISTICS OF EMPLOYMENT

Barton Arch area of central Kansas is an oil producing region but predominantly an agricultural region. There is a small amount of salt mining and flour milling. The population in 1935 was 157,131. Total employment is 33,380, divided 50 percent on farms and 50 percent in towns. The towns are principally service, supply, transportation, and county seat centers.

Most of the oil workers are from outside areas and temporary in area. It is difficult to determine number of oil workers as they are reported from town and country. The supply and refining centers are in towns and most of drilling and oil production on farms. Approximately 15 percent of the workers are engaged in oil work, 3 percent in salt industry, 1 percent in flour milling, and 81 percent in agriculture and service, supply, transportation, etc., principally for agriculture.

Over \$10,000,000 have been paid in bonuses, rentals, and royalties to land and royalty owners in the Oil Belt during the past 11 years. All this money did not go to the farmer because much of the royalty is now owned by investors living outside the area. To determine how much would require detailed study.

Towns in oil area received much support by service to oil industry. A large number of residents of the area have directly benefited by oil industry, although local population obtained very little employment work, in oil industry. Public assistance is about two-thirds average for the State. In 1939 about 11 percent of the population of the area was dependent on public assistance.

The central Kansas oil area is located in the middle of a strip from North Dakota to central Texas that lost population between 1930 and 1940, yet this area gained. Population went from 147,500 in 1930 to 162,500 in 1940, an increase of about 15,000 persons, which is a 10 percent growth over the 1930 figure. The increase was undoubtedly due to oil development.

As petroleum development work nears completion most of the oil workers will leave the area. This may be within the next 5 or 10 years. Within the next 5 years a very marked decline in oil workers should be apparent. The area will again become predominantly an agricultural region.

Aside from national and international factors of market and prices, all agricultural and related employment and income is drastically and directly affected by alternate periods of adequate precipitation and drought. A heavy emphasis on cash grain crop, particularly wheat, has resulted in an unstable economy for the area.

Development of marketing cooperatives indicates cooperative attitude of the people in the area; also shown by willingness of majorities in some of the counties to cooperate with Agricultural Adjustment Administration, soil erosion, and forestry programs.

II. FACTORS AFFECTING EMPLOYMENT AND INCOME STABILITY

BASIC NATURAL RESOURCES

The land is the most important basic natural resource. Land types range from good bottom land, some of which can be irrigated, to rough and hilly uplands with steep rocky slopes. Some of the land is put to its best use, but most of it is not. The land has high productivity during years of sufficient rainfall. In general, the use of fertilizer has not increased the productivity sufficiently to warrant its use. Rainfall averages 26 inches a year in the southeastern part of the area and 22 inches in the northwestern part of the area, but fluctuates widely from year to year and within the year. Crops are usually good during years of high precipitation and poor during years of low precipitation. Grasshoppers and rust also operate against crop successes. There is a large supply of salt in the area at depths shallow enough to be mined economically. It is being taken out slowly and will last a long time; estimated at several thousand years at present rate of production. Employment does not fluctuate much. About 3 percent of the population is supported by this industry.

Petroleum reserves in the area are estimated at about 600,000,000 barrels; possibly 300,000,000 more may be discovered. Production should continue at a declining rate for about 20 years, most of the oil being produced in the next 10. Even though most of the oil workers will have left the area within the next 5 years the payments to royalty owners will continue as long as oil is produced. An estimated \$115,000,000 will be paid to royalty owners during the life of the oil production, a large part of it going to residents in the area. This income will

have a marked effect on the economy of the area. The money is being paid to the owners because they fortunately happened to own some land that produced oil. Farmers may refuse to recognize the importance of a stable agricultural economy while oil is paying them an income without having to do any work for it.

ESSENTIALS OF REGIONAL ECONOMY

Tax and Federal bank loan delinquencies are not serious. Income to farmers from oil has operated to relieve seriousness of bad years from 1930 on. This helped many farmers to weather the period fairly well even though the value of agricultural production fell—in bad years to as little as one-sixth that of good years. Those farmers not aided by oil suffered as severely as farmers in other regions.

Wheat production declined during the drought years but production is rapidly rising again. This year, 1941, a bumper wheat crop is expected. This may tend to lessen the efforts on the part of the farmers for reorganization. The farmers have demonstrated their ability and willingness to cooperate.

Employment in salt and flour milling industries has been small but fairly constant.

The oil industry will be stimulated by recent increased demands for petroleum which should tend to retard emigration of oil workers for a year or two. Royalty payments for a time should increase. This will not affect the ultimate return from oil, mainly affects rate of return.

CURRENT PROBLEMS

Current problems are largely internal; land planning and farm planning. Average size of farms large enough to make good working units. Most farm units are not balanced; too much wheat on most farms and not enough pasture. Not enough livestock, not enough gardening. Too little attention given to wind and water erosion. Tenant operation too high.

Harvest labor peak, sore spot in employment stabilization. Recovery of petroleum should be by most economic means to the Nation and to producers.

Proper disposal of salt water produced with the oil, so that it does not pollute ground waters or contaminate oil-producing horizons.

Petroleum industry will have largely run its course in the next 5 or 10 years. Area will then revert back to its original state of being almost entirely an agricultural area. As oil resources are depleted land values should decline as part of the land value on farm land in the Oil Belt is based on petroleum reserves.

III. DIRECTION OF READJUSTMENTS

Emphasis should be placed on proper utilization of land; soil conservation against the forces of wind and water, crop diversification and crop rotation; proper care of land to protect moisture such as contour plowing, terracing, strip cropping, cloddy plowing, use of basin lister and chisel. Ground waters should be protected against salt water pollution in oil fields, ponds and storage reservoirs should be built. Control of grazing—prevention or overgrazing. Planting of shelterbelts and windbreaks, afforestation and reforestation.

The area should ultimately be composed of well balanced, self-supporting farm units. Crop diversification should markedly reduce harvest labor peak.

IV. RECOMMENDATIONS

OVER-ALL RECOMMENDATIONS

Help families to become self-supporting through reorganization of farm operating units, making suitable sizes where necessary, but in nearly all cases placing them under systems of use adapted to the climate and the soil. Create a State agency to manage, lease, and dispose of tax-reverted and other State lands to effect adjustments desired in size and types of farms.

Create some financing agency to aid farmer in securing the funds to buy the machinery, put up buildings, and acquire additional land where necessary to effect reorganization. Create more soil-conservation districts under the State law. These districts, in addition to having authority to carry on soil-conservation work, can work out land plan and farm-management plan for individual farm units—this work being done with cooperation of Agricultural Adjustment Administration, State colleges, experiment stations, and other such agencies now engaged in agricultural studies.

Create State enabling acts to insure that adjustments effected are not undone by a temporary return of good growing weather and good prices for cash crops.

Either Federal or State agency or both should conduct research into study of petroleum reserves to determine how to obtain greatest amount of recovery and by most economical means. Problems of salt-water pollution by poorly plugged wells and salt-water-disposal methods should be studied with aim toward correction.

Create authorities for flood-control projects to prevent much of damage to crops, roads, bridges, and towns in flood-plain areas.

PUBLIC WORKS RECOMMENDATIONS

Public works can accelerate general program of readjustment.

1. Develop water resources fully and in ways to encourage shifts to suitable types of agriculture. Provide for construction of small individual and medium-sized irrigation projects in the Arkansas River Valley.

2. Inaugurate a rural works program of conservation to provide needy farmers with a source of income while transition to stable agriculture is going forward. Such a program should include terracing, fencing, regrassing, planting of shelter-belts and windbreaks, erection of stock tanks, reservoirs, flood-control projects, etc., road construction, particularly on second- and third-class roads; grading, some surfacing and building of bridges so that they may not wash out during flood stages.

3. Establish research agencies to gather hydrologic data, study oil and gas resources, and study sociological and psychological problems of the agriculturalists.

4. With decline of oil development many of the rural towns in the Oil Belt will undoubtedly decrease in population. Studies should be conducted with regard to distribution of public works so that they may be properly applied to population that will be more or less permanently affected by reorganization. Studies should also be conducted to determine effects of the immigration and emigration of the oil workers on farm and rural population, and town and public services.

EXHIBIT B.—PROBLEMS IN AREA ADJACENT TO CAMP CROWDER

REPORT PREPARED BY DIRECTION OF GOV. FORREST C. DONNELL, STATE OF MISSOURI¹

I. INTRODUCTION

(A) DESCRIPTIVE

Camp Crowder, new Army replacement center is located immediately south and southeast of the city of Neosho, embracing a total of approximately 66,500 acres in the southern portion of Newton County and northern portion of McDonald County. The cantonment proper consisting of the administrative buildings, barracks and accessory buildings, is now under construction in the northwestern section of the reservation about 2 miles south of Neosho. Present plans provide for about 16,000 soldiers but it is understood that later extensions may be constructed to increase the total to approximately 35,000. Many factors combine to make the site selected for the camp a very superior one showing evidence of careful consideration of all essentials required in such an establishment.

(B) TOPOGRAPHY

The topography of the northwestern section on which the cantonment proper is being constructed is comparatively level consisting mainly of prairie. The southern, southeastern, and eastern sections are mainly rugged in character with numerous streams and side hill slopes in excess of 10 to 15 percent in many cases. The prairie areas are mainly open land, the rugged and side hill areas mainly in woodlands. The area varies from about 1,000 feet to 1,300 feet above sea level.

¹ Contributions to this report were made for the various divisions of the State government by the following persons: State Board of Health, Dr. James Stewart, State Health Commissioner, and W. Scott Johnson, Chief Public Health Engineer; State Highway Department, Carl Brown, Chief Engineer; State Department of Education, Lloyd King, State Superintendent, and Dr. N. E. Viles, Director of School Building Service; Agricultural Extension Service, J. W. Burch, Director; State Highway Patrol, Captain W. J. Ramsey, Acting Superintendent; Public Service Commission, Fred Stueck, Commissioner; Missouri State Employment Service, Will S. Denham, Director; Social Security Commission, and Parke M. Banta, Administrator; supplemented, edited, and condensed by State Planning Board, William Anderson, director, in collaboration with the National Resources Planning Board, John Noyes, consultant.

(C) OTHER IMPORTANT FACTORS INFLUENCING LOCATION

Many towns and cities are within 30 to 40 minutes drive of the camp by automobile. Nearby communities are Neosho (population 5,318), approximately 2 miles; Joplin (population 37,144), approximately 20 miles; Webb City (population 7,035), approximately 25 miles; Carthage (population 10,585), approximately 23 miles; Granby (population about 1,500), approximately 11 miles; Seneca (population 1,091), approximately 16 miles; Goodman (population 321), approximately 6 miles; Anderson (population 900), approximately 13 miles; Monett (population 4,395), approximately 28 miles.

The possibilities of ample labor supply for camp construction are excellent. Three railroads, five truck lines, and three bus lines serve the area. Two major United States highways, a major State route and several minor highways pass through or adjoin the camp reservation. Adequate supply of electric power, natural gas, and other similar facilities are available. Opportunities for recreational activities are excellent.

(D) Financial data of municipalities in area

City	Assessed valuation, 1940	Bonded indebtedness		
		Water	Sewers	Other
Neosho.....	\$1,788,130	\$9,000	\$30,000	\$36,000
Seneca.....	331,350	30,000	None	4,000
Granby.....	395,000	2,000	None	6,000
Southwest City.....	193,714	15,550	None	None
Anderson.....	412,200	None	None	None
Monett.....	2,201,200	None	30,500	60,000
Wheaton.....	158,000	11,660	None	None
Noel.....	158,000	None	None	None
Pineville.....	125,000	3,550	None	2,150
Aurora.....	1,130,763	None	20,000	20,000
Goodman.....	85,000	2,500	None	600
Joplin.....	20,960,605	None	48,000	310,000
Carthage.....	4,716,010	None	17,000	122,000
Webb City.....	2,305,470	None	None	52,000
Cartersville.....	349,790	1,500	None	12,500
Sarcoixie.....	297,680	None	2,000	8,000
Carl Junction.....	232,105	None	None	5,000
Orongo.....	172,290	1,300	None	None

II. EXISTING CONDITIONS IN AREA

(A) INDUSTRY AND LABOR

(1) *Industries.*

Industries in the area have been mainly agricultural and the income has been derived almost entirely from agricultural and allied pursuits. Manufacturing of food products, food containers, farm machinery, garments, and other articles are important activities of Neosho. Mining is an important enterprise in certain portions of the area, Joplin being an important industrial center for the vast tri-State lead- and zinc-mining territory. Principal agricultural activities have been dairying and the raising of sheep, hogs, beef cattle, strawberries, apples, and other fruits, together with some wheat, hay, and feed.

Newton County as listed in a report of January 1941 had 4,225 farms averaging 92.7 acres in size, of which 47 acres was cropland. Land-tenancy records indicated an increase of from 31.5 percent in 1920 to 40.2 percent in 1935, and records for 1940 show a slight increase above the 1935 figure. The 1939 census lists 7,300 horses and mules, 30,420 cattle, of which 17,890 are milk cows, 3,730 sheep, 13,800 hogs, and 142,620 chickens. Income per farm gave the operator and family a fair standard of living, carrying with very few foreclosures, a 35 percent mortgage indebtedness of land value.

Communities in the general area have been reasonably prosperous with conservative increase in population. Adjacent mining areas, Granby among them, have been subject to slumps in activity in the past. Neosho increased in population from about 4,800 in 1930 to 5,318 in 1940. Its industries were expanding before the establishment of Camp Crowder. The Pet Milk Co., Carnation Milk Co., Fred Kline Plow Factory, Price Box & Basket Co., the Cudahy Packing

Co., Smith Brothers Garment Factory, Neosho Nursery Co., and other industries last year employed approximately 800 persons with a yearly pay roll of about \$900,000.

(2) *Labor.*

Within a radius of approximately 65 miles of the camp, and embracing parts of Missouri, Kansas, Oklahoma, and Arkansas, there is a population of well over a half million people. Approximately one-half of this number is in Missouri and within the radius there are some 20 cities with more than 1,000 population and over 110,000 persons in rural communities of less than 100 population. Present indications point to a sufficient labor supply in most of the trades for camp construction although other defense projects at Fort Smith, Ark., Muskogee, Texarkana, and Chouteau, Okla., and in Parsons and Baxter Springs, Kans., may draw on the supply materially.

(B) TRANSPORTATION FACILITIES

(1) *Railroad, truck line, and bus facilities.*

Main lines of three railroads serve the area. The San Francisco & St. Louis Railroad, the Missouri & Arkansas, and the Kansas City Southern all pass through Neosho immediately north of the cantonment area. The Kansas City Southern passes through the northwest section of the camp. Five truck and three bus lines serve Neosho and adjoining areas.

(2) *Highways.*

United States Highway 71 from the Arkansas State line to Joplin and beyond, adjoins the west portion of Camp Crowder. Alternate United States Highway 71 connects Neosho with Carthage. U S 60 connects Neosho with Seneca and the Oklahoma State line on the west and Granby and Monett on the east. State Route 86 connects Neosho with Fairview and Cassville on the east. Route 44 in McDonald County connects Anderson and Cassville. Routes D and H connecting Stella with Neosho and Granby, respectively, pass through the camp reservation.

(C) UTILITIES

(1) *Electric supply.*

Ample electric supply for local requirements has been available, generated in the steam plant of the Empire District Electric Co., located in Riverton, Kans., and the hydroelectric plant located at Ozark Beach on the White River near Forsyth, Mo. These two generating plants are interconnected by transmission lines carrying energy at 132,000 and 66,000 volts. They are supplemented with two additional smaller hydro plants. A 33,000-volt transmission line extends through Neosho. Total production capacity of companies in southwest Missouri connected to the Empire system is approximately 132,575 kilowatts. Total peak load for the year 1940 for the combined system was 70,990 kilowatts.

(2) *Natural gas.*

Natural gas is the general fuel used for heating in Neosho. A 4-inch line now serves Neosho, supplied from a 10-inch line extending from Kansas through Aurora to Springfield. The gas system in Neosho is owned by the Cities Service Gas Co.

(3) *Telegraph and telephone.*

Telegraph and telephone service to the Neosho area has been ample for local needs up to commencement of camp construction.

(4) *Water supply.*

Nineteen municipalities within a radius of 25 miles of Camp Crowder are served by public water supplies. With the exception of Joplin, which uses Shoal Creek for supply, all of these municipalities use drilled wells. Private water supplies in the area consist primarily of drilled wells although cisterns, dug wells, and springs are also used to some extent. In most instances private water supplies are not properly protected to exclude contamination and therefore cannot be depended upon as sources of supply.

Neosho has three deep wells ranging in depth from 1,000 to 1,250 feet. There is no emergency supply. The present system is available to the entire population within the city limits. Bacteriological record is reported as unsatisfactory. Two springs which have furnished water for Neosho at intervals will be abandoned since they are located in the area acquired for the camp reservation.

The municipal supplies in the area are under constant supervision of the State board of health including regular inspections and bacteriological examinations,

in order to maintain and assure water of safe quality. Private or semipublic supplies obviously cannot receive the desired regular supervision without additional public health personnel.

(5) *Sewage disposal.*

Eight municipalities within a 25-mile radius of Camp Crowder are provided with municipal sewerage systems. These cities are Carterville, Carthage, Carl Junction, Joplin, Monett, Neosho, Sareoxie, and Webb City. Of the above, the systems at Carthage and Monett are the only ones providing complete treatment. Primary treatment only is in effect in Joplin, Neosho, and Sareoxie. The other cities do not provide treatment of the sewerage.

The sewerage treatment of Neosho consists of primary settling, separate sludge digestion, and sludge-drying beds. Due to the inclusion of industrial wastes in the treatment, the efficiency of the plant is only about 45 percent.

Individual privies and septic tanks constitute the only means of sewage disposal in other municipalities and in the rural areas. Such facilities in most instances are not properly constructed and constitute an odor nuisance as well as a menace to health.

(6) *Garbage and refuse disposal.*

Joplin is the only municipality in the area that exercises control over the collection and disposal of garbage and refuse. The other municipalities have no organized method of collection and disposal.

(D) HOUSING

Vacancies reported early in 1940 for Joplin, Carthage, and other adjacent communities are now practically all occupied and there has been a definite firming of rents in these areas. Granby has had a number of housing vacancies mostly substandard in character. The more desirable homes in this locality are now becoming occupied because of the renewal of mining activities. Other communities closely adjacent to the camp, such as Seneca, Goodman, and Anderson have had very few vacancies and practically all of these of suitable character are now occupied.

Neosho which increased in population approximately 18½ percent from 1930 to 1940 and which has absorbed an average of some 30 to 40 new homes per year for the past several years is now fully occupied. Many single-family homes now house two or more families and many homes are taking in roomers and boarders due to construction activities at the camp.

Several tourist-camp cottages have been rented for the duration of the construction period and several trailer camps have been established in the area.

(E) SCHOOLS

The general area has several first-class high schools, one third-class high school district, and a number of rural districts. This area is densely populated and a number of the rural schools have two rooms each. Most of the rural schools and many of the buildings in the high-school districts were crowded prior to the establishment of the camp. This was particularly true in Carthage, Joplin, Neosho, Seneca, and Anderson. Some of the rural school districts have been or will be absorbed into the camp area. In all except one or two districts teachers have been employed and it is expected that school work will continue until about January 1, 1942.

(F) HEALTH

Hospital facilities are available in the following communities: Joplin (218 beds); Carthage (59 beds); Webb City (25 beds); Neosho (37 beds); Stella (35 beds); Anderson (3 beds); Cassville (12 beds); Aurora (21 beds); Wheaton (8 beds). With few exceptions all of the hospitals in the area are under private ownership. In addition to the above the Jasper County Tuberculosis Sanitarium, a public institution containing 115 beds, is located at Webb City.

Jasper County is the only one in the area that is provided with a county health department. This consists of a health officer, two part-time assistants, one public health engineer, three public health nurses, and two clerks.

The city of Joplin maintains a city health department consisting of a part-time health officer, three sanitary inspectors, one laboratory technician, and one clerk.

The State board of health's district office serving this area, exclusive of Jasper County, is located at Monett, the staff consisting of a health officer, 2 public health engineers, and 3 nurses. Since the district covered includes 13 counties, health service for any one county must necessarily be limited.

Most of the counties and large municipalities are provided with part-time health officers. Because of the limits on their time, but little public health work can be expected from them.

(G) SOCIAL WELFARE AND RELIEF NEEDS

No unusual problems were encountered in connection with old-age assistance and aid to dependent children programs in the Neosho area prior to establishment of the camp. The numbers of recipients were not out of proportion to those receiving aid in other counties in that part of the State. Except for the mining area near Granby, the general relief problem has been mostly that of the subsistence farmer, the farm laborer, and the unemployed and unemployable persons in towns. Farmers and employable persons have received aid or work through the Federal Security Agency or Work Projects Administration. Those not assisted by these programs or unable to work have been assisted through the general relief and surplus commodity program. Of 70 families receiving general relief in September 1941 only 8 had a member of the family able to work. Grants have been small and aid has been mainly in the form of food and clothing. Present number of cases receiving recent assistance in Newton County under the public assistance division of the State social security commission and the amounts expended follows:

Program	Cases	Persons	Amount	Month
General relief	70	206	484.70	September 1941.
Old-age assistance	1,189	1,189	12,696.90	Do.
Aid to dependent children	205	1,491	4,458.90	Do.
Surplus commodities	672	3,069	25,772.31	Do.
Total	2,136	4,955	23,412.84	

¹ Children.

² This amount includes \$1,150.12 for food to schools and institutions and \$4,622.22 for food and clothing to families.

The county court also provides \$1,500 a year for emergency assistance, and \$5,000 yearly for medical care.

A child welfare worker has been engaged in supervision of problems in Newton County since 1936. At present, 48 families containing 89 children are receiving attention.

Two private agencies, the Local Charities and the Neosho Charity Association have rendered assistance on emergency cases in the past. Their funds are limited and they can only take care of a small number of cases.

(H) RECREATION

Numerous facilities for amusement and recreation exist in the larger communities of Joplin and Carthage. Neosho has a new municipal auditorium with a seating capacity of 1,212. This building is used for dances, meetings, social gatherings, amateur theatricals, and similar activities. A State armory in Neosho is available for dances with a capacity of 400 couples, and the high school gymnasium may be used for indoor softball, basketball, and dances, when not in use for school purposes.

There are two moving picture theaters in Neosho and a third is being constructed, all under the same ownership and on the main square around the county courthouse.

Although there are numerous large privately owned open areas in the city and county where children could probably play, if they wished, there is a scarcity of publicly owned park and play areas. Neosho has one park of approximately 3 acres opposite the Big Spring Inn, which contains some playground equipment and a wading pool for small children. Most of this area is for passive recreation only. School grounds, in area, are generally below recommended minimums. Neosho has a high school stadium which, however, is a considerable distance from the high school. The community also possesses a private nine-hole golf course.

Good fishing and hunting opportunities in season abound in the general area particularly in the more rugged areas of Newton County and in McDonald County. Many areas adjacent to streams offer excellent camp sites. Swimming and canoeing are popular sports especially along the river at Noel and other similar locations.

(I) LIBRARY SERVICE

In Newton County, Neosho supports the only library. For its population of 5,318, there has been available \$1,561.25 for library service. The 23,621 remaining citizens of Newton County have no library service.

McDonald County has no library service and no expenditure has been made for library service.

The combined counties of Newton, McDonald and Jasper are serving a population of 60,080 with an expenditure of \$21,855.58 and leave 86,924 persons unserved.

The combined counties of Newton, McDonald, Jasper, and Lawrence are serving a population of 68,413 with an expenditure of \$23,961.57 and leave 103,188 persons unserved.

The combined counties of Newton, McDonald, Jasper, Lawrence, and Barry are serving a population of 73,022 with an expenditure of \$24,374.98 and leave 132,343 persons unserved.

Although the combined libraries in these areas show a collection of 111,952 volumes, the expenditures of only \$25,374.98 including all costs of running the libraries argues against substantial book collection.

(J) POLICE AND FIRE PROTECTION

Complete data on law enforcement staffs for Newton and McDonald Counties has not yet been secured. It is reported, however, that prior to establishment of the camp effective control has been administered. Neosho's police force up until a few months ago, consisted of a chief and three men, two patrolmen serving at night and one by day. Recently, two additional patrolmen have been appointed and a patrol car placed in use.

Traffic control, formerly a very minor problem, has lately become quite serious in the business section of Neosho and on the main highways. No fire protection apparatus exists except in the larger communities. Neosho has 1 fire truck with a supply of about 750 gallons, purchased in 1923. It has 1,100 feet of hose in good condition, having been reconditioned in 1939. The force consists of 12 members, 1 full-time man on the fire truck, and volunteers paid for each trip.

(K) AIRPORTS

No airport at present, exists near the camp although there is an emergency landing field on US 60 only a short distance west of the cantonment area.

III. PROBLEMS, PRESENT OR ANTICIPATED, IN AREA AND FACILITIES FOR SOLVING THEM

(A) INDUSTRY AND LABOR

(1) *Industry.*

Principal activity of the area around Neosho until completion will be the construction of the camp. Shipment of materials will crowd existing facilities for the next few months. Local industries will suffer some inconveniences for this period and require adjustments to meet new demands. Retail trade in Neosho and nearby communities will suffer some loss from farmers moving from the locality but will no doubt benefit considerably during the construction period and in fact during the entire occupation of the camp, with the inevitable increase in population.

Local industries engaged in canning milk will probably experience a considerable loss in supply. Manufacture of containers for fruit and other products will experience a loss in demand.

Increased need for vegetables and farm produce will require revisions in farm operations and crop production.

(2) *Labor.*

Labor demands during the period of the camp construction including turn-over are estimated to require over 30,000 construction and clerical workers to complete the present program by January 15, 1942. Principal requirements anticipated are 10,000 laborers, 7,500 carpenters, 2,500 truck drivers, 1,000 electricians, 600 painters, 500 bulldozer and tractor operators, 500 crane-derrick and trenching-machine operators, and 500 watchman. Though peak employment of approximately 12,000 was originally anticipated, at the present time approximately 14,000 are employed on the project.

During the camp construction period especially, private industry, retail business, and farmers will doubtless have difficulties in obtaining labor at wage scales they can afford. With the construction workers have come the unions and a much higher wage scale than formerly existed in the area.

(B) TRANSPORTATION FACILITIES

(1) *Railroad, truck line, and bus facilities.*

Railroad, truck line, and bus facilities appear to have been readily expandible and to have kept up with the construction program to date. Their ample facilities indicate that there will be no difficulty in solving any problems that come up during camp occupation.

(2) *Highways.*

Traffic on State and Federal highways has increased considerably since establishment of the camp. It will continue to be great in the period of occupation. Many of the local roads in both counties and adjoining communities will receive increased use.

Listed below is a comparison of the average traffic on certain highways adjacent to Neosho for August 1940 and August 1941 and for a 24-hour average day.

	August average, week and day		Percent of increase over 1940
	1940	1941	
Route 60 just east of Neosho.....	1,416	3,138	124.82
Route 71 south of route 60 at Neosho limits.....	1,670	4,355	160.78
Route 71 between Anderson and Goodman.....	1,406	2,980	111.95
Route 60 west of Granby.....	982	1,763	79.53
Route 71 south of McElhany.....	1,408	3,357	138.42

Portions of routes D and H within the camp area will be closed to public use as well as many minor county highways. Some communities, particularly Stella, and many farmsteads outside of the reservation find themselves cut off from former direct lines of travel. Many types of pavement adequate prior to camp establishment are becoming inadequate with increased use.

(C) UTILITIES

(1) *Electric supply.*

The resources and available electric supply of the Empire District Electric Co. and its interconnections with generating plants of other companies, appear to promise ample supply for all future demands of Camp Crowder and adjacent areas. The problem apparently giving most concern to representatives of the Empire Co. is sufficient notice of the quantity of power that will be required for the camp, and the time of delivery. It may be necessary to enlarge the transmission line capacity to Joplin-Springfield circuit. This can be done rapidly if material can be secured and sufficient time allowed for construction. Should much expansion be necessary. Federal aid in the granting of priorities and purchase of equipment may be requested.

(2) *Natural gas.*

No considerable problem is anticipated so far as supply of natural gas is concerned. From present indications there is a sufficient supply of natural gas available in the Joplin and Neosho areas to satisfy increased demands. A larger extension than the existing 4-inch line can be extended south from the existing 10-inch gas line between Kansas and Springfield, if required.

The Shell Pipe Line Co. and the Ajax Pipe Line Co. have oil pipe line extending through the area near Neosho.

(3) *Telegraph and telephone service.*

Notice from the Federal Communications Commission indicates that the Postal Telegraph Cable Co. and the Western Union Telegraph Co. are both making arrangements to extend service into the Neosho area, thereby taking care of the Government's needs.

It is understood that the Southwestern Bell Telephone Co. has been making large investments for taking care of the Government's requirements. The company is now preparing to install 2,500 additional telephone lines to be available for new subscribers in Joplin, Neosho, and Webb City. Eighteen hundred of these lines are for Joplin, 500 for Neosho and 200 for Webb City. It is understood that the company is well prepared to take care of any necessary increases in use.

(4) *Water supply.*

The inevitable increase in population in certain sections of the area will emphasize the need for protection of water supply. Inspections by the State board of health are being furnished to various communities but isolated private and semi-public supplies cannot be adequately safeguarded unless present public health staffs are increased. Any considerable increase in population will require additional sources of supply in many of the municipalities and an improvement in many cases in the facilities for water treatment. In most cases additional supply can best be secured by additional drilled wells.

Water supply for the camp is being provided by damming Shoal Creek at a point just north of Neosho city limits, raising the water level about 3 feet. With approximately 400,000 square miles of drainage area ample supply should be available at all times.

Neosho water supply which was scarcely adequate for the city's needs prior to camp construction will require considerable increase. Two possible sources are (1) by means of additional deep wells and (2) by use of impounded water from Shoal Creek. In connection with the latter source, the Army has granted permission to the city of Neosho to construct an intake tower within the impounded area for water supply. Plans prepared by the consulting engineer for the Neosho City Council are based on the use of this source of supply and include several miles of additional water line extensions, a pump at Shoal Creek, and a purification plant north of the city. The total estimated cost of this improvement as planned amounts to \$324,208.10. It is stated that the extensions and improvements as planned would provide adequate water supply for a total population of approximately 15,000 people. A thorough investigation should be made of the first mentioned possible source of supply, namely, that from additional drilled wells, before the city is committed to the use of the Army source at Shoal Creek, and the considerable expense of new pipe installations and treatment plant. One difficulty of a decision as to the type of source for additional water supply is the lack of knowledge as to probable expansion of Neosho due to the establishment of the camp. Should Neosho double or triple its present population, it is questionable whether adequate water supply could be obtained from additional deep wells and it would seem that Shoal Creek as a source would be the logical solution. Should Neosho's increase only amount to a few thousand in population, additional deep wells would probably supply the anticipated needs.

Isolated housing developments which may spring up in rural areas will doubtless be forced to drill wells for their supply. Control of such developments by the State board of health is urgent.

(5) *Sewage disposal.*

Problems of adequate sewage disposal confront all of the communities in the area. An increase in population will emphasize these problems. The Joplin treatment plant has been greatly overloaded for some time and requires replacement. The system in Neosho will require sewer extensions and additional treatment plant facilities. The consulting engineer for Neosho has made recommendations for extension and improvement of the disposal facilities and extension of approximately 43,000 lineal feet of sewer lines. As planned, the new disposal system will include both primary and secondary treatment. The design as submitted is a flexible one which would permit of future extensions in the event that an unpredictable increase in population occurs. As now planned the system would provide disposal facilities and main sewer lines for a total population of approximately 12,000 at an estimated cost for the extensions of \$263,000.

Even with present populations, sewer extensions and additional treatment plants are essential in many of the other communities in the area. A considerable increase in population in any of these communities will increase the urgency of these improvements.

(6) *Garbage and refuse disposal.*

Necessity for safeguarding health throughout the area makes desirable the control of all methods for collection and disposal of garbage and refuse, particularly in the more closely built up communities. Whether collections are made by the city or by private individuals licensed by the city, control of collections and disposal should be in the hands of public officers and according to methods approved by the State board of health. Neosho is now considering possible future construction of an incinerator for garbage and refuse disposal.

(D) HOUSING

Problems in housing will doubtless become among the most serious confronting the area.

(1) Housing construction workers and families.

Many construction workers engaged at the camp from out of town localities have left their families at home. Many of those who have brought families have found accommodations of more or less satisfactory types in existing homes at Neosho and other nearby communities, in tourist cabins and several trailer camps that have sprung up in Neosho and in rural areas adjoining, especially along Highway 71. Most of the new accommodations are unsatisfactory in character and of temporary construction. Unless considerable expansion in the construction program takes place, the housing problem for construction employees will be of short duration. However a program which would involve additional construction at the camp for the next 2 or 3 years will make it necessary to provide housing for most of the workers engaged, since with the more prolonged activity, they will want to bring their families to the area.

(2) Housing for new permanent residents.

With the inevitable increase in population following the establishment of Army camps, such as for families of Army officers, civilian employees, and additional employees of retail and business firms brought into the area as a result of the camp activity, considerable additional housing may be required. It is difficult to estimate with any degree of accuracy at this time the probable increase in population and the locations of residence sites. Estimates of previous influx of population in similar areas have varied from 50 to 137 percent of the soldier population of the camp. The November 15 issue of the local newspaper at Neosho contained a statement by the Camp Crowder Commandant that there will be a need for 725 homes for families of officers and noncommissioned officers by January or February 1942.

Since there are practically no vacancies in Neosho and adjoining communities housing for the new population will have to be provided by some means. The three methods most applicable would be: (a) Housing by private enterprise with perhaps Federal Housing Administration guaranteed loans, (b) permanent housing by Government financing, and (c) temporary housing by Government financing. Probably but a limited amount of housing may be expected by the first method. The Federal Housing Administration office at Kansas City has stated that loans for about 500 new homes could be insured by the Federal Housing Administration in the entire defense area, which includes Joplin, Carthage, and Webb City as well as Neosho, and that the bulk of those insured would have to be located at Carthage and Joplin.

(3) Housing evacuated families.

Within the Newton County portion of the 66,500 acres selected for Camp Crowder there have been, or will be, approximately 547 farm families consisting of some 1,717 individuals, removed from the area. While probably the greater proportion of these evacuated families will locate on other farms if they can be secured, some of them may prefer to live in the various communities, or in new housing developments which may be constructed.

(E) SCHOOLS

Increased pupil population in general area, removal of pupils from certain areas to new location, abandonment of elementary schools within the area, loss of district property, loss of assessed valuation in districts not wholly absorbed, outstanding debt obligations, and increased enrollments in various school districts create many problems difficult of solution.

(1) Loss of school property and territory.

Five rural school districts in Newton County and three in McDonald County are wholly absorbed in the camp reservation. Three in Newton County and three in McDonald County are partially absorbed. Existing laws indefinite on disposition of property or funds on hand in rural (three-director) districts absorbed by camp. Many of those partially absorbed may need additional school facilities.

The following high school districts will also lose some nonresident or tuition pupils now living in the camp area: Neosho, Stella, and Goodman. It is quite likely that Neosho and Goodman will receive an increased enrollment, however, from new residents.

(2) *Loss of assessed valuation and debt loads.*

Some districts only partially absorbed will lose a considerable part of their assessed valuation and tax income. This is more serious in districts having a bonded indebtedness. The district of Stella, bonded to the limit, will lose one-half to two-thirds of its assessed valuation.

(3) *Location of housing projects.*

If housing projects in the larger towns of Neosho, Joplin, and Carthage are located on separate and segregated tracts of land, new school plants may be needed. If located at points accessible to existing plants, facilities can in most cases be provided with additions to existing school buildings.

(4) *Increase in school population.*

School enrollment will probably be closely related to housing projects which will, in turn, depend to some extent on the development of water and sanitary facilities, and on road conditions. Several of these communities have sewerage and water facilities. The contemplated improvement of the facilities in other communities will become factors in the probable school population. There seem to be indications that Neosho and the surrounding territory may have the greatest enrollment increases as a result of this particular camp. Since these schools are now crowded, any substantial increase in enrollment will make it necessary to provide additional buildings. These may be temporary or permanent, depending on the need in each particular area. In most cases, added funds will be needed for school operating expenses for the current year and for the next school year.

(F) HEALTH

Increased population in the area will add considerably to the problems of safeguarding health. All communities in the area should adopt the State board of health standard milk ordinance and the standard ordinance regulating eating and drinking establishments and should provide for proper enforcement of same. The public health and sanitation needs and requirements of the area demand the service of adequate trained public personnel to accomplish satisfactory results. Existing sanitation ordinances in the communities of this area are not satisfactorily enforced due to lack of personnel and additional ordinances and regulations will be of little value unless trained personnel are provided to enforce them.

Requirements indicate a shortage of 250 to 300 hospital beds before any defense activities were started. An increased population will considerably increase the desirable minimum.

Public comfort stations are necessary in many of the communities, especially in Neosho, and the need for them will be greater with the growth in population. Adequate control and servicing of such establishments for prevention of epidemics is essential.

(G) SOCIAL WELFARE AND RELIEF NEEDS

Problems in social welfare and relief will undoubtedly become more acute. Transients to the area will probably increase, and some workers and families seeking employment and unable to find it, or stranded at the end of construction, will have to be returned to their legal residence. Additional members to the local social security office staffs will probably be necessary. The relocation of evacuated families has brought out many problems requiring solution. Many of the individuals, forced to move, are finding it impossible to obtain new housing accommodations at rates they can pay from allotments previously granted. Children's problems will become more acute, lack of proper housing causing unrest, and many cases of delinquency and truancy. Illness of wage earners or other members of the family bring requests for assistance. Because there are few able-bodied or skilled persons in relief families, the increase in employment has had little effect on the number of persons receiving assistance, but because of increased cost of living, it has caused a lowering of standards of living. All these problems are likely to increase after termination of the construction period and in the period after the closing of the camp, though this may be many years in the future.

To meet the problem of moving families in the area the same general plan is being followed that was used in relocating families in the Fort Leonard Wood and Weldon Springs areas. This is a cooperative plan worked out between the land-use planning committee of the United States Department of Agriculture, Bureau of Agriculture and Economics, the Farm Security Administration, the county extension agent, and the State social security commission. Limited funds make many of the problems difficult to work out. Doubtless Government aid will be necessary to finance many of the solutions of the problem.

(H) RECREATION

Problems of recreation include those for residents of the general area, both in communities and in rural areas, and for soldiers when off the camp reservation. Play areas in the locality are few. Mr. John Guyer, Federal Coordinator of Service Organizations, and Capt. J. H. Trout, Salvation Army representative of the United Service Organizations, have spent several days in the region considering recreational problems and a citizens' advisory board has been formed in Neosho. Consideration is being given to the possible leasing or purchase of a four-story brick building, owned by the Haas estate, within a block of the courthouse in Neosho for United Service Organizations headquarters. Opportunities for social contacts for soldier personnel of the camp should be included in any studies of the recreational problem.

Plans for solution of recreational problems cannot be made with any definiteness until the future camp population is known and until information as to future location and size of housing developments is obtainable. Determination of these factors may not be complete for several months.

Neosho and other communities in the region need additional parks and play areas. Adequate provision for these features should be made in any housing or planning programs.

(I) LIBRARY SERVICE

Study of the data on library service contained in division II reveals that facilities are much below desired minimums. Whether considered from the educational or recreational standpoint, increased and improved library facilities should be provided to satisfy normal civilian demands with further expansion to serve the inevitable increases both for selectees in the camp and increased civilian population.

(K) POLICE AND FIRE PROTECTION

Increased population in the areas will undoubtedly bring a decided increase in criminal activities. Police forces for both county and city will require enlargement. Greater traffic flow on the highways will also increase the problem. The State highway patrol has opened an office at the closed Civilian Conservation Corps camp at the west edge of Neosho with Sergeant Kahler in charge. A total of 10 men will be on duty and service will be rendered for all 24 hours of the day. Radio broadcasting equipment is soon to be installed and telephone service is already in use. One patrolman has been assigned to do special duty with a safety car working in the area.

Additional housing developments will of course require additional facilities for fire protection. The water supply extension plan for Neosho has been reported as ample for anticipated increased fire protection needs. Quite likely if Neosho expands to any great extent additional fire apparatus and fire stations will be necessary.

Within the camp area in Newton County alone some 547 families, consisting of 4,717 individuals, have been or will be removed. These families operated farms averaging 80 acres in size. Approximately 2,431 dairy cattle were farmed in the area. There were 410 farm owners and 137 renters in the area. The number of families unable to move without financial assistance is 236. Those who have secured loans number 208. Figures for McDonald County are not yet available. The majority of farmers evacuated would prefer to return to farms though very few suitable farms in the State are for sale or rent. Most serious problems encountered are: (1) Finding a farm in desirable location and within price range; (2) funds to purchase farm and make move until he receives payment from the Government; (3) if a tenant, where to find a farm to rent and the funds to move, since he may not receive any payments from the Government; (4) difficulty of moving feed and livestock long distances with the present great demand for trucks; (5) keeping high producing livestock from going to markets; (6) for farmers desiring to stop farming, difficulty in selling livestock and machinery at fair prices because of low demand in area; (7) farmers desiring work from the camp project until completion with later expectation of returning to farm, and housing and maintaining his family and livestock in the interim; (8) housing of older people in towns when able to pay their own way; (9) securing farm help at reasonable wages.

(L) TAXES AND TAX BASE

Acquisition of the 66,500 acres reservation by the Government, with its numerous homes and farms reduces considerably the taxable personal and real estate property in both Newton and McDonald Counties. It is understood that

the Government's plan of acquisition provides for payment of real-estate taxes for both 1941 and 1942. Newton County officials have stated that the loss in personal property taxes would probably more than be made up by increased taxes from merchants and new homes in the area. Although it is open to question, it is quite likely that increased land values in the region would justify higher assessments which would bring in additional taxes equal to or greater than the losses.

IV. RECOMMENDATIONS

(A) GENERAL

Information as to the future of the camp and probable number of soldiers is incomplete. Quite likely the War Department has not made final decisions on these matters, and possibly these decisions cannot be made at this time. Plans for future extensions of existing facilities for housing and other requirements should probably be on a minimum basis for the present, yet sufficiently flexible to permit of expansion. Requirements likely to be most urgent for the next year or more include additional housing, together with necessary community facilities: Schools, improved traffic facilities, adequate police and fire protection, provisions for safeguarding health and social welfare, and adequate recreational facilities. Careful planning is necessary to properly coordinate all of these demands.

(B) HOUSING

(1) *Increased population estimates.*

Based on a population of 16,000 soldiers at the camp, and using a ratio of 50 percent for probable increase in population, we may expect a minimum increase in the area of 8,000 persons. At a rate of 3 persons to the family the minimum would amount to approximately 2,667 homes. Based on a population of 35,000 soldiers at the camp and a ratio of 137 percent we would have a probable maximum increased population in the area of 47,950 persons. Though it is difficult to believe that any such increase in population is likely to occur the necessity for a flexible plan becomes apparent.

Since the demand for additional housing facilities will soon become urgent, it is recommended that steps be taken immediately toward the completion of plans and specifications for from 300 to 600 housing units. It is recommended that a site be selected near Neosho and that all necessary preliminary arrangements be completed so that bids could be called for on short notice and construction work proceed very soon thereafter. Construction of additional housing projects could follow as necessitated by future demands.

(2) *Locations for housing developments.*

Important considerations influencing selection of sites for housing projects are: (a) Convenience, (b) availability to utilities, (c) transportation facilities, (d) schools, (e) recreational facilities. Factors combining most of the essentials and good economies indicate that most of the housing should be located in communities which now have most of the required facilities, such as Joplin, Carthage, Neosho, Seneca, Goodman, Granby, and Anderson. Probably Neosho will receive the great proportion of new housing developments. It offers many inducements. It is closest to the camp. It is an attractive and healthy community. Its water-supply system could be expanded to serve a population several times greater than its present population. Its proposed sewage-disposal system is to be located at a point where it could serve an area of over 12 square miles north of the camp, which would provide ample space for a total population of 30,000 or more without crowding. Excellent transportation facilities are available. Possible electric supply and natural gas supply is adequate. School plant facilities could probably be expanded as easily and as economically as at any other point. The topography, while hilly in many places, is suitable for development with proper planning.

(3) *Financing of housing developments.*

Three types of possible financing are (a) by private enterprise with private capital; (b) by private enterprise with Federal Housing Administration guaranteed loans; (c) by one or more of the Government defense housing agencies.

It is unlikely that any great amount of housing will be constructed under (a). The designation of the region as a defense area by the President, making possible the guaranteeing of loans by Federal Housing Administration under title IV will no doubt stimulate construction especially of single family, permanent homes by private enterprise. Present limitations imposed by Federal Housing Administra-

tion on the entire defense area call for insurance on a maximum of 500 houses with probably not more than 100 of these for Neosho. It is probable that the greater proportion of new homes will have to be provided directly by Government housing agencies.

(1) *Types of homes.*

Types of homes that are recommended are (a) single family permanent homes in communities, (b) single family permanent homes in rural areas (c) single family and row houses of temporary nature of the demountable types (d) temporary dormitories for unattached men.

Neosho and most of the cities near the camp are essentially single-family communities. Permanent single-family homes in these places could be erected up to the limit of possible future absorption.

Many single-family homes in rural areas on small subsistence farms of from 1 to 5 acres could be permanently absorbed by the region. Mr. Ralph Tennis, Farm Security Administration supervisor in Newton County has been investigating this phase of the housing program.

Temporary housing of the demountable types should be constructed on tracts removed from permanent housing projects, for families who will reside in the region only during the period of the emergency. Dormitories for unattached men could also be of demountable types for eventual removal.

In Neosho several tracts adjoining existing water and sewage lines are immediately available for development. Several sites have recently been optioned for home sites in the city limits or closely adjacent. One such tract with Federal Housing Administration insured homes will soon be under construction on Cemetery Road. Fifty-six homes on lots approximately 60 by 135 feet are being planned. In addition there are a great many vacant lots interspersed in the residential sections to which water and sewage facilities are now available. Private enterprise should be urged to use these lots for new homes wherever practicable.

(C) HIGHWAYS

Lack of definite information as to requirements of Camp Crowder make it difficult to anticipate needs. From information secured to date the following improvements are recommended.

(1) *United States Highway 71.*

It is recommended that the cut-off west of Neosho due north of the intersection of U S 60 and U S 71 be constructed, as shown on the accompanying map between points A and B. It is also recommended that U S 71 be widened to four lanes from Neosho to Goodman, since this portion of the highway is receiving and will continue to receive the brunt of increased traffic. U S 71 from Neosho north is a high type portland cement concrete highway. From Neosho south it is an intermediate type of bituminous road and increased traffic in this section will undoubtedly make additional surfacing necessary, at least between Goodman and Neosho.

(2) *Alternate United States Highway 71.*

It would be desirable to construct a bypass for this highway from U S 71, west and north of Neosho, if it is possible. Study should proceed immediately on the solution of this problem. The considerable increase in traffic on the narrow section through the city makes this bypass desirable. Alternate U S 71 north of Neosho is a high type portland cement concrete highway.

(3) *State Route 86.*

This highway is gravel-surfaced. With the increased traffic, consideration should be given to installing a higher type of surfacing, or applications of dust palliatives.

(4) *State Route 44.*

This route connects Anderson and Stella. The road is probably adequate for present and future traffic, but the surfacing being of gravel, consideration should be given to applications of dust palliatives.

(5) *Routes D and H.*

Considerable portions of these roads are being removed from use, since they are located in the camp reservation. The portion of Route D south of Neosho to the camp boundaries will doubtless receive increased use since it is likely to be one of the access roads to the cantonment, and since housing developments will eventually be constructed in nearby areas. This road may require widening, and application of a higher type of surfacing would be desirable.

(6) *Other necessary road improvements.*

Immediate studies should be made for a direct connection east and north of Stella to Route 86. The town of Stella, because of the eventual abandonment of portions of Roads D and H, will be cut off from direct connection with Neosho, its principal trade center. This connection with Route 86 will offer the best substitute for present connections.

Many local county roads serving farms adjoining the camp will require improvements, and consideration should be given to additional arterial highways which will make these farms as easily accessible to main roads of travel as they were prior to establishment of the camp. Studies should be made for a perimeter road around Camp Crowder at the south and north and on the east by connecting with the proposed highway from Stella to Route 86.

(D) COMMUNITY FACILITIES

(1) *Water supply.*

Until more definite knowledge is available as to anticipated population increases in the various communities of the area, definite recommendations as to increased water supply cannot be made. Joplin and adjoining communities are certain to receive considerable increases because of proximity to defense activities at Baxter Springs and Parsons, Kans., as well as from Camp Crowder. The principal need for Joplin is the reconstruction of the water treatment plant to meet modern requirements. Carthage and other communities adjoining the area, such as Anderson, Granby, Goodman, and Seneca, could doubtless obtain sufficient water to meet increased demands by drilling additional wells. Except for the necessary improvements for Joplin, decisions for all of the above-mentioned communities should be delayed until more is known about projected housing developments for these areas.

At Neosho the problem of additional water supply and improvements for present supply are likely to become acute very soon. The city council, from investigations by their consulting engineer, is convinced that the best method for furnishing additional supply is by the use of the impounded water of Shoal Creek, with construction of an intake tower and treatment plants. The State board of health feels that further investigation should be made of the possibilities of obtaining necessary additional supply by means of additional drilled wells. Whichever of these methods is the proper one to follow should be determined as soon as possible and funds obtained from local bond issues and by Government grants which would permit of immediate installation of the necessary improvements. Since Neosho is quite likely to receive the greatest increase in population, plans for additions to the water supply system should be sufficiently flexible to take care of all possible future demands.

(2) *Sewage disposal system.*

Practically all of the communities in the area adjoining Camp Crowder need additional and improved sewage-disposal facilities. As previously stated many of these communities are entirely lacking in sewer systems and treatment plants, other have sewer systems without treatment plants, and very few have complete treatment plants. Communities which are most likely to receive increases in population, such as Joplin, Carthage, Granby, Seneca, Anderson, and Goodman, should plan immediately for necessary extensions and improvements. At Neosho, construction of the additional sewage-disposal plants should proceed immediately and also the extension of the necessary main sewer lines to serve the areas most likely to be used for housing developments. Improvement of service in the existing built-up sections, while doubtless important, is primarily the responsibility of the city itself. Flexibility of plan to provide for unforeseen but possible future maximum increase in population is essential.

(3) *Electric and natural-gas supply.*

Electric and natural-gas supply resources are reported as ample for all needs of the region, including Camp Crowder, although increase in capacity of supply lines may be necessary. The utility companies are prepared to make such installation, as soon as they have been instructed as to the needs of Camp Crowder, and probable locations of new housing developments.

(E) SCHOOLS

Definite recommendations for schools in the camp area cannot be made until the locations of additional housing developments are determined. If new housing units are provided within the present city limits or at the edges of the town of Neosho, and the other towns, the increased school population probably could be

cared for by making additions to existing buildings. New segregated housing developments might make it necessary to erect new school buildings.

Lack of early definite information on the anticipated life of the camp and the maximum camp population makes it essential to plan for the schools in the camp area a flexible program. Building plans should be so organized that expansion is feasible as needed. To this end, some of the following recommendations are set up in steps. As school enrollment increases justify, the following improvements, given in the order of probable need in each district should be considered. (More detailed recommendations for these various steps are on file in the office of the State department of education.)

Anderson.—A new elementary building. Remodel high school, add second separate unit as a vocational building.

Noel.—No present indication of new building needs. May need help to complete building now under construction.

Carthage.—A new junior high school. Added elementary rooms.

Joplin.—May need new rooms. (Effect of Spring River nitrate plant should be felt here.)

Senecca.—Need a four-room addition. Separate vocational and music building.

Goodman.—Probably need new rooms. Development of other municipal improvements a factor.

Neosho.—May need additions to three elementary buildings. New shop buildings. If new population is widely spread may need new elementary buildings. Large enrollment increases may make it necessary to plan new junior high-school facilities.

Additional funds for operating expenses for the current year will probably be needed in all of the above-mentioned districts, particularly in the districts of Neosho, Goodman, Anderson, and Senecca. Most of these schools now have crowded classes and can absorb only a few pupils.

Money paid for school property in the rural districts by the Government should be paid through the county superintendent into the county treasury to the credit of these districts. The county superintendent should supervise the disposition of school supplies and equipment.

Governmental purchasing agencies should provide funds to retire existing district debts in proportion to the percentage of the total district assessed valuation absorbed by the camp area. Districts losing revenue producing assessed valuation should receive sufficient funds to recompense for such losses.

(F) HEALTH

At the present time there are a total of 418 beds available in the various hospitals in the area, most of these in Joplin and adjacent cities, in addition to the 115 beds of the Jasper County Tuberculosis Sanitarium. The State board of health estimates a probable need of from 350 to 400 additional hospital beds for the area based on a conservative anticipated population increase. A considerable number of the hospital bed increase should be in or near Neosho to properly serve the population closely adjacent to Camp Crowder. It is recommended that immediate steps be taken to construct the necessary hospital facilities to fulfill these requirements.

Additions to staffs of public health organizations should keep pace with the increased needs for enforcing sanitation ordinances and for pure milk and food control. The State board of health recommends for the Neosho area the following: For Newton County, a city-county health department with both the city of Neosho and Newton County participating, and staffed by one full-time health officer, one part-time assistant health officer, one public-health engineer, two public-health nurses, and one clerk; for McDonald County, one public-health engineer, assigned to this county under the direction of the district health officer, whose services would supplement those rendered to this county by the existing district health unit; for Jasper County, in addition to the existing personnel, one full-time assistant health officer, one public-health engineer, and one supervising public health nurse; for Lawrence County, one county health department staffed by one full-time health officer, one part-time assistant health officer, one public-health engineer, one public-health nurse, and one clerk; for Barry County, a similar staff as for Lawrence County.

County regulations should immediately be passed and enforced for controlling proper sanitation for "mushroom" housing developments, trailer and tourist camps, dormitory developments, and eating and entertainment establishments that are springing up in the rural areas adjacent to the camp, in order to control these developments until effective planning and zoning legislation is put into effect.

Many of the communities in the area particularly those closely adjacent to the camp should construct and properly maintain public comfort stations near the business and amusement sections of their cities. Such establishments properly controlled would greatly reduce spread of epidemics and relieve many of the objectionable features of sudden population increases.

(G) SOCIAL WELFARE AND RELIEF

(1) *Financial aid.*

Local and State funds being limited, Government funds will probably be required to work out satisfactorily many of the problems. The amount of these funds should be determined and made available as soon as possible to the extent required. Increases in personnel of local staffs will be necessary to handle the problems with the increase in populations, especially for handling children's problems.

(2) *Evacuated families.*

It is recommended that more rapid payment be made by the Government on farms vacated by establishment of the camp, and that payment also be made for removal of stock, and other possessions to new localities. Payment for moving should be made to both owners and tenants. Loans or grants of assistance from the Farm Security Administration are available to families who cannot make their own financial arrangements for moving. This, however, places the family in a position of asking for assistance through a welfare agency which they would not have had to do under ordinary circumstances. Since they are being forced to move, it seems only right that financial provision should be made for their moving.

(3) *Probable increases in cases needing relief.*

With the increased population in Neosho and other areas in the region will come the inevitable increase in cases needing aid and guidance. Government agencies should cooperate with local and State organizations in the solution of these problems. Many families, who ordinarily would not need assistance, may require some type of help if new housing developments do not keep ahead of influx of newcomers. Federal grants should be made to assist in solving the problems of transient workers and their families who may need temporary assistance or aid in moving to their legal places of residence and for other emergencies that are certain to occur because of the establishment of defense projects in the area.

(H) RECREATION

Definite recommendations as to type and amount of recreational facilities cannot be made until results of various studies by John Guyer and others are completed, until more definite information as to probable soldier population in the camp, and of the location, types, and sizes of housing developments, is known.

Comparative lack of park and play areas in the region close to the camp has been previously noted. Considerable further study should be given to the inclusion of adequate areas for these purposes within the various communities themselves, particularly Neosho, and in any housing developments that will be constructed. It is the practice of various Government housing agencies to make such provision and to include community buildings if necessary. It is recommended, however, that Neosho and various other communities in the area give immediate study to location and acquisition of desirable tracts within the city limits or closely adjacent for such use.

(I) POLICE AND FIRE PROTECTION

It is recommended that the police officials of the various communities and counties take steps toward the provision for additions to their staffs to take care of the inevitable increase in criminal and traffic problems as the need arises.

Since construction of new housing units will increase the responsibilities of the fire department, it is recommended that the officials of these departments give immediate study to possible location of new headquarters, additional equipment and increased staffs. Since locations of new housing developments will influence the location of fire stations, advance information should be secured, if possible, to anticipate the requirements. Approval of plans submitted by developers of housing projects by fire departments should be required before any permit for construction is issued, in order to reduce fire hazard to a minimum.

(J) PLANNING AND ZONING

Many of the communities in the area, and particularly Neosho, should give immediate consideration to the preparation of planning and zoning studies and

regulations for control of land subdivision. With the mushroom growth that is likely to occur under sponsorship of private speculators whose only interest is to make money, there may be areas of considerable size developed which may become continuous trouble sources, difficult of correction. While a certain amount of control can be exercised by communities who may furnish water supply or sewage disposal for these developments, most effective control is obtainable by passage of legislation adopting a definite city plan, and zoning and land subdivision regulations. Such a plan and accompanying legislation should be prepared immediately so that developers may be informed as to locations in which they can start construction. Planning is important in order to determine the locations of major thoroughfares and proper connections with minor thoroughfares, location of schools and other public structures, location of parks and play areas, widths, types of pavements and gradients of streets, and other important factors. Zoning is essential to control use of land, to prevent undue and indiscriminate location of warehouses and industrial and retail store activities, to protect residential values by prevention of multiple-family houses in single-family sections, to prevent the location of nuisances in high-class residential neighborhoods and similar undesirable practices. Land subdivision regulations are necessary to provide adequate set-back lines, to govern the location of streets with regard to topography and adjacent city streets, to control types of pavements on streets which, if dedicated, may become a source of constant expense, to limit the minimum size of lots in certain areas, and to insure a development that is related to the city plan.

In addition to the communities, Newton and McDonald Counties should immediately set up planning and zoning commissions for the control of unincorporated areas especially near the cantonments. Although many developments have sprung up in the last month or two in these areas, control of further developments of these types can be exercised, if immediate steps are taken.

While it is not the desire of the State, Federal or local governments to limit legitimate use of property in any way, some control of use of property where such use results in injury to adjacent property, or to the public welfare, should be made effective.

Neosho is taking immediate steps toward the preparation of planning and zoning studies. Lieutenant Colonel Teachout, executive officer at the camp, is hopeful that Newton County will take immediate steps in this direction. Doubtless McDonald County and the various communities in the area will adopt similar procedure as soon as the need is apparent.

Neosho itself, a city of considerable charm and natural beauty, suffers at present in many of its areas, from a street plan which was laid out without relation to the topography. The so-called gridiron system of street planning should never be adopted in a locality where the topography is as varied as it is in many sections of Neosho. In its extensions of new streets, Neosho should give particular consideration to a well-planned street system which will fit its topography. Such a plan will result in a simplified and less expensive sewer system, a maximum use of property for residential and other purposes, minimum possible gradients to roads and, incidentally, a much more attractive city.

(K) POST-DEFENSE PLANNING

Studies toward aiding in the solution of the many problems that will arise in the post-defense period should be started immediately. All possible steps should be taken to relieve the shock of sudden transition from emergency period to post-defense period and to prevent so far as possible extensive loss of employment, the consequent immense reduction in national income, large migrations of population, increased relief and social problems, and so far as possible, the inevitable mental, moral and financial depressions which follow. Not only the various Government agencies, local, State, and Federal, but industrial and business organizations are giving serious study to this vital problem. Proper planning and foresight can go far in solving many of the problems that will arise in this post-defense period. No general formula will solve the many individual problems of each special area. Planning for the areas adjacent to Camp Crowder, and its citizens, should begin as soon as possible and the proper machinery set up for relieving the shock.

EXHIBIT C.—DEFENSE PROBLEM AREAS ADJOINING WELDON SPRINGS ORDNANCE WORKS, WELDON SPRINGS, MO.

REPORT PREPARED BY JOHN NOYES, CONSULTANT, NATIONAL RESOURCES PLANNING BOARD, FIELD OFFICE, OMAHA, NEBR.

MARCH 31, 1941.

I. INTRODUCTION

The War Department has acquired in part, and will soon complete acquisition of a tract of approximately 17,900 acres in St. Charles County, Mo., for the purpose of manufacturing TNT and DNT. The official designation of the plant is the "Weldon Springs ordnance works." The purpose of this report is to present various facts in connection with this plant, the problems arising from its location in this area, and recommendations leading toward the solution of some of these problems.

II. THE PLANT

(A) DESCRIPTION

1. *Factors influencing location.*

The Weldon Springs ordnance works for the manufacture of TNT and DNT to be made under the direction of the Atlas Powder Co. near Weldon Springs, Mo., has been located on a tract of approximately 17,900 acres. The tract lies southwest of and adjoins Highway 61 and adjoins the Missouri, Kansas, & Texas Railway, which follows the shore line of the Missouri River. Important factors in the location of the reservation at this point were: (1) Accessibility to ample water supply, approximately 15,000,000 gallons per day being necessary for the manufacture of TNT and DNT; (2) accessibility to railroad facilities; (3) accessibility to a main defense highway; (4) sparsely built-up neighborhood at a considerable distance from large population centers; (5) varied and relatively rugged topography with considerable timber growth.

2. *Lay-out of plant.*

According to present plans, 6 production lines for manufacture of TNT and 2 for manufacture of DNT are to be constructed and placed in operation by September 1, 1941. It is quite possible that enlargement of the plant to as many as 16 lines may take place later. The 8 lines now being constructed are located several hundred feet apart, approximately in the center of the tract. The entire tract is being enclosed with a high chain-link fence. It is intended that only 1 entrance to the tract be provided, located at the present Highway 94 entrance near Highway 61 at Weldon Springs. All employees and visitors will be required to enter at this point.

A pumping plant will be erected adjoining the shore line of the Missouri River near the present location of the town of Hamburg.

3. *Construction.*

At present over 1,200 men are employed in constructing the 8 production lines and it is expected that this number will be gradually increased to a peak of between 3,000 and 4,000 workers.

4. *Operation.*

It is expected that the plant, at least in part, will be in operation after September 1, 1941, and that operations will continue during the emergency, which from present estimates should not be more than 5 years, possibly considerably less. It is expected that the eight lines will be in operation 24 hours a day, in three shifts.

(B) NECESSITIES CREATED

1. *Housing.*

A major consideration of the management of the ordnance works is adequate housing for its employees.

(a) *During construction.*—During the construction stage there is not considered to be a housing problem. It is estimated that approximately 75 percent of present construction workers come from St. Louis and St. Louis County, 15 percent from St. Charles, and 10 percent from other points in St. Charles County, especially Wentzville. Several of the workers have found accommodations in homes in St. Charles County and a comparatively small number are living in trailers at Wentzville, Weldon Springs, and other points. With the increase of construction workers, it is possible that more trailer camps may spring up in the area adjacent to the reservation.

(b) *During operation.*—Maj. C. R. Dutton and officials of the Atlas Powder Co. are of the opinion that a minimum of 400 new housing units would be needed for employees at the TNT-DNT plant. The opinion is based on the assumption that from 1,500 to 2,000 employees will be engaged in the work. It is expected that necessity for these homes will arise on starting of work about September 1, 1941. There is a possibility that if the plant is considerably increased in size that the number of workers may be increased to 2,500.

Major Dutton considers it most important that 75 to 100 of the key workers reside within 4 to 6 miles of the entrance to the plant, on good roads, and with telephone connections. These men would be subject to immediate call to the plant in case of emergency.

Fifteen homes for principal executives, seven or eight for Army officials, and seven or eight for Atlas Power Co. officials, will be constructed on the reservation.

From best information available to date, employees for operation of the plant after September 1, 1941, may be classed about as follows:

Classification	Annual salary	Percent of total employed
Helpers and general labor.....	\$1,500 to \$2,000.....	70
Foremen, office helpers, assistant supervisors of departments.....	\$2,000 to \$3,000.....	15
Superintendents.....	\$2,500 to \$3,000.....	10
Executives.....	Over \$3,000.....	5

NOTE.—Quoting from Major Dutton's letter of Mar. 18, 1941, he states: "It might be said at this time that about 15 percent of the help needed could be obtained from the immediate area. It is reasonable to believe that a great number will come from St. Louis City and County area."

2. *Transportation.*

Construction workers have made satisfactory arrangements as to transportation from St. Charles, St. Louis, St. Louis County, and other points by grouping together for travel by automobile and by temporary bus service from St. Charles and St. Louis County. It is expected that similar means of transportation will be available from main residential locations after the plant is in operation.

III. RESULTANT EFFECTS ON AREA

(A) LOSS TO AREA

1. *Population and taxes.*

Residents of two small communities, Howell and Hamburg, within the boundaries of the tract, with a total population of approximately 200 and in addition a rural population of over 500, have been forced to move from the site. Of the approximately 247 parcels making up the tract, approximately 22 owners were nonresidents. Approximately 192 of the parcels were farms with approximately 6,000 crop-acres. It is known that at least 11 owners with families have left the county to locate in other places, and probably there are more, though records are not complete as to this.

The assessed valuation of real estate, personal property, etc., removed from taxation because of the acquisition of the tract by the War Department amounts to approximately \$411,000.

2. *Highways.*

Approximately 33 miles of county highways and farm-to-market roads will be removed from use, of which about 28 miles are gravel surfaced and in good condition. Three steel bridges and numerous pipe and box culverts form part of the construction of these roads. Approximately 10¼ miles of State Highway 94 will be vacated. Closing of these roads will cause considerable inconvenience to communities to the west and southwest of the reservation.

3. *Schools.*

One public high school for approximately 150 students and 4 grade schools for approximately 400 students will be closed to the public, requiring the construction of a new consolidated high school and grade school and redistribution of school population. Until the new school building is completed, a serious problem in providing transportation to other school locations will exist.

4. *Cemeteries.*

There are 27 cemeteries included within the tract, requiring eventual possible removal of over 700 bodies. It is possible, however, that many of these cemeteries may be allowed to remain, with visiting days arranged for at various times.

(B) SANITATION AT ORDNANCE WORKS

Major Dutton states that there will be two types of waste resulting from the operation of the plant. One will be the type ordinarily encountered in any community or residential development such as sewage, and the other type will be of toxic material remaining after the process of manufacture of TNT-DNT. The first type of waste will be adequately taken care of by means of sewage-disposal systems and septic tanks; and the second type, the toxic wastes, will be piped from the production lines to a central collection station where it will be treated to neutralize any remaining acids and then put through a series of steam evaporators. The residue, resembling heavy dark molasses, then will be burned in a rotating kiln, leaving a resulting small amount of harmless ash, easily disposed of. Major Dutton is certain that with the adequate means planned for disposal of waste there will be no danger of contamination of the waters of the Missouri River, nor nuisance to the general area.

(C) DANGER ZONE

Major Dutton states that due to the large size of the tract and the central location of the plant buildings, there should be practically no structural danger outside the boundaries of the tract in the event of explosion. He considers, however, that any new housing developments that might be constructed should be located 4 or 5 miles away from the plant.

IV. MAJOR PROBLEMS

(A) HIGHWAYS

1. State highways and farm-to-market roads.

(a) *Highway 94.*—The portion of Highway 94 passing through the reservation and providing direct connection between towns in the southwest portion of the county and the county seat at St. Charles will be closed to public use, thus requiring a considerably greater distance by automobile from these points. For example, the town of Defiance which is approximately 21 miles from St. Charles by Highway 94, requires travel by existing county roads west and north of the plant of approximately 36 miles. Residents of communities in the southwest portion of the county, such as Defiance, Augusta, New Melle, and others adjacent are protesting vigorously against the inconvenience caused by the additional mileage necessary, much of it over narrow roads which have steep grades and many sharp curves. There are approximately 13 miles of roadway in Highway 94 and Farm-to-Market Road D within the reservation itself.

As a solution to this problem Mr. Carl Brown, chief engineer of the Missouri State Highway Department, has requested that the War Department compensate the State highway department to the amount of \$310,000 for the construction of a road along the shore line of the Missouri River and another closely adjacent to the west line and north line of the tract, both roads connecting with Highway 61. Objection to the roadway along the river has been expressed by Major Dutton and other officials of the War Department on the ground that the prevention of sabotage at the proposed pumping station would be made more difficult. It is understood, however that the State highway department would be willing to close the highway along the river during the emergency when the plant is in operation, if the War Department requires this. It is expected that both roads if constructed, will be gravel surfaced.

(b) *State Highway 61.*—This highway, which is one of the major highways of the State connecting St. Louis with Wentzville, will receive considerable additional traffic during construction of the plant and its operation until the end of the emergency. The State highway department is, at the present time, constructing a relief lane approximately 300 feet in length on either side of the entrance to the plant. Construction of this additional lane will provide one-way traffic for east-bound and west-bound traffic with the present slab. It is quite likely that the relief lane will later be extended to the Daniel Boone Bridge and to the western boundary of the plant site, a total of approximately five miles, costing a total of approximately \$275,000, part of the expense of which it is expected will be borne by the Government.

Originally it was proposed to construct a grade separation at the intersection of Highway 61 and the entrance road to the plant, but because of the probable delay in obtaining steel trusses for a bridge, an electric traffic signal will provide control of traffic at this point. A connection is also being made between Highway 61 at a point southeast of the entrance with one of the county roads entering

Weldon Springs, which will relieve a considerable amount of the traffic load at this intersection.

(c) *Highway K, farm-to-market road.*—From Highway 61 to the city of O'Fallon it is proposed to construct a direct connection between Highway 40 at O'Fallon and Highway 61. Connection at Highway 61 would be approximately 1½ miles northwest of the entrance of the plant. The distance between the entrance of the plant and the city of O'Fallon would be reduced to approximately 7 miles. Part of the road has already been completed, using existing county roads. This entire roadway would be gravel surfaced and possibly later may be black-topped. This road would provide a direct connection with Farm-to-Market Road M, passing through the town of O'Fallon and connecting with State Highway 79.

(d) *Proposed road connecting relocated Highway 94 and Cottleville.*—A new road from relocated Highway 94 near north boundaries of plant site to present Highway 94 near Cottleville would be desirable in the event that this relocated Highway 94 is the only connection that may be used during the emergency between communities in the southwest portions of the county and the county seat at St. Charles. This road would reduce the distance to St. Charles by approximately 2 miles. Such a connection would also be desirable in that it would reduce traffic near the plant entrance and would connect directly with proposed Highway K which would make a more direct route to the city of O'Fallon and Highway 79.

(e) *Extension of Farm-to-Market Road T to Augusta.*—Present county roads connecting the area between Augusta and Cappel are hilly and tortuous and should be improved. This extension of Road T would have been desirable even if the ordnance works had not been located in this area, but its necessity is emphasized because of the closing of a portion of Highway 94. The distance by roadway from Augusta to Highway 61 is approximately 2 miles less by proceeding through Defiance and present detours of Highway 94. This new farm-to-market connection would reduce considerably the travel time between Augusta and Wentzville, and since the only public high schools in the west portion of St. Charles County are at these two points, improved roads between them would be most desirable. Construction of this improved farm-to-market road would complete the 100-mile farm-to-market road program started by the county highway commission some years ago.

(f) *Highway 94 to be black-topped.*—The State highway department expects to black-top Highway 94 between the plant entrance and the end of the present black-top surfacing at the intersection of Farm-to-Market Road N and Highway 94 through Weldon Springs, a distance of approximately 4½ miles.

2. County highways.

The county highway engineer reports that there are approximately 33 miles of county highways within the reservation which will be closed to public use. Approximately 28 miles are gravel surfaced. Three steel bridges and numerous box and pipe culverts are included.

Mr. Earl C. Gray, county clerk of St. Charles County, states that the county highway commission expects but little in the way of compensation for the roads vacated except for constructing connecting links between existing county roads and new roads replacing highway 94 around the reservation. They will also request the right of removal of three steel bridges within the site and some of the culverts, or compensation for the value of these items.

(B) HOUSING

1. Existing housing situation.

(a) *St. Louis and St. Louis County.*—From a conference with Mr. F. W. Pepping, chief underwriter of the Federal Housing Administration, St. Louis; Mr. Rene Dusard, chief architect and Mr. J. A. Estes, executive assistant, information was obtained that by date of April 1, 1940, there were 16,334 vacant dwelling units in the city of St. Louis and 4,913 vacant dwelling units in St. Louis County. These vacant dwelling units were either for sale or for rent. Other vacancies in the city on which information was not obtainable as to whether for sale or rent, were 1,601 for the city and 431 for the county, making for city and county a total of 23,279 vacancies. Mr. Pepping is of the opinion that the figures on vacancies have not been materially reduced since the date when compiled. It is probable that at least 50 percent of these dwelling units would be habitable, a total of approximately 11,640.

Mr. Pepping stated that the Federal Housing Administration at this date has commitments to insure loans, when dwelling units now under construction are completed and sold, for 1,175 single family dwelling units and in a addition commitments for 825 dwellings under construction, for which buyers have been

secured, a total of approximately 2,000. The total habitable dwelling units now available in St. Louis and St. Louis County, therefore, probably is in excess of 13,000.

Approximate distances between points in St. Louis and St. Louis County and the entrance of the TNT plant by highway and approximate time necessary by automobile are as follows:

St. Louis city limits (Skinker and Clayton Roads), 35 minutes, 23½ miles.
North and South Road (Brentwood Boulevard) and Clayton Road, 30 minutes, 22 miles.

Manhasset Village, 30 minutes, 22 miles.

Lindbergh Boulevard and intersection of highway 61, 21 minutes, 17½ miles.

Bellefontaine, 11 minutes, 9½ miles.

Chesterfield, 10 minutes, 9 miles.

Gumbo, 8 minutes, 6 miles.

St. Louis and St. Louis County, especially portions east of Lindbergh Boulevard, in general are well provided with schools, recreational facilities, public utilities, and transportation. Planning and zoning of St. Louis County is now in progress and has been in effect in the city for many years.

NOTE.—Time necessary for travel to the Ordnance Works entrance from many places in St. Louis County would not exceed travel time to work of the majority of employed persons now living in the County. For example, by street car from Clayton to downtown St. Louis requires approximately 40 to 45 minutes, and Webster Groves from 50 to 60 minutes. By automobile the time from Clayton and Webster Groves to downtown St. Louis is 30 to 35 minutes. Other points across town in the County by public conveyance require even longer periods from distant points.

(b) *St. Charles County and its communities.*—It has been reported from several sources that there are practically no housing vacancies anywhere in St. Charles County.

2. *Existing facilities in St. Charles County* (population 25,562 in 1940 census).

(a) *St. Charles, Mo. (population 10,810, 1940 census).*—The city has an adequate public water supply and sewers for the major part of the area within the city limits. There are a number of undeveloped tracts within the city limits and immediately adjoining in the county, particularly in the area between Blanchett Park and Lindenwood College, that may be serviced as to water supply and sewers and which would be suitable for housing projects. While a considerable amount of additional acreage in the county adjoining could be serviced as to water supply, very little of it could be serviced by the sewer system, due to topography.

The city has one 4-year public high school and one 4-year parochial high school, four public and three parochial grade schools, a junior high school for white students and a grade and high school for the colored. In addition there is Lindenwood College for Girls, with a 4-year course leading to a degree.

St. Charles has two modern hospitals, capable fire and police departments, a large public park with a modern swimming pool and a private golf course in connection with the St. Charles County Club. It is well equipped with moving-picture theaters and other means of entertainment.

St. Charles is approximately 14 miles by roadway from the entrance to the TNT plant. Transportation by bus has been recently provided from St. Charles to the TNT plant. Bus and railroad transportation to the city of St. Louis are available, St. Charles being on the main bus line between St. Louis and Kansas City and on two railroads, the Missouri, Kansas & Texas Railroad and the Wabash Railroad.

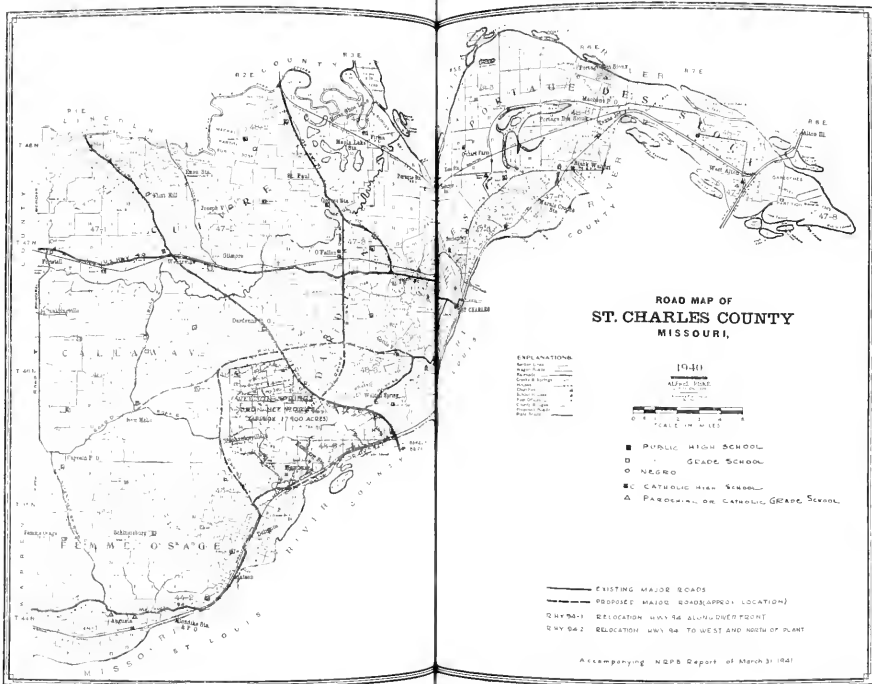
There is a considerable housing shortage in St. Charles at the present time. Several new homes have been built within the last few years within the city limits and in the county closely adjacent to the city limits.

Additional workers are being employed by the American Car & Foundry Co. and by a new International Shoe Co. plant which expects to employ about 300. The St. Mary's Oil Engine Co. has recently been sold to a new syndicate and it is expected that this plant will be reopened shortly. When at capacity, several hundred people are employed at this plant. Many of the residents of St. Charles are employed in St. Louis and St. Louis County.

Estimates of various residents of St. Charles contacted seem to indicate that the city could absorb at least 100 homes after the emergency is over.

(b) *St. Peters (population 305, 1940 census).*—St. Peters does not have public water supply, but recently passed a bond issue for construction of sewers. This city is approximately 10 miles from the entrance of the TNT plant by roadway.

There is a 2-year parochial (Catholic) high school in St. Peters, parochial grade school and a public grade school.



St. Peters is serviced by a main bus line which operates between St. Louis and Kansas City on highway 40 and also by the Wabash Railroad.

(c) *O'Fallon* (population 618, 1940 census).—O'Fallon is constructing a public water supply system which is almost completed and also sewers and sewage disposal system. This city will be the closest incorporated community to the entrance of the TNT plant, with the completion of roadway K, a total of approximately 7 miles.

There is an adequate public grade school, a parochial grade school and a parochial 4-year high school in the city.

O'Fallon is serviced by bus lines operating on highway 40 and by the Wabash Railroad.

As part of the bond issue for water supply and sewage disposal, O'Fallon is installing fire protection facilities for the community. The water supply is secured from St. Peters' sand at a depth of 833 feet. An elevated storage tank has been erected with a capacity of 75,000 gallons and a flow of 58 gallons per minute. The cost of the water supply system, tank, etc., is approximately \$50,000 and of the sewage disposal system approximately \$40,000.

Mr. N. D. Schwendeman, cashier of the bank at O'Fallon is of the opinion that 25 or 30 homes could be absorbed by the community after the emergency is over. There are several tracts of land between the main part of the town and highway 40 that would be very suitable for housing projects and which could be serviced by the water and sewer systems.

(d) *Wentzville* (population 752, 1940 census).—The city is served by an adequate water supply system, sewers and sewage disposal system. Water was obtained from St. Peters' sand at a depth of 813 feet and stored in an elevated tank holding 75,000 gallons.

There are approximately 100 vacant lots within the built-up section of the city which would be available for homes on streets in which sewers and water supply are available. Undeveloped tracts adjoining the city to which water and sewer lines could be extended at reasonable expenses are available for housing projects. There has been some building activity in Wentzville in the last few years and several new homes have been constructed. The city has no funds for extension of water and sewer lines to these undeveloped areas, so that the expense of such extensions would have to be added to the cost of any development.

Wentzville has a 4-year combined high and grade school under construction which it is expected is likely to be crowded with students from the city and contiguous territory. The existing combined grade and high school will be torn down upon completion of the new building, and rebuilt as a colored school.

Wentzville is located at the intersection of highway 40 and highway 61 and is serviced by bus lines operating on both major highways. It is also serviced by the Wabash Railroad.

Wentzville is equipped with a fire department and fire engine and numerous fire hydrants located through the city.

There is a small moving-picture theatre, but no public parks or playgrounds.

(e) *Cottleville*.—Cottleville, which is unincorporated, with a population of approximately 150, is located approximately 4 miles from the entrance to the TNT plant by roadway. It does not have water supply or sewage disposal.

A private promoter has secured options on considerable acreage adjoining Cottleville with the idea of developing a private housing project. It is understood that difficulties in financing the project will be encountered and that lack of water supply and sewage facilities will be a serious obstacle to development. The town, however, is well situated for such a development.

There is a public grade school in Cottleville and a parochial grade school. A consolidated 4-year public high school at or near Cottleville to replace the existing high school at Howell, is contemplated. If this school is constructed, there would be a distinct advantage to any housing project that might be developed in this area.

According to a rural housing report for the Weldon Springs TNT-DNT ordnance plant area prepared by Mr. Ross J. Silkett & Associates at the request of the Secretary of Agriculture for the National Defense Commission, a tract of 67 acres near Cottleville has been optioned by the Farm Security Administration for farm subsistence homesteads on tracts of from 5 to 10 acres each, and it is understood that if constructed, these homes would be available for employees at the ordnance works during the emergency.

Cottleville is not located on any of the railroad lines and is not served by transportation except by the temporary bus line from St. Charles to the entrance of the ordnance works to which it is closely adjacent.

(f) *Weldon Springs*.—Weldon Springs, unincorporated, with a population of approximately 80, is the nearest community to the entrance of the ordnance works.

It is not serviced with water supply nor sewage disposal system. There are two grade schools in Weldon Springs area and doubtless it would be a location for temporary trailer and tourist camps, at least during the emergency. A small trailer camp is already in existence. The town is without facilities for fire protection.

(g) *Dardenne*.—Dardenne can hardly be dignified by the name of a town, since it consists of a public school, a church building, and a few houses. It is located approximately 5½ miles by roadway from the entrance to the ordnance works. In the neighborhood of Dardenne there is a tract of approximately 90 acres which has been optioned by the Farm Security Administration for homesteads of 5 to 10 acres each for the possible construction of farm subsistence homesteads which would be available to workers at the ordnance plant during the emergency. Dardenne is not serviced with transportation facilities at the present time, nor with public utilities.

(h) *Other communities*.—Other communities closely adjacent to the TNT-DNT ordnance works, but not as accessible to the main entrance, would be New Melle, Defiance, Matson, Augusta, and others. Augusta is the largest of these communities, is incorporated and has a population within the corporate limits of 252.

It is not considered that these communities would be as desirable for housing workers of the ordnance works as the other communities previously listed, because of the greater distance to travel, lack of water, and sewage disposal facilities. It is possible, of course, that some of the workers at the plant after it goes into operation would live in this neighborhood, but they would be scattered and comparatively few in number.

(i) *Rural section of county*.—Much of the area of the county within 4 to 6 miles of the entrance to the ordnance works would be suitable for rural homes, particularly on existing hard-surfaced roadways. Telephone and electric service are available on most of these roads. Water supply could be provided by cisterns, dug wells, or shallow drilled wells. Information at hand indicates that drilled wells provide approximately 10 gallons per minute at a depth of 90 to 100 feet. Sewage disposal could be provided by means of small individual septic tanks and disposal beds.

3. Preferred locations for new housing.

Considering existing facilities, the most advantageous locations for new housing of ordnance workers in St. Charles County, whether sponsored by private enterprise or by the Government, are (1) for housing projects and individual house units, selected tracts in St. Charles, O'Fallon, and Wentzville; (2) for farm subsistence housing, grouped or individual, various locations near Dardenne and Cottleville adjoining hard-surfaced roads, selected for fertility of soil, good drainage, good water supply and sanitation possibilities, electric and telephone accessibility, proximity to schools, and future salability after the emergency.

4. New housing requirements.

(a) *Rent levels*.—Based on Major Dutton's estimates in his letter of March 18, 1941, for a minimum of 1,500 employees, the following permissible monthly rents result, assuming an allowance of not more than 25 percent of salary for that purpose.

Number	Salary	Rents per month	Number	Salary	Rents per month
1,050.....	\$1,500-\$2,000	\$30 to \$40.	150.....	\$2,500 to \$3,000.....	\$50 to \$60.
225.....	\$2,000 to \$2,500.....	\$40 to \$50.	75.....	\$3,000 and up.....	\$60 to \$75.

(b) *Estimated number of new units in incorporated communities*.—If 150-house units are built in incorporated communities in St. Charles County, it is recommended that 80 units be constructed in the city of St. Charles, 40 units in the city of Wentzville, and 30 units in the city of O'Fallon.

Probably these should be homes for the higher salaried groups and key workers who should live as close to the plant as possible. While this group could afford rents of from \$50 to \$75 per month, houses constructed to rent at a lower rent level would undoubtedly have greater sale value after the emergency. It is reasonably certain that the number of units mentioned above would be absorbed by the communities after the emergency.

(c) *Estimated number of new units in rural areas.*—It is recommended that from 250 to 350 rural housing units on farm subsistence homesteads, in groups and on individual sites, be constructed in areas adjacent to Cottleville and Dardenne. Homes of this type should be constructed mainly for the low income groups, persons able to pay from \$30 to \$40 per month, but it is considered preferable to build homes that would rent from \$20 to \$30 per month, since they would undoubtedly have better sale value after the emergency. Mr. Ross Silcott, in his report, indicates that a minimum of 333 such homes could probably be absorbed in these areas by farm owners now living in substandard dwellings or by tenant farmers, and through future sales to persons in the larger communities desiring such accommodations.

As an alternate for farm subsistence homesteads for lower salaried workers, housing projects with a density of 10 or 15 families per acre, might be built in communities such as O'Fallon or Wentzville and provide the necessary low rents. It is very questionable, however, as to whether this type of home would have any considerable amount of sale value after the emergency is over, and it would seem preferable to erect single family homes if possible.

(d) *Housing other workers.*—Major Dutton has estimated that approximately 15 percent, or a probable minimum of 225, might be persons now residing in areas adjacent to the tract. Very likely most of these would be in the lower income group. The remaining 475 to 575 employees in this group, able to pay rents of from \$30 to \$40 per month, would probably be required to find housing accommodations in St. Louis or St. Louis County, as would the remaining 300 workers able to pay in excess of \$40 per month.

(e) *Further studies necessary.*—Further study of new housing requirements for employees of the ordnance works should be made. It is unlikely that private enterprise will be able to secure financial backing for new housing except in the incorporated communities such as St. Charles, St. Peters, O'Fallon, and Wentzville.

If the Weldon Springs ordnance works were an organization for permanent manufacture over a considerable period of time there would be no question but that 100 percent housing for the employees of the ordnance works would be desirable. Because of the comparatively short time that the plant is expected to operate, all precautions should be taken to keep new housing within limits of future absorption by the region after the emergency, and thus prevent future possibility of "ghost towns."

(C) PLANNING AND ZONING

St. Charles is in considerable need of a comprehensive city plan and zoning study. This enterprise should be undertaken by the city itself and an outside consultant should be employed to prepare necessary plans and ordinances.

Wentzville and O'Fallon should give consideration to planning and zoning. Assistance on this work might be rendered by the Missouri State Planning Board, since the city would probably not be in a position to engage a consultant for the work. Mr. M. I. Parker, of the Missouri Inspection Bureau, who has been advising these two cities on requirements for water supply to reduce insurance costs, has urged the cities to adopt building codes, fire prevention, and fire limit ordinances. He is hopeful that these cities will receive as much help as possible from the Missouri State Planning Board in this work.

St. Charles County as a whole and including its numerous unincorporated communities should have the authority to control development through planning and zoning, especially in the neighborhood of the entrance to the ordnance works on Highway 61, where there is immediate likelihood of various roadside stands, filling stations, and similar developments being constructed. Unless controlled they will create a hazard to traffic, a sanitation problem and offense to the eye. Similar developments are gradually creeping in throughout the entire length of Highway 61 and trailer and tourist camps will doubtless be developed very shortly. Immediate legislation is to be desired which would result in the control of such establishments. At the present time the only control over such developments is that exercised by the State board of health as to sanitation and water supply, and by the State highway department as to approaches.

V. OTHER PROBLEMS

(A) EDUCATIONAL

As has been stated, approximately 700 persons have been removed from the area included within the ordnance works reservation. Most of these have

moved to other points in St. Charles County. Some redistribution of students is necessary and the addition of many new students, children of plant employees living in the county, will doubtless require added facilities in various existing schools and possibly new schools in some instances. Construction of a new consolidated high school and grade school is being considered in the Cottleville area.

(B) RECREATION

There are satisfactory recreational facilities in St. Charles, but Wentzville and O'Fallon are lacking in parks and playgrounds and should undertake a program for construction of such facilities. Housing projects in any of these communities should be provided with play areas, especially for younger children.

Fort Zumwalt, a State park of approximately 60 acres, is located on Highway 40 TR near the city of O'Fallon. It is understood that this reservation will soon be improved by CCC workers, but it is not anticipated that this area may be used for active recreation.

Babler State Park is located approximately 15 miles from the main entrance of the ordnance works reservation and the Cuivre River recreation area approximately 30 miles from this point.

A private recreational project is being considered near Wentzville, which would include a large lake made by damming up Perucque Creek. Information is lacking as to the certainty that this project will be undertaken.

For employees who will reside in St. Louis and in St. Louis County, especially in the incorporated areas, there are numerous parks, playgrounds, public and private swimming pools, and other recreational areas available.

VI. SUMMARY

Principal problems and recommendations for their solution outlined above resulting from the location of the Weldon Springs ordnance works in St. Charles County, Mo., include the necessary construction of new roads to replace Highway 94, new roads to O'Fallon and Cottleville; the construction of additional housing accommodations at St. Charles, O'Fallon, Wentzville, and rural portions of the county; control by planning, zoning, establishment of a building code and subdivision regulations and including necessary legislation to effect such control; and additional school and recreational facilities.

STATEMENT INTRODUCED BY JAMES DOARN, MISSOURI STATE EMPLOYMENT SERVICE, UNEMPLOYMENT COMPENSATION COMMISSION OF MISSOURI, JEFFERSON CITY, MO.

PREPARED BY WILL S. DENHAM, DIRECTOR, STATE EMPLOYMENT SERVICE DIVISION, JEFFERSON CITY, MO.

NOVEMBER 21, 1941.

We are enclosing a list of prime defense contracts allocated to the State of Missouri divided by cities and by firms receiving them. However, we have never received through any governmental agency any information regarding subcontracts allocated to firms in the State of Missouri. Information in regard to subcontracts has been secured from newspaper publicity, civic publications, and individual employer contacts. In regard to this, this agency would appreciate any information as to any source from which we could secure the amounts and names of firms securing subcontracts.

In regard to the estimate of the number of workers displaced by material shortages, our statement in the last Labor Market Report still remains true. The number of individuals so far displaced by material shortages is small, but there is every indication that this number will be increased within the next sixty days. However, there is a qualifying condition in practically all of the reports we have secured from employers likely to be affected, and that is that these firms will have to close down unless their facilities are utilized in the defense program. One of the objectives of this service in securing the reports of material shortages is to closely cooperate with the Contract Distribution Service so that whatever facilities these plants have may be utilized in the manufacture of defense products. Specific reference to the effect of priorities in the automotive industry in St. Louis will be found in the Labor Market Report proper, as will the report in regard to the glass industry in Crystal City.

We are also attaching the program outlined by the Bureau of Employment Security designed to provide defense training for workers. The reports proper contain the recommendations of the Employment Service as to the number of individuals to be trained within the next six months, which proposals have been approved by the State Council of Administrators for Defense Training, and also in the latest report the number of individuals who are being trained in accordance with these proposals.¹

In regard to employers' specifications with respect to age, color and nationality which may affect the full utilization of the local labor supply it has been our experience that, as a whole, these factors have not prevented the full utilization of our local labor supply. Employers, especially in the skilled occupations, are up-grading workers, diluting jobs, and removing all age restrictions on workers.

We wish to bring to the attention of the Committee the remarkable cooperation that the Missouri agency has secured from the metropolitan newspapers. These newspapers, in order to prevent useless migration of labor, have refused to accept advertising from out-State firms where the advertising would tend to cause migration from the St. Louis and Kansas City areas of those individuals who are needed in these areas. These newspapers voluntarily have done a splendid job in cooperating with the Employment Service and with the Regional Labor Supply Committee to accomplish this purpose.

EXHIBIT A.—LABOR MARKET REPORT, UNEMPLOYMENT COMPENSATION COMMISSION OF MISSOURI, JEFFERSON CITY, MO.

SEPTEMBER 15—OCTOBER 15, 1941

The impact of material shortages and priorities has as yet resulted only in small displacements of labor in the State of Missouri. Complete surveys are now being made and there is every indication that the labor displacements due to material shortages and priorities will become more widespread within the next 60 days.

The labor-market developments during the period of this report follow in general the trend as indicated in previous reports. On the basis of present prime defense production contracts in the sum of \$390,000,000, approximately 60,000 production workers, the number estimated in previous reports, will be required.

CONSTRUCTION

With the exception of Camp Crowder, located at Neosho, and the ammonia plant located at Louisiana, defense construction has passed the peak of employment. A summary of developments in major construction projects is as follows:

Type of project	Location	Number of men working Oct. 15, 1941	Peak employment
Ammunition plant	St. Louis	14,500	Passed
TNT and DNT plant	do	6,301	6,670
Airplane company	do	656	Passed
Airplane-gun-turret plant	do	244	Passed
Housing	do	196	Passed
Do	do	269	Passed
Barracks	do	41	Passed
Ammunition plant	Kansas City	2,865	Passed
Housing	Fort Leonard Wood	400	645
Do	do	422	625
Auxiliary Army buildings	do	480	860
Ammonia plant	Louisiana	1,182	5,700
Cantonment	Neosho	110,939	130,000

¹ Approximate.

The supply of construction workers in the State of Missouri remains adequate to meet present construction needs in the State.

¹ Copy of the report referred to is held in committee files.

PRODUCTION

Reports from 298 employers, 138 in St. Louis, 102 in Kansas City, and 58 out-State, whose industrial activities are of significance to the progress of the national-defense program indicate that within the next 6 months these employers expect to hire 17,247 workers, 10,377 in St. Louis, 6,817 in Kansas City and 53 out-State. A summary of these expected hires by occupation is as follows:

September 1941 to February 1942

Occupation	Total	Current	1 to 2 months	2 to 4 months	5 to 6 months
Total.....	17,247	1,611	5,474	5,546	4,616
Chemist, inorganic.....	1	1			
Electrical engineer.....	1	1			
Mechanical engineer.....	8	2	2	2	2
Draftsman, mechanical.....	11	6	1	2	2
Manager, production.....	2	1	1		
Roadmaster.....	1		1		
Inventory clerk.....	70	70			
Clerk, general office.....	10	2	2	3	3
Yard clerk.....	1		1		
Production clerk.....	3		2	1	
Receiving clerk.....	1	1			
Stenographer.....	6	3	1	1	1
Tool clerk.....	29	2	9	9	9
Watchman.....	430	130	100	100	100
Fireman III.....	30	30			
Porter II.....	8	2	3	3	
Elevator operator, freight.....	10	1	3	3	3
Grounds keeper I.....	8	1	4	3	
Carver hand I.....	12		12		
Millman.....	8		8		
Nitroglycerin-nitrator operator.....					
Still operator.....	3,000		1,000	1,000	1,000
Welder, acetylene.....	5		2	3	
Machinist II.....	1,219	312	305	311	291
Lay-out man.....	12	7	5		
Job setter II.....	25		10	10	5
Tool maker.....	6	4	2		
Die maker II.....	312	130	76	53	53
Die setter I.....	4	2		1	1
Tool maker.....	136	46	39	31	20
Tool inspector.....	60	19	15	15	11
Tool hardener.....	12		4	4	4
Engine-lathe operator.....	95	23	35	20	17
Turret-lathe operator.....	22	15	7		
Milling-machine operator II.....	72	32	22	13	5
Boring-mill operator.....	6	6			
Shaper operator I.....	3	3			
Planer operator II.....	6	6			
Cylindrical-grinder operator.....	10	10			
Inspector (machine shop).....	5		2	2	1
Sheet-metal worker II.....	2		2		
Do.....	37		14	15	8
Sheet-metal lay-out man.....	15	9	6		
Sheet-metal worker, aircraft.....	1,390		319	571	500
Molder, bench.....	19	7	5	4	3
Molder, floor.....	9	9			
Machine molder, squeeze.....	3	3			
Fit-up man.....	10		3	3	4
Structural-steel worker.....	30		30		
Ornamental-iron worker.....	4	2	2		
Template marker, structural steel.....	4	2	2		
Welder, arc.....	165	12	53	61	9
Do.....	7		5	1	1
Welder, acetylene.....	8		8		
Welder, combination.....	12	3	3	3	3
Blacksmith II.....	3		3		
Heat treater II.....	9	3	3	3	3
Hardness inspector.....	24	6	6	6	6
Electrician.....	44	4	16	18	6
Electrical repairman.....	6		2	2	2
Assemblers, electrical.....	59	7	20	12	20
Lens grinder.....	6		6		
Painter, car.....	28		2	20	6
Patternmaker, metal.....	1	1			
Patternmaker, wood.....	2	2			
Bricklayer II.....	3		2	1	
Carpenter I.....	37	1	12	12	12
Carpenter, finish.....	2		2		
Carpenter, rough II.....	8		8		
Carpenter, streetcar.....	29			22	7

September 1941 to February 1942—Continued

Occupation	Total	Current	1 to 2 months	2 to 4 months	5 to 6 months
Painter I	24		8	8	8
Steam fitter	9		4	3	2
Locomotive engineer II	7	1	2	2	2
Stationary engineer	6	3	2	1	
Electric-bridge crane operator	1	1			
Locomotive-crane operator	1	1			
Millwright	55	11	15	15	14
Brakeman, air II	12		2	4	6
Automobile mechanic	6		3	3	
Automobile-body repairman, metal	15		15		
Maintenance mechanic II	12	3	5	2	2
Elevator repairman	6		3	3	
Instrument repairman	3	1	1	1	
Tool-grinder operator	13	1	4	4	4
Batteryman II	3		1	1	1
Foreman (ammunition)	500	125	125	125	125
Foreman (machine tools and accessories)	7	1	2	2	2
Foreman (machine shop)	26	4	8	8	6
Box maker, wood, III	7	2	1	2	2
Stationary engineer	1	1			
Single-spindle-drill-press operator	8		2	3	3
Floor assembler (machine shop)	6	6			
Grinder (automobile manufacturing)	1		1		
Turret-lathe operator, automatic	9		3	3	3
Milling-machine operator, automatic	2	2			
Boring-machine operator, automatic	3	3			
Single-spindle-drill-press operator	5	5			
Multiple-spindle drill-press operator	37	2	10	25	
Radial-drill-press operator	3	3			
Single-spindle drill-press operator	30	3	13	12	2
Internal keyseating-machine operator	1	1			
Screw-machine operator, semiautomatic	14		5	5	4
Lathe operator, automatic I	1	1			
Disk-grinder operator	9		3	3	3
Floor assembler	179	42	60	61	16
Sandblaster I	7	2	1	2	2
Chipper, foundry	6	6			
Molder helper III	4	2	2		
Boiler tester	4	2		1	1
Rivet catcher	26		26		
Bucker-up II	2		2		
Riveter, hydraulic	6		6		
Riveter, pneumatic I	2		2		
Rivet heater, electric	6		6		
Chipper, metal	8	3	1	2	2
Welder, spot	2	2			
Finisher	22		2	14	6
Punch-press operator I	65	11	24	14	16
Punch-press operator, hand	10	5	5		
Wire-screen weaver, machine	3	3			
Sheet-metal worker helper	45		25	10	10
Sheet-metal fabricating machine operator	415		122	163	130
Brake operator, hand	1	1			
Refrigerator-trim assembler	10		10		
Laborer, process (machine manufacturing)	8		2	3	3
Solderer I	4		4		
Welder helper, acetylene	22	3	7	6	6
Final assembler I	500		100	200	200
Riveter, aircraft	52		25	27	
Car trimmer II	16			8	8
Painter, spray I	6	2	4		
Painter, rough	5		2	2	1
Roofer, asphalt, tar, and gravel	4		2	1	1
Pipe-fitter helper	12		2	4	6
Chauffeur II	6		3	3	
Truck driver, heavy	10	10			
Truck driver, light	6		2	2	2
Packer	2	2			
Fireman, stationary boiler	18	12	3	3	
Beltman I	17	2	5	5	5
Machinist apprentice	15	15			
Electrician apprentice	2				2
Boilermaker	5		1	2	2
Sheet-metal worker apprentice	1				1
Ornamental iron-worker apprentice	6	3	3		
Laborer, process (wood working)	1	1			
Laborer, process (furniture)	3		3		
Laborer, process (ammunition)	5,527	27	2,000	2,000	1,500
Laborer, process (machine shop)	86	11	23	29	23
Laborer, process (foundry)	2	2			
Welder, acetylene	1	1			
Stock clerk II	37	4	11	11	11
Laborer, process (iron and steel)	8			6	2

September 1941 to February 1942—Continued

Occupation	Total	Current	1 to 2 months	2 to 4 months	5 to 6 months
Laborer, process (boiler making)	5	5			
Laborer, process (forging)	31	6	25		
Laborer, process (machine tool and accessories)	41	18	23		
Laborer, process (electrical equipment)	41	6	35		
Laborer, process (automobile manufacturing)	99		24	25	50
Laborer, process (locomotive, car building and repairing)	8		6		2
Laborer, building	15		8	4	3
Laborer, railroad	9		3	3	3
Laborer (furniture)	2		2		
Laborer (ammunition)	1,118	250	308	308	252
Laborer (iron and steel)	3		3		
Laborer (foundry)	50	11	19	11	9
Laborer (boiler making)	20	5	5	5	5
Laborer (forging)	3		1	1	1
Laborer (heat treating)	3		1	1	1
Laborer (locomotive, car building and repairing)	18		12	3	3
Laborer (automobile manufacturing)	45		15	15	15
Laborer (electric equipment)	4		2	2	
Oiler 1	49	20	10	10	9

AIRCRAFT

At the present time in St. Louis the aircraft industries are employing approximately 6,000 workers and it is expected that this figure will be increased to approximately 14,000 when the peak of production is reached in July 1942. Previous figures for production workers for the Airplane Gun Turret Plant, which should be completed during January or February 1942, remain at 5,000.

MUNITIONS AND POWDER

At the present time, the munition and powder plants of St. Louis are employing approximately 1,400 men and by September 1942, will employ 29,000.

In Kansas City at the present time there are 2,400 workers in the munition plant with an estimated 6,000 to be employed within the next 6 months.

METAL TRADES

Reports from 298 employers covering industrial activities essential to the national defense program indicate the following demand in selected metal-working occupations and the supply of qualified and available workers registered with the Employment Service:

Demand and supply, selected metal working occupations, State-wide

Occupation	Anticipated hires from September 1941 to January 1942	Qualified and available registrants
Machinist II	1,219	165
Lay-out man	12	4
Job setter II	25	18
Die maker II	312	15
Die setter I	238	14
Tool maker	74	11
Tool inspector	60	4
Tool hardener	12	1
Engine-lathe operator	95	82
Turret-lathe operator	22	33
Milling-machine operator II	72	27
Boring-mill operator	6	8
Shaper operator I	3	5
Planer operator II	6	5
Cylindrical-grinder operator	10	2
Sheet-metal worker II	2	131
Sheet-metal lay-out man	39	20
Sheet-metal worker, aircraft	1,390	154

It is to be noted from these demands that shortages are very apparent in the machinist, tool, and die makers and aircraft occupations.

GARMENTS

The shortage of sewing-machine operators continues and during the month permission was secured for the training of power sewing-machine operators, which previous to this time was not on the approved list of occupations for defense training.

AGRICULTURE

A subcommittee on farm labor has been organized in every county in the State and the extension service has a list of committee members in all but 15 counties. The report submitted by subcommittees indicates that no shortage of regular farm labor exists. Apparently, the supply of seasonal labor for harvesting some crops is rather scarce, due largely to the fact that wages paid farm labor are relatively low in comparison with wages in other occupations. A rise in the wages paid farm labor would insure the necessary supply of seasonal labor, according to subcommittee reports from the counties. However, it is becoming increasingly apparent that farm labor will become more difficult to secure and that it will be almost impossible to secure hands at rates people have been accustomed to paying in the last several years.

PROVISIONS FOR ADEQUATE LABOR SUPPLY

The inventory of fully qualified and available workers in selected occupations as of October 18, 1941, shows that in the State of Missouri there are 14,910. There is further indication that employers are beginning to upgrade workers and dilute jobs in order to meet the increasing stringencies in all of the metal craft and machinist classifications.

TRAINING

Training within the State is progressing according to the schedule set up by the council of administrators for defense training. A summary of these training classes is as follows:

VE-ND¹ training plan, as of Oct. 15, 1941

1. Total number of training areas in State.....	18
2. Total enrollment in all areas.....	3, 494
3. Total number of courses in all areas.....	165
4. Total number of above areas offering supplementary courses.....	10
5. Total number of above areas offering preemployment and refresher courses.....	13
6. Total number enrollees in supplementary classes.....	1, 243
7. Total number enrollees in preemployment and refresher.....	2, 251
8. Total number of areas offering National Youth Administration defense training.....	6
9. Total number of enrollees in National Youth Administration defense training classes.....	651

Regular National Youth Administration training program, as of Oct. 15, 1941

1. Total number of training areas in State.....	25
2. Total enrollment in all areas.....	5, 433
3. Total number of courses in all areas.....	139

OSY² training program, as of Oct. 15, 1941

1. Total number of training areas in State.....	42
2. Total enrollment in all areas.....	966
3. Total number of courses in all areas.....	88
4. Total number of above areas offering Civilian Conservation Corps training.....	7
5. Total number of Civilian Conservation Corps courses.....	9
6. Total enrollment in Civilian Conservation Corps courses.....	120

¹ Vocational Education-National Defense Training Program.

² Out-of-School Rural and Nonrural Youth Training Program.

Preemployment defense training by occupations (Oct. 15, 1941)

Occupation	Area	Number of courses	Number in training	
Aircraft riveting	Springfield	2	45	
	Flat River	1	20	
	North Kansas City	2	55	
	St. Louis	1	80	
Total			200	
Aircraft sheet metal	Flat River	2	40	
	St. Charles	1	20	
	Kansas City	9	188	
	Joplin	3	55	
	Hannibal	3	58	
	Clayton	6	172	
	Jefferson City	2	40	
	St. Louis	3	68	
Springfield	1	20		
Total			661	
Chipping (metal or air hammer)	St. Louis	3	30	
Electric welding	Kansas City	1	10	
	St. Louis	1	16	
Total			26	
Oxyacetylene welding	St. Louis	2	30	
	Kansas City	1	4	
	North Kansas City	2	20	
	Fort Leonard Wood	1	14	
Total			68	
Gas welding	St. Louis	4	71	
General welding (type not designated)	Kansas City	2	30	
	St. Louis	1	25	
	St. Charles	3	44	
	Hannibal	1	12	
	Springfield	1	15	
	Clayton	1	16	
	Trenton	1	14	
	Total			156
	Foundry work	Kansas City	1	15
Metal work (bench or general)	Jefferson City	1	13	
Machine operation (for specific machine operations)	Joplin	3	45	
	Kansas City	10	199	
	Jefferson City	2	60	
	St. Louis	6	175	
	North Kansas City	1	13	
	St. Joseph	5	60	
	Clayton	3	37	
	Flat River	2	20	
	Hannibal	1	10	
	Louisiana	10	246	
	Trenton	5	60	
	Columbia	1	15	
	Mexico	1	15	
Total			953	
Sheet metal work (general)	Springfield	6	135	
	St. Louis	6	180	
	St. Joseph	3	36	
	Kansas City	3	65	
	Clayton	1	13	
Total			429	
Tool and die making or jigs and fixtures	Jefferson City	1	17	
	Joplin	1	12	
Total			29	

VE-ND supplementary training in Missouri (Oct. 15, 1941)

Occupation	Area	Number in training
Machine shop courses	Bonne Terre	30
	Clayton	26
	Joplin	15
	Kansas City	43
	Mexico	40
	St. Joseph	24
	St. Louis	65
Total		243
Welding	Fort Leonard Wood	14
	Clayton	12
	Joplin	14
	Kansas City	101
	Mexico	13
	St. Louis	121
Total		275
Wood pattern making and machine shop	Bonne Terre	54
	Fort Leonard Wood	50
Total		104
Sheet metal work	Bonne Terre	90
Aircraft sheet metal	St. Louis	60
Aircraft jig building	Clayton	15
Teacher training	Ft. Leonard Wood	50
Typing	do	120
Explosives	Joplin	25
Drafting and layout	North Kansas City	20
	Kansas City	46
	St. Louis	75
Total		141
Aircraft foremanship	Overland	35
	St. Louis	30
Total		65
Chipping (air hammer)	St. Louis	10
In plant training	Warrenton	20

MIGRATION

While the exact figures are not available, there is a decided migration from the smaller communities in the State of Missouri to the larger cities. Many small communities report that due to higher wages local communities are being sapped of their skilled workers. Kansas City especially reports a large in-migration at the present time.

LABOR MARKET DEVELOPMENTS

AREA 1 (ST. LOUIS)

On October 1, 1941, there was submitted to the Bureau an exhaustive survey of the labor market developments in the greater St. Louis area.

*Section A**Decreases in employment due to material shortages.*

No large lay-offs have as yet occurred because of material shortages or production curtailment. The only large lay-off reported was of 116 workers at the Chevrolet Motor Co. This lay-off occurred around September 15, but all of those dismissed were recalled after a short period of time.

There are indications that production curtailment in the automotive industry might be reflected in some lay-offs at the Fisher Body Co. and Coverlet Co. to become effective to some extent in December and early next year. Some 200 men were laid off at Fisher Body in July 1941 and possibly another 400 might be affected around December 1941 and January 1942. Chevrolet might lay off some 200 or 300 men again around the latter part of this year and January of

next year. At present Chevrolet is working at capacity and is actually hiring. The effect of the curtailment at Ford Motor Co. is not yet known. The plant is now employing its full force.

A few plants are beginning to lay off workers because of the curtailment of production by industries as brought about by the Office of Production Management in Washington. In St. Louis the industrial curtailment is being felt by small lay-offs in plants within industry. A number of firms have applied to the Division of Contract Distribution, Office of Production Management, asking for consideration for materials or defense contracts.

Surveys have already been made of the smaller plants mentioned and of the Curtis Manufacturing Co., the Medart Manufacturing Co., and the Wagner Electric Co., as a first step in getting information on the number of workers likely to be laid off and the classification of work done by these men.

The Pittsburgh Plate Glass Co. located in Crystal City employing 2,200 workers has been effected by the curtailment of automobile manufacturing. This firm's production is primarily that of auto glass and reduction of auto production has already been felt. Eighty-six production workers in one department of 430 have been definitely laid off and the balance are on a 3-day week. In another department of 110 the entire department is not working but the workers are not discharged. This latter group comprises electric furnace operators and helpers.

Training.

In the case of public training, the courses have been arranged to meet the hiring schedules of the various companies. As a result, about 80 percent of the graduates of aircraft and machine operating classes are finding work. It is difficult, if not impossible, to indicate the reasons why the remaining 20 percent of these graduates from the aircraft and machine operating classes are not obtaining employment, as there are among them students with good as well as inferior grades.

In the welding classes the percentage of the total number of graduates placed is even higher. The chief reason for not getting a job in this trade seems to be an unwillingness on the part of the graduates to accept a beginner's job at a low rate of pay.

The percentage of auto mechanic graduates placed is low. All indications are that there has been only a very small increase in the demand for auto mechanics.

All of the graduates from the chipping class, which is for colored persons, have been placed.

The placement record of the private aircraft schools is entirely satisfactory, although there is often a month or more lag between graduation and placement. About one-fourth of their graduates leave town for jobs.

It is impossible to check on the graduates of the various private welding schools because of the unreliable information given out.

There is no change contemplated in the set-up of training courses at the present time, except that the Wellston school is attempting to secure equipment to give a more diversified machine operation course, principally on grinders. The peak of preemployment training will probably be reached this year and the trend will then be to supplementary training.

In September there was announced a National Youth Administration defense production training program for young women for men's jobs on defense machines. Ten women, between 17 and 25 years of age, are being given training to familiarize them with machine work and related training, as well as actual experience in handling lathes, presses, and grinding machines. After preliminary tests for manipulative dexterity and aptitude the trainees get introductory shop training and then are admitted into the machine shop.

Fifty girls are now in training at Hadley Vocational School on double needle and special sewing machine operations in classes sponsored by the Employment Service.

The listings of public training (preemployment and supplementary), private training (preemployment) and on-the-job training classes and enrollment follow the report in appendix A.

Migration.

Some construction workers are leaving the St. Louis area for Neosho and Louisiana, Mo., where there are large construction projects under way. Also, there are some going to the State of Louisiana and to other Southern States where construction projects are located. These are primarily skilled construction workers, such as carpenters, bricklayers, etc., and also include construction estimators, expeditors, draftsmen, and foremen.

A very few clerical workers, particularly legal stenographers and stenographic typists, have been sent to Louisiana, Mo.

There is very little or no migration of machinists, tool makers, etc., to sections outside the St. Louis area.

A survey of our intake activities shows for a 30-day period that over 344, or 5 percent, of our new applicants coming to our office were nonresidents of this city.

Of this influx the greatest portion, or about 90 percent, come from southeast Missouri, Arkansas, and the towns along the Mississippi River and the eastern counties of Illinois. These people are both men and women, having a wide range in ages and are principally looking for defense jobs. Newspaper and radio accounts largely for their being here.

The St. Louis metropolitan clearance area which includes St. Louis, Crystal City, Washington, St. Charles in Missouri, and East St. Louis, Alton, Belleville, Granite City, and Edwardsville in Illinois, has accounted for the orderly migration of about 127 workers from Crystal City, 20 from Alton, 100 from East St. Louis, 25 from Edwardsville, and 20 from Belleville to serve as trainees for production on ordnance or for guard jobs.

There appears to be no particular problem of migration in and out of workers in this area.

Aircraft manufacturers have come to the employment service to recruit workers from training classes, both from the St. Louis area and outside of the area, and also to recruit workers from private schools in order to use the testing facilities of our office to cull out ineffective workers.

Recruitment methods.

Scouting is still being carried on by industrial plants to secure highly trained personnel such as engineers, designers, tool makers, and key personnel.

In order to keep in close touch with the needs of the United States Cartridge Co., an employee of the State employment service has been assigned on a permanent basis with responsibility for all relationships between this office and the plant named. This individual has been given a company badge, picture, etc., and has free run of the employment office and the training plant, thus enabling the employment service to know at all times the needs of the United States Cartridge Co. and its employment problems.

At a recent meeting with the company officials of United States Cartridge Co., the policy of hiring at the gate was discussed and reasons given for its continuance. They stated that if a qualified applicant applies to them for work and their personnel department directs him to the employment service, he will go to McQuay-Norris or some other plant and get a job instead of coming to the service.

Arrangements have been made with the central officers of both the American Federation of Labor and the Congress of Industrial Organizations unions for the registration of their total membership. The object of this registration is to carefully interview all members in the two organizations in an attempt to determine skills not used and to be ready to negotiate transfers into defense industries if and when the time comes.

In St. Louis there are 14 American Federation of Labor labor councils and 212 locals, and also there are 20 union councils and 79 locals in the Congress of Industrial Organizations.

The American Federation of Labor program is included in the following trades:

Printing	Iron workers
Building trades	Boot and shoe workers
Brewery workers	Union labor trades
Carpenters	Machinists
Garment workers	Painters
Hotel and restaurant employees	Teamsters

In the Congress of Industrial Organizations program are included the following:

Clothing workers	Fur workers
Communications workers	Leather and luggage workers
Barbers	Mine workers
Construction workers	Newspaper workers
Automobile workers	Optical workers
Electrical workers	Woodworking trades
Federal workers	Retail and wholesale employees
Glass workers	Plywood and veneer workers

The secretaries of the central councils for these organizations have estimated that there are approximately 50,000 individual Congress of Industrial Organizations memberships in this territory and 123,000 individual American Federation of Labor memberships.

Pirating of workers.

Pirating of workers is still taking place between firms producing ordnance. For example, screw-machine operators are being offered more money by one firm to induce them to leave another. Efforts by Office of Production Management representatives to effect promises of nonaggression are of no avail in one or two places. Ordnance manufacturers indicated that they would effect a transfer of workers from plants affected by priorities or curtailment of production only when production jobs were available. There was an expressed readiness to discuss the proposal when the time was ripe.

A newspaper article written in the *Globe-Democrat* and quoting N. B. Pollister of Busch-Sulzer Bros. Diesel Engine Co. in September described a loss of skilled mechanics to other defense industries. It made appeals to workmen on a basis of more continuous work over a longer period, although at a lesser scale. It insured workers' jobs until 1944. It appealed to the skilled workers 60 years old or more, who knew their jobs and also to the Missouri State Employment Service, the American Federation of Labor and the Office of Production Management to scan the personnel of non-defense industries for firms threatened with shut-downs by priorities.

This office is planning a comprehensive registration of high-school students between 16 and 18 years of age. Discussions with the various school principals are anticipated to make plans for the registration and to foster closer relationship and understanding between school advisers and employment counselors and to encourage school advisers to visit the employment office. This program should place the employment service more firmly in the minds of these young people who are registered and who are soon to become active participants in the labor market.

The registration is to begin about November 1 and thus should assist in making an additional supply of available applicants who might assist in the Christmas rush, even though they are enrolled in school.

Other developments.

Labor disputes in the St. Louis area are now at a minimum. The only controversy of any note, which threatens to become of extreme importance, is a jurisdictional dispute at the TNT plant involving machinists and hoisting engineers. If an agreement is not reached soon, a general strike of 7,000 American Federation of Labor machinists has been threatened. Of this 7,000 80 percent are working on defense orders. The question in dispute is based upon who has the right to bargain for 22 mechanics employed by Fraser-Brace Construction Co. Recently 60 machinists at the United States Cartridge Co. went on a sympathy strike.

Strikes are still in effect at three large hotels and cold storage companies. None of these has as yet affected the labor supply for defense industries.

The strike of Local 1080 of the Congress of Industrial Organizations Steel Workers Organization Committee, closing four automobile and truck-body companies and involving some 350 welders, metal workers, assemblers, and press and shear operators was settled on October 10. A general increase of 6 cents per hour was allowed for the present and an additional 4 cents in January 1942.

Transportation offers no problems and evidence indicates that such will be true for some time to come.

Housing for the present is adequate.

Section B

Labor developments in the construction industry.

From all indications there continues to be an adequate supply of building laborers available for any construction activities in sight.

Edwin Meinert, secretary of the carpenters' union (American Federation of Labor) states that the peak employment for carpenters was reached during the months of June, July, and August, and that the level of employment for carpenters will soon begin to decline rather rapidly. He estimated that at the peak of employment about 5,500 American Federation of Labor carpenters were working on defense and other large projects. About 4,000 men are members of the St. Louis local and the 1,500 come from the outside. At the present, about 900

of these men from the outside, have moved into other areas or have secured jobs outside of the building trades. The local has issued stop orders on further migration to the area and has not experienced any difficulty in filling all orders for carpenters.

Residential builders have experienced difficulties in keeping their carpenters and cement finishers because of the wages and hours differential on defense and heavy types of construction jobs. Also there has been a serious material shortage in residential building, particularly in plumbing supplies and fixtures, consequently there has been an indirect curtailment of job opportunities for all of the building trades in the residential field.

This fact makes a large supply of construction workers available for defense projects and also makes them available for defense production if they possess the requisite secondary skills.

Iron workers, electricians, and sheet-metal workers have been somewhat scarce and there has been some tendency to grade down job specifications.

Edward Donnelly, secretary of the bricklayers' union, reports no shortage of bricklayers for defense projects. The local has been able to meet practically all needs and many extra have been available to them from the outside areas. At the present time a considerable number of bricklayers are experiencing lay-offs.

The American Can Co.'s new \$2,000,000 plant is now in the first stages of construction. This should develop considerable demand for carpenters and other workers in the building trades, and should in turn counteract some of the lay-offs on defense projects which are nearing completion.

The following paragraphs will briefly describe the labor situation applied specifically to the various large defense construction projects in the St. Louis area:

Emerson Electric Co.—The Emerson Electric Co. is still in the early stages of construction work on a gun turret plant which is to be completed somewhere near March 15, 1942. At the present time, it is estimated that the plant is between one-fourth and one-third completed and the peak of employment has been reached for all occupations except that of carpenters and laborers. The peak of these two classes will be in November of this year. It is not expected that there will be any difficulty in filling these openings due to the layoffs on other projects.

Curtiss-Wright Aircraft Corporation.—The plant expansion for this concern has reached about 90 percent completion, but recently a small, old factory building has been emptied and removed, and in its place is being erected a new building to become a part of the main factory. This is the last phase of the job, and a small increase of workmen is expected temporarily in their respective trades. It is anticipated that this project will be completed next month; consequently, layoffs may be expected soon.

United States Cartridge Plant.—The construction of this plant has reached approximately 40 percent completion and the peak employment for all trades will be reached in November 1941, with emphasis probably on carpenters, bricklayers, and painters. Grading and foundation workers will soon gradually decrease. All workers for this project are being supplied by the unions and there has been no recruiting through the Missouri State Employment Service, except a number of clerical and professional workers. There is still some hiring taking place on this project, but no difficulty is anticipated in finding those needed.

Weldon Spring Ordnance Plant.—The construction of this ordnance plant has reached somewhere near 55 percent completion and is to be totally completed by April 1942. Peak employment for all occupations except carpenters and cement finishers was reached this month. The peak for carpenters and cement finishers will be reached in November. Mechanics and laborers are being furnished by the American Federation of Labor union locals. Apparently there has been no serious material difficulties. There is no layoff expected soon.

Jefferson Barracks.—This project, consisting of the construction of a 6,000-man cantonment, is practically completed and the labor force is being rapidly dismissed. The job is now in the clean-up stages. The completion of this project will release approximately 3,000 construction workers, which includes 60 carpenters, 100 laborers, 10 electricians, 12 sheet-metal workers, 5 plumbers, and 6 iron workers.

Clinton-Peabody Terrace.—The construction of this housing project has reached approximately 35 percent completion and the probable final completion will be in July 1942. All of the labor is furnished by the union locals with no Missouri State Employment Service participation. The employers state that the outstanding difficulty which they are experiencing is a large labor turn-over due to a feeling among the workers that they can get in more time on the various defense projects. Peak employment has been reached and no more hiring is anticipated. There are no expected lay-offs within the next month.

Carr Square Village.—This housing project, as that above, is about 35 percent completed with final completion about July 1942. All skilled labor is furnished

by the American Federation of Labor locals and there is no Employment Service participation. Peak employment was reached on this project in August and there is no expected lay-off within the next month.

Labor developments in ordnance manufacturing.

United States Cartridge Co.—There are about 2,000 now employed, 850 of which are in training and the remainder working at the tool and machine shop, in the personnel department and in the downtown office.

There is an open request for machine adjustors for training. These men are being hired as they can use them. At the present we are meeting their demands through this office and the metropolitan clearance.

Supervisory workers are needed and are hard to locate. Clearance has gone out to Illinois, Indiana, and Wisconsin, in an attempt to locate 80 men. Tool inspectors, precision grinders, and cost accountants are scarce and have been cleared through Illinois, Indiana, and Wisconsin. Women line inspectors are being recruited here with testing a part of their specifications. Some 125 women are being interviewed and given tests.

At the present, orders placed are predominantly for supervisors, inspectors, foremen, clerical, production clerks, tool makers, tool crib clerks, etc.; that is, those who will have key positions when production actually gets under way.

McQuay-Norris Ordnance Co.—This concern has been cooperating with the Missouri State Employment Service to fill some key positions. At the same time they have seen fit to advertise under their own name in some of the industrial centers in the North and East.

Requisitions are now being filled for such jobs as tool grinders, gage makers, heat treaters, centerless grinder operators, automatic screw-machine operators, inspectors, tool makers, and screw-machine foremen. Clearance orders have gone out for production superintendents, gage makers, centerless grinder operators and set-up men, tool makers, tool designers, and tool grinders.

At the present time, there are some 640 persons employed, 150 of which are office and clerical, and 490 are in training as screw-machine operators.

Atlas Powder Co.—The employment service is receiving 100 percent cooperation from this firm, and while they are taking applications in their own office and filling some of the jobs from these applications, they have not as yet resorted to advertising or calling any of the fee agencies.

Production is just now getting under way and large orders have gone out for foremen, guards, box makers, stenographers, firemen, acid men, pipe fitters, and welders. Evidence indicates that the existing labor supply in this area will be adequate to meet demands. Some key positions are still being filled from outside the State. About 40 trainees were sent to Joplin to receive instruction so as to act as supervisors and foremen when the St. Louis plant went into production.

Emerson Electric Co.—The turret division has some 600 on the pay roll at the present. Of these, 400 are being trained as foremen, supervisors, and trainers.

Their schedules call for first production of turrets in November of this year with a gradual stepping up to 100 in February, 200 in March and April, 300 in May, and on to 1,000 per month within the next few months.

Equipment schedules call for lathe, drill press, milling machine, precision grinder, shaper, hand screw machine, turret lathe, automatic screw-machine, boring, tapping, vertical milling machine and gear-cutting machine operators to a total of some 800 men as indicated in their present production planning. These men are to be trained as indicated in the preceding paragraphs on training.

Labor developments in the machine tool industry.

The Landis Machine Co. has very quickly broken down its operations into simple jobs. They have their own tool and die makers and no shortage of manpower at present exists.

In the industry in general where skilled workers are needed they are very hard to obtain, but no urgent demands are being made.

In general, there are shortages of machinists, die makers, tool makers, milling machine operators and set-up men, engine lathe operators and set-up men, turret lathe operators and set-up men, power brake men, shop foremen, automatic screw machine set-up men and precision grinders.

Labor developments in the aircraft industry.

In the aircraft industry the current requirements for machinists and tool and die makers is short by some 100 workers.

Experienced final assemblers and sheet-metal fabricating machine operators are needed at Curtiss-Wright and are being recruited from outside of the area.

Sufficient sheet metal aircraft workers for present needs are available from the training schools in St. Louis and outlying areas.

Labor developments in the clothing and shoe industry.

At the present time, the garment industry is slow, due to the fact that this is the sample-making period. The power machine operators that were laid off for this cause have been absorbed in other industries, such as the underwear, men's robes, etc. In a period of 6 weeks, this area will be experiencing again the decided shortage of trained power machine operators.

This is also true of the shoe industry. We have utilized all of the experienced operators in this industry by transferring them to similar industries such as leather novelties, women's belts, etc.

The Eyr-Klean Seat Cover Co. experienced a severe curtailment of their materials which necessitated the closing of one of their shifts. This created a mass lay-off of about 50 power machine operators, but these have been quickly absorbed in other industries making barrack bags, army tents, etc.

Labor developments in the clerical and professional field.

In the professional field there has been a definite increase in the demand for engineers, both civil and mechanical, but especially for mechanical. The supply of qualified applicants in this field is so depleted that an acute shortage exists.

There is also a marked shortage of pharmacists with an age range of 30 to 40 years.

The demand for clerical workers continues to be very high. The majority of calls are for stenographers, billers, and bookkeeping machine operators. The supply of young men qualified to fill these jobs seems to be almost exhausted. This has been caused by the draft taking qualified people out of industry and an effort to replace them by younger boys, or those having definite draft deferment ratings. Many employers are expressing a willingness to take young men with typing ability and train them on the jobs. This is especially true of billing machine operators. The fact that many young men who previously would have been interested in clerical work are now entering other fields which offer training and much greater remuneration on the job causes the demand to much exceed the supply.

Labor developments in the sales field.

There has been no appreciable change in the sales situation over the last 30 days and there is no indication of any change before Christmas. There is a steady demand for retail sales help in neighborhood stores and a noticeable lack of experienced qualified applicants. The outlying stores have begun to broaden age restrictions and there is an upward trend in wage offers. No shortening of hours is noticeable as yet. There are some stores, mostly chains, substituting women for men whenever possible.

There has not as yet been much change in the wholesale field, although there is an increasing number of slow deliveries and curtailments due to priorities. There are an increasing number of men available in the various manufacturing trades who were earning from \$1,800 to \$3,600 annually as salesmen. For the most part, these men have no special skills or training other than salesmanship. With some exceptions, the tendency is to cut down the number of salesmen since distribution is no longer a problem.

Sales of intangibles, particularly insurance and investments, have increased considerably. There has been a noticeable tendency to increase the number of salesmen and to raise wages and commissions in these fields.

Retail sales of all kinds have increased considerably and there are numerous openings for women although the wage level has remained about the same. The number of women available for sales work has been restricted due to better job opportunities in factories. This situation is expected to become more intense and perhaps a serious shortage of qualified sales applicants will develop.

Labor developments for service and domestic workers.

The demand for service workers has increased about 25 percent during the past 6 months while the supply has decreased drastically as they continue to accept better paying jobs in other fields. Although there are still people available for jobs, they prefer to remain unemployed and wait for better paying jobs than to accept a job in this line.

The most acute shortages are in the following types of workers: Soda dispensers, bus boys, bellhops, beauty operators, and elevator operators.

The domestic field is similar to that of the service workers. Demand for domestics has increased about 42 percent during the last 6 months while from the supply side, there is a noticeable tendency for those capable of domestic work to "hold off" for factory work.

Although the salaries paid domestic workers have increased nearly 100 percent the work incentive in this line seems to be of diminished perspective as compared to that of other lines.

The situation at this time does not look very hopeful; the supply will certainly continue to diminish and the demand to increase.

Restrictive employer specifications.

There appears to be no problem in this area at present due to restrictive employer specifications. Something might develop later as the supply diminishes but for the present there is no problem.

Provision for effective utilization of the labor supply.

At Curtiss-Wright, plans are still in operation as described in the last report. Training is being given in machine-tool operation as a break-down of machinist and tool-maker classifications. A full-time supervisor of training has been hired to guide foremen training, upgrading training and machine-tool and sheet-metal training.

McDonnell Aircraft Corporation is still training within its own plant to upgrade sheet-metal lay-out men, sheet-metal fabricating operators, machine-tool operators, and others.

Busch-Sulzer Diesel Engine Co. has broken down its machinist assembly job according to specifications for the job as set up by the Navy. As we understand it, the Navy is supplying the jigs and fixtures, and the job specifications for assembly. However, up to the present time, the jigs and fixtures are not on the job and Busch-Sulzer is using their Diesel engine assemblers for the Navy job of hoists.

The Office of Production Management is working through Mr. Cardwell to get this plant into a training production for production-line assembly. The Office of Production Management is furnishing the training, the place, and is giving the supplementary training courses.

Training will probably be given on lathes, drill presses, milling machines grinders, shapers, hand screw machine, etc., as outlined under industries in ordnance production. Some of these trainees will come from the old plant and will be upgraded.

Curtiss-Wright has lowered its specifications on machinists so as to take on less experienced men and those over the 65-year range.

A more general acceptance of the break-down of skills such as tool makers and machinists is evidenced throughout the city.

In the production plants the 6-day week with two 10-hour shifts is coming into being. Also the 9-hour day and the two-shift program is getting some recognition. This may be in part to meet the high hourly wages paid in plants operated for the Government.

The registration of all Congress of Industrial Organizations and American Federation of Labor members with check lists for skills and the search for certain classes of workers should greatly assist in the orderly transfer of workers to other industries.

Four hundred and thirty firms used the employment service for the first time during the 5-week period ending October 17.

APPENDIX A. *Public training (preemployment)*

School	Occupation	Number of students
Hadley & Wellston	Machine operators, engine lathe, milling lathe, shaper, etc.	143
National Youth Administration	do	155
Do	Woodworking	39
Hadley & Wellston	Aircraft sheet metal riveting and assembly, hand forming.	199
Hadley & Wellston	} Welding	127
Washington Tech		
Hadley	Auto mechanic	40
Washington Tech	Chippers	30

AREA II (KANSAS CITY)

A. Labor market developments in the area.

1. *Decreases in employment due to material shortages and priorities.*—While complete surveys and careful checks on all industries which might be affected by

material or quota priorities are being made at the present time, only in scattered instances so far have actual lay-offs of workers occurred due to this factor. Check sheets are being obtained from all automotive workers at Fisher Body, Chevrolet, and Ford Motor Cos. pending information as to actual reduction of pay rolls due to quota curtailment. Low stock piles within the metalcraft industry are being watched almost daily as possibilities for lay-offs to enter the picture. Placement statistics within the local office maintain about the same average as in the last few months, with the majority of increased employment occurring in plants processing defense contracts. Miscellaneous employment opportunities are in general slightly better than a few months ago due to an increase in retail and service business.

2. *Training.*—Training within the area is progressing nicely according to the schedule set up by the council of administrators for defense training. At present there are 340 trainees in school, with 92 others on the waiting list ready to go into training when vacancies in the classes permit. Additional code C, or potential trainees, are being interviewed each day, so that little difficulty is anticipated in the near future in keeping the defense training classes properly supplied with trainees.

There are 338 workers who have completed training in 11 different occupational groups and are considered partially qualified and available for referral as a result of this training either public or private. The number of workers made available by public national defense training courses will be considerably accelerated within the next month or so when the new training facilities outlined in last month's report become available.

Under present needs and demand schedules, training is adequate to keep up with current requirements, and plans for expansion indicate that this condition will prevail in the future.

3. *Migration into and out of the area.*—In order to ascertain the extent of immigration into the Kansas City area, a complete check has been made on the status of 2,518 applicants registering in the local office between September 15, and October 1, 1941, as to their period of residence within this area. The results of this check, as shown below, indicate that 38.13 percent have lived within the local area less than 1 year. A finer break-down shows that of this group 14.87 percent have lived within the area less than 1 month. A study on the basis of 3 months' residence found 26.83 percent of the new applicants falling within this group. A study of new applications of persons residing in the area less than 6 months showed 32.27 percent of all new applicants falling within this group. Only 61.87 percent of new applications taken in the local office within this period have resided in the local office area over 1 year. As indicated in the chart, this study was made in separate age groups and by sex. The results of the check show that a majority of the in-migrants are men, and the largest percentage of these are in the age group from 18 to 35.

	1		2		3		4		5		6		7
	In Kansas City area less than 1 month		In Kansas City area less than 3 months		In Kansas City area less than 6 months		In Kansas City area less than 1 year		In Kansas City area over 1 year		Total all periods		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
A.....	8.03	3.72	14.16	6.25	16.93	9.02	19.5	10.92	20.45	22.11	38.95	31.83	70.78
B.....	1.50	1	2.77	1.66	3.4	1.86	3.99	2.14	8.07	6.68	15.01	8.32	23.33
C.....	.54	.08	1	.99	1.03	.03	1.11	.47	3.33	1.23	4.58	1.31	5.89
D.....	10.07	4.8	17.93	8.9	21.36	10.91	24.6	13.53	31.85	30.62	58.54	41.46	100
E.....	14.87		26.83		32.27		38.13		61.87		100		100
F.....					38.13				61.87		100		100

Line A represents age group 18 to 35.

Line B represents age group 36 to 50.

Line C represents age group 51 and over.

Line D represents total of all age groups.

Line E represents total of sex groups.

Line F represents grand total of groups.

Column 1 represents persons who have been in the area served by the Kansas City office less than 1 month.

Column 2, less than 3 months.

Column 3, less than 6 months.

Column 4, less than 1 year.

Column 5, over 1 year.

Column 6, totals for male and female.

Column 7, combined total of male and female.

While no detailed studies have been possible as to workers leaving the area, clearance activities and results of talking to numbers of applicants within the local office would indicate that a good many men are following defense construction jobs from this area, hence leaving the local labor market temporarily.

4. *Changes in methods of recruiting labor.*—In occupations of stress in the local labor market, field calls have been made to industries employing such workers to recruit through cooperation of the respective employers any migratory workers appearing direct at the employers' gates who are not immediately needed for open jobs within the employers' businesses. Continuing cooperation with labor unions and civic organizations has stressed the necessity of complete registration of all local workers at the employment office. Visits to all local draft boards and meetings with employment committeemen have set up the basis for complete cooperation in the handling of returning selectees.

Also, in addition to news items in the local papers, Kansas City has been selected as an experimental office in the use of display advertising in the want ad sections of the two metropolitan newspapers. Single-column seven-inch ads have been inserted by the regional office of the Social Security Board instructing applicants in ten occupations of stringency to report to the local employment office for interview. Salaries in this ad have been listed at from 65 cents per hour to \$350 per month as starting wages. Occupations covered were tool designers, aircraft sheet-metal workers, floor molders, wood-pattern makers, engine lathe operators, all-around machinists, milling-machine operators, tool makers, and loftsmen.

In addition to these methods, check sheets have been distributed in the three motor assembly plants, Fisher Body, Chevrolet, and Ford, and the local office has put on a night shift until 10 o'clock each evening to reinterview all automobile workers as scheduled from the respective plants and union organizations. Also during the night shift, employed workers who cannot report during the day are instructed to come in for interview, and within this group a few needed men are being recruited from nondefense industry and from jobs where full skill is not being utilized.

As a further check augmenting the items listed in the chart from 1 to 7, additional studies have been made during the current month within the local office as to the number of workers currently in the labor market but unemployed and currently in the labor market but employed. In the case of new applicants who are unemployed, the break-down shows the percentage of those who were last employed in the Kansas City area and those who were last employed outside the Kansas City area, regular and temporary, by sex. Column 10 presents some rather interesting figures as to the number of employed workers registering at the local office during the current month, with a total in all age groups, male and female, of 18.51 percent of new applicants falling in this category. Column 11 shows the percentage of new applicants in the local office during the current month who were entering the labor market for the first time, and column 12 shows the percentage of workers who were reentering the labor market.

	8				9				10		11		12	
	Last employment in Kansas City area				Last employment outside Kansas City area				Employed at time of registration		Entering labor market first time		Reentering labor market	
	Regular		Temporary		Regular		Temporary							
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A.....	11.71	13.05	3.52	3.71	13.17	7.79	4.82	2.33	8.15	4.43	2.57	4.47	27.77	24.25
B.....	4.31	3.55	.43	.63	3.72	2.33	.25	.43	3.16	1.18	.25	.75	8.62	7.11
C.....	1.57	1.77	.24	.29	1.39	.36	.07	.05	1.31	.27	.00	.14	3.99	1.24
D.....	17.59	18.37	4.19	4.63	18.28	10.48	5.14	2.81	12.62	5.89	2.82	5.79	40.38	32.60
E.....	35.96		8.82		28.76		7.95		18.51		8.61		72.98	
F.....	54.78				36.71				18.51		8.61		72.98	

- Line A represents age group 18 to 35.
- Line B represents age group 36 to 50.
- Line C represents age group 51 and over.
- Line D represents total of all age groups.
- Line E represents total of sex groups.
- Line F represents grand total of groups.

A further study of the applicants in the local office during the current month, columns 13 and 14, shows a break-down of percentages of applicants expressing preference in placement within certain occupational groups following the lines of their regular occupations. Column 14 indicates the percentage of these people making application in the local office who expressed no occupational preference at the time of interview.

In many instances where aptitudes and some knowledge of the industry warranted, applicants expressing preference in occupations other than their regular work were found to be candidates for defense training to make them qualified and available for the occupations of their preference.

	13				14	
	Occupational preference				No preference indicated	
	Regular occupation		Other than regular occupation			
	Male	Female	Male	Female	Male	Female
A.....	0.41	0.87	1.31	2.06	38.13	28.95
B.....	.16	.24	.32	.63	11.11	7.95
C.....	.14	.24	.07	.12	5.94	1.35
D.....	.71	1.35	1.70	2.81	55.18	38.25
E.....	2.06		4.51		93.43	
F.....			6.57		93.43	

Line A represents age group 18 to 35.
 Line B represents age group 36 to 50.
 Line C represents age group 51 and over.
 Line D represents total of all age groups.
 Line E represents total of sex groups.
 Line F represents grand total of groups.

B. Labor market developments in important industries in local office area.

The major industries affecting the labor market in the Kansas City area are the food-processing industry, the garment industry, and the metalcraft industry.

1. *The food-processing industry.*—(a) Relation of demand to supply of labor: Labor requirements within this industry call for no special training of the majority of workers, so that new workers may be inducted into a great number of the jobs from many diversified occupational groups. While demand for labor has shown some increase within the current month, supply has proven entirely adequate and no difficulties are anticipated in the near future.

(b) Restrictive employer specifications: There are no restrictive employer specifications within this industry that would limit seriously the employability of available applicants.

(c) Utilization of the local labor supply: Very largely throughout the food-processing industry local labor supply is being utilized in both majority and minority groups, with race, creed, or color having little effect on utilization. A great number of female workers are used in the packing, wrapping, and boxing of food items within this industry, which further adds to the flexibility in the handling of orders from these firms.

2. *The garment industry.*—(a) Relation of demand to supply of labor: Nearly all the major plants in this industry have Government contracts for the making of Army or Navy garments, hats, caps, and accessories. The heaviest demand for labor within the industry is for power sewing-machine operators, in which occupation fluctuation in employment is so violent as to make any control or check of the situation valid only momentarily. In general, so far it has been possible to keep up with current demand except in a few instances where employers have been unable to get the quality of operators required at the moment they were needed.

(b) Restrictive employer specifications: Employers within the area are reticent to accept beginning workers in many instances because of the expense involved in the necessary training for line production within the industry. Also, older workers are frowned upon because in many instances they are "too slow" to keep up with the line production pressure. A few employers are taking some trainees into their plants at the present time, but very few of them will use any of the older workers with Work Projects Administration training in sewing rooms who might otherwise be available for power-machine jobs if the qualification requirements were a little less stringent.

(c) Other employment conditions: Employment within this industry is very largely dependent upon experience in the handling of the types of materials and products, as for instance, coat workers are not considered qualified by cotton dress manufacturers, and vice versa.

3. *The metalcraft industry.*—(a) Relation of demand to supply of labor: Within this industry, supply would be lagging considerably behind demand if all possible expansions were to be met in the four and five code skilled groups. However, training, upgrading, job dilution, and extended recruitment are enabling the local office to handle the situation so that as yet no major retarding of production has entered the picture.

(b) Restrictive employer specifications: Many employers within this industry are still using skilled men on jobs which do not require their full skill, and every effort is being made by the local employment office to rectify this situation as rapidly as possible. In some instances, job changes are inherent in the situation as better job opportunities requiring full skill of workers become available and workmen change jobs to improve their employment status by the utilization of their full skills.

(c) Utilization of the local labor supply: Every conceivable recruitment method has been instigated by the local office to locate and register the entire available labor supply for this industry so that there will be no lost skills locally.

(d) Other employment conditions: Material priorities have entered the picture in this industry so that it is anticipated that a few curtailments or shut-downs may occur in nondefense plants, making these workmen available to plants with high priorities ratings on materials for defense production. While this factor has not entered the local market sufficiently to occasion much change of employment as yet, a number of smaller plants within the industry are expecting to experience this difficulty within the next few months. Most of the major plants in the industry are either producing or expecting momentarily to receive a sufficient volume of defense contracts to keep them busy for some time.

4. *The chemicals and allied products industry.*—(a) Relation of demand to supply of labor: Within this group, the major plant is the new Remington Arms Co's. small-arms-ammunition plant at Lake City to which a great deal of coverage has been given in previous reports. With the exception of a few skilled categories in which clearance has been requested, the supply of workers is believed to be entirely adequate to meet the demand both in this plant and in other plants within the industry group. There are approximately 2400 workers on the Remington Arms pay roll at the present moment, with an estimated maximum of around 6,000 to be employed.

(b) Restrictive employer specifications: It is planned that most of the workers in the Remington plant will be trained on the job, so that no difficulty is anticipated in finding the required number of people to fully staff this plant.

Approximately 1,500 women will be employed as machine operators, which will further simplify the completing of the induction schedule as shown in last month's report. In some instances, the requirement of proof of citizenship has retarded the hiring of a few older workers born in States not maintaining these records at the time of their birth, but in many of these cases, affidavits and other documentary evidence have been accepted so that this has not proven a major difficulty.

(c) Utilization of the local labor supply: As previously reported, nearly all the workers in the Remington plant will be local people, with the possible exception of a few highly skilled men who are being recruited from outside the area to meet current demands.

(d) Other employment conditions: While other plants within this major group are all minor parts of the local labor situation, a few smaller firms are expected to experience difficulty due to a shortage of some chemicals required in their production. This, however, is such a small factor in the local labor market that the over-all effect will be negligible.

5. *The transportation equipment industry.*—(a) Relation of demand to supply of labor: The major plant within this industrial group is the North American Aviation Corporation across the river in Kansas. Due to the artificial barrier of the State line between the local office area and this plant, the entire metropolitan area is affected by the staffing requirements of this plant.

So far no actual production has been started, but sheet-metal trainees are being given their final week of training in the plant at the rate of 50 per week, 25 trainees from Missouri and 25 from Kansas. The first group of 25 sent to the plant on October 6 has resulted in 17 of the 25 being placed on the North American Aviation pay roll. It is anticipated that this schedule will be continued for some time before it can be increased to meet the requirements of actual production. It is our understanding that the first main jigs in the plant are still in the process of building and that it will be after the first of the year before the first plane is rolled off the

line. Miscellaneous workers are being hired from both sides of the State line, but as yet no difficulties have been experienced.

With the necessity of training all sheet-metal workers through the national defense training school before induction into the plant is possible, and with these facilities being augmented to produce an adequate supply of workers as needed, no difficulties are anticipated in supplying the necessary workers to this plant.

(b) Restrictive employer specifications: So far no restrictive employer specifications have entered the picture to retard the proper staffing of the plant.

(c) Utilization of the local labor supply: The local employment office is continuing to test for referral to the schools all candidates showing aptitudes and physical qualifications for this work who express an interest in qualifying themselves for aircraft production through training or who have the training or fundamental qualifications for work in the plant. There is still a backlog of several thousand tested candidates for training who will be called into training as rapidly as facilities for training are available. Statistics as to the present status of this training appear in the early part of this report.

6. *Anticipated hirings by firms reporting under ES-270 program.*—Reports from 102 employers in Kansas City whose industrial activities are of significance to the organization of the national defense program indicate that within the next 6 months these employers expect to hire 6,817 workers. Summary of these expected hirings, by occupations, is as follows:

Summary of employer labor needs, September 1941 to February 1942

Occupation	Total	Current	1 to 2 months	2 to 4 months	5 to 6 months
Total	6,817	200	2,523	2,349	1,745
Mechanical engineer	8	2	2		
Draftsman, mechanical	1	1			2
Roadmaster	1		1		
Inventory clerk	70	70			
Yard clerk	1		1		
Production clerk	3		2	1	
Stenographer	2	1	1		
Stock clerk II	37	4	11	11	11
Tool clerk	29	2	9	9	9
Porter II	8	2	3	3	
Elevator operator, freight	10	1	3	3	3
Grounds keeper I	8	1	4	3	
Machinist II	219	31	78	65	45
Job setter II	25		10	10	5
Die maker II	6		2	2	2
Tool maker	91	12	30	30	19
Tool inspector	59	18	15	15	11
Tool hardener	12		4	4	4
Engine-lathe operator	68	4	29	19	16
Milling-machine operator II	45	7	22	12	4
Inspector	5		2	2	1
Sheet-metal worker II	2		2		
Sheet-metal worker	16		6	6	4
Welder, arc	19	2	17		
Welder, acetylene	8		8		
Welder, combination	12	3	3	3	3
Electrician	34	4	12	12	6
Electrical repairman	6		2	2	2
Lens grinder	6		6		
Patternmaker, metal	1	1			
Bricklayer II	3		2	1	
Carpenter I	37	1	12	12	12
Carpenter, finish	2		2		
Carpenter, rough, II	8		8		
Painter I	24		8	8	8
Steam fitter	9		4	3	2
Locomotive engineer II	7	1	2	2	2
Stationary engineer	6	3	2	1	
Millwright	54	10	15	15	14
Automobile mechanic	6		3	3	
Automobile-body repairman, metal	15		15		
Maintenance mechanic II	6		2	2	2
Elevator repairman	6		3	3	
Instrument repairman	3	1	1	1	
Tool-grinder operator	13	1	4	4	4
Batteryman II	3		1	1	1
Foreman (machine tool and accessories)	7	1	2	2	2

AREA III

In the revision of the labor market areas of the State, this area comprising 51 counties and serviced by 16 offices of the employment service was made to cover the north half of the State except those few counties within the St. Louis and Kansas City metropolitan areas. This area includes most of the better grade agricultural land where grain and stock raising predominate. The larger cities in the area are normal trade centers with little industrialization except in St. Joseph, which has a population of approximately 100,000. Elsewhere the scattered industries are small independent factories or branch plants of larger concerns located in St. Louis. Since August 1940 this area has received approximately \$1,500,000 in defense contracts. However, the greater portion of these contract commitments have been for the manufacture of garments for the armed forces.

Decrease in employment due to material shortages and priorities.

Decreases in employment due to material shortages and priorities have been insignificant. A few small employers are complaining of material shortages but resulting lay-offs represent only a small total. Private construction which has been quite active is slowing down and some workers are being released. A candy company in St. Joseph employing 350 workers announced it would discontinue business because of failure to negotiate a satisfactory union agreement but there is possibility of a change in attitude of the owners. Cereal manufacturers in St. Joseph are contemplating seasonal lay-offs. A structural steel company in St. Joseph engaged in the fabrication of structural steel is anticipating a lay-off of a small number of workers caused by material shortages.

A shoe factory at Hannibal is shut down undergoing a changeover from ladies' to men's shoes and all of its 800 employees will be reemployed about December 1. A company manufacturing metal furniture in Hannibal expects to lay off approximately 115 employees due to material shortages.

Training of workers.

Although the area has not been affected materially by national defense construction or production, defense training continues at several points. Recent reports from the State Advisory Committee for Vocational Education show the following enrollments in preemployment refresher and supplementary training courses: Aircraft sheet metal, 98; welding, 26; bench metal working, 13; machine shop, 24; tool and die making, 17; and specific machine operating, 466; total, 644. National Youth Administration residential training centers have been established in Louisiana and Fulton. Training in industry courses in sewing machine operation are being conducted in Marshall with 87 enrollments. Practically all trainees completing these course have been placed. The University of Missouri at Columbia is conducting classes in machine-shop practice and has had no difficulty in placing trainees. An airplane propeller plant in Columbia has had some difficulty in securing workers in some skills and is now training gluers and whittlers in its plant. Elsewhere very little in training is reported.

Migration.

Migration from all points in the area, except Louisiana, continues, particularly construction workers, and some who have not left are waiting for orders from defense areas. Louisiana recently received the first major defense project in this area and is sharing with St. Louis, Neosho, and the other areas this immigration. Many of the workers have left the State, notably to the west coast.

Other developments.

Stoppage of work because of labor disputes has not been noticeable. Few strikes have been reported and they have been settled quickly. Labor pirating has not become evident although some competition for workers is developing in lower salary ranges in restaurants and retail stores.

Agriculture.

Throughout the area there are seasonal demands for agricultural workers. The difficulty in obtaining workers has been due to low wages offered rather than to unavailability of workers. Where wages have been reasonably comparable to wages paid in other lines, the supply of seasonal as well as regular farm workers has been adequate.

Construction.

Construction of the anhydrous-ammonia plant at Louisiana has been slowed down by rains. The land has been acquired, contour survey completed, and the survey crew is laying out plans for buildings. Some grading has been done for the erection of temporary offices. The construction quartermaster has been recruiting office workers through the Employment Service but there are less than 100 workers on the contractor's pay roll. The peak employment on the project is still indefinite but it is quite probable the previous estimate of 5,700 should be reduced. Indications are that a large percent of workers will be laborers of which there is an abundant supply. Some skilled workers are immigrating and these with those awaiting clearance orders through other offices will be sufficient for all contemplated needs.

Other industries.

Other industries in specific defense categories are not important in the area but there is one that seems important to the defense program. The largest ceramic clay deposits in the world are in this area. Firebrick and kindred products are essential to construction of foundries and power plants in ships. The three companies in this line at Mexico produce an important part of the world's supply. They are working at capacity but have no difficulty in obtaining workers as they hire unskilled laborers and train them in their plants.

Nondefense industries are having no difficulty in obtaining workers.

AREA IV

This area includes 10 counties in the southwest corner of the State served by the Joplin, Monett, Nevada, Carthage, and Neosho offices of the employment service. The northern half of the area is good farming land under which are extensive soft-coal deposits. The principal crops in the southern half are strawberries, grapes, apples, and large acreages of beans and tomatoes which are contracted to many small canneries. Joplin, the largest city and chief trade center, is within the Tri-State lead and zinc mining field, largest in the country. The major defense activity in this area is the construction of Camp Crowder at Neosho.

Decrease in employment due to material shortages and priorities.

The general trend of employment is upward. Lay-offs, other than a few seasonal workers, have been negligible. Only one employer has reported any decrease in employment because of material shortages. Sixteen employees of this company have been reduced to part-time employment because of shortage of spring wire and sheet metal.

Training.

Present enrollments in vocational education, national defense, training courses include 55 aircraft sheet-metal workers, 60 machinists and machine operators, 12 wood and metal jig builders, and 14 welders. The National Youth Administration is training about 100 in its radio and carpentry shops. The only private school is training its students to pass Army and Navy tests in heavy welding.

Migration.

For the past 3 or 4 months, immigration in the area has been heavy due to publicity concerning the large Army cantonment now under construction near Neosho. Many of these moved into the area to establish residences so they might have preference in employment on the project. In the carpentry line alone over 2,200 applicants are registered. A recent housing survey by the chambers of commerce of Joplin, Webb City, and Carthage revealed that 1,700 persons had moved into these cities in 90 days. Smaller towns have had corresponding increases and tourist and trailer camps and farm houses are crowded.

Other developments.

There has been a noticeable increase in number of employers using the employment service for the first time and a corresponding decrease in advertising job openings in the newspapers. There are no labor disputes and no competition for labor although mine owners have had some difficulty in retaining adequate forces because of voluntary quits, presumably for better paying jobs in other industries.

Construction.

After a slow start because of rains and difficulty in moving farm residents from the site, construction of Camp Crowder at Neosho is making headway. Over

7,000 workers have been hired since our last report bringing the total employed on the project to nearly 10,000. It is anticipated a total of 30,000 workers will be employed, including normal turn-over. Clearance is being used in order to secure union workers although the supply of nonunion workers in the area would be sufficient for the job. No difficulty exists or is anticipated in obtaining workers. Completion date has been set back from January 15, to March 1, 1942.

Other industries.

Nondefense industries are operating normally with some increase in retail trade. There are no labor shortages.

AREA V

This area covers 22 counties in the south-central part of the State served by Springfield, Lebanon, West Plains, and Rolla offices and a branch office at Waynesville. The northern part of the area is devoted primarily to general farming. Fruit and vegetable raising, particularly apples and tomatoes, are important activities in the southern part. Springfield is the largest shipping point for eggs and poultry, live and dressed, in the Southwest. Dairying has been developed extensively in this area. The major defense activity in this area centers around Fort Leonard Wood located in Pulaski County. With the exception of Fort Leonard Wood and the Army hospital at Springfield, this entire area has only received defense contracts in the amount of approximately \$700,000, all of the contracts being for the manufacture of various items of clothing for the armed forces.

Decrease in employment due to material shortages and priorities.

There have been no material changes in employment in this area during the month. No firms have been seriously affected by reason of material shortages. Vegetable canning factories are closing for the season but the resulting lay-offs constitute no problem as these workers are mostly farm people who live in the vicinity. Since the completion of the Government hospital at Springfield there are many unemployed carpenters and construction workers awaiting referral to defense projects. Supplementary construction at Fort Leonard Wood is on the decline but only a few workers have been released.

Training.

At Springfield, preemployment refresher courses are being conducted with enrollments as follows: General sheet metal, 135; aircraft sheet metal, 20; aircraft riveting, 20; welding, 15. Defense training courses in welding, machine shop, and wood pattern making are conducted by the National Youth Administration with present enrollment of 75 to 80. A school for sewing-machine operators is in operation in Lebanon. There is practically no in-training in the area.

Migration.

There has been no migration into this area recently. A few construction workers are leaving and many others are awaiting calls to other areas.

Other developments.

Due to lack of any great demand for workers there has been no development of any importance in competition for labor or in the manner of obtaining employees.

Agriculture.

Agriculture with its processing and marketing facilities provide the principal income of the area. The relation of demand to supply of labor at present is practically in balance.

Construction.

The construction of auxiliary buildings and housing facilities at Fort Leonard Wood comprise the main construction activities in the area. At present 1,300 workers are employed by 3 contractors in this vicinity but peak employment has been passed and completion dates of all projects set for November and December. Public Works Administration construction projects amounting to \$1,000,000 have been approved for the area and are expected to absorb construction workers released from other projects.

AREA VI

This area covers 18 counties in the southeast corner of the State served by employment service offices at Flat River, Sikeston, Cape Girardeau, Poplar Bluff,

Kennett and Caruthersville and a branch office at Piedmont. The six counties in the southeast corner of the area are fine river bottom lands reclaimed through drainage canals. They are used for raising vegetables and cotton. The balance of the area is submarginal farm land with cattle raising as the principal activity. The largest single lead mine in the world is in St. Francois County employing 2,300 workers. Throughout most of the area are branch plants of shoe and garment industries with headquarters in St. Louis. The processing of cotton crops is also a major industry.

Decrease in employment due to material shortages and priorities.

Only two employers have reported decreased employment as a result of material shortages, felt and steel, and the number of employees affected is small. Since the cotton picking is 85 percent complete a large number of agricultural workers are being released but their releases will cause no problem as many of them are returning to their homes in the hill country or in other States. Those who will remain in the vicinity can be reemployed as service workers from which occupations they were recruited. Cotton compressors and gins will shut down about November 15. Private construction is declining and some workers are being released.

Training.

Sixty trainees are enrolled in aircraft courses at Flat River and O. S. Y. and N. Y. A. training is being conducted at several points. Courses include welding, carpentry, auto mechanics, electricity and office machine operation. Several shoe and garment factories are conducting in-training.

Immigration.

As the cotton season draws to a close there is the usual emigration of agricultural workers from the area. As elsewhere in the State, carpenters and construction workers leave as buildings are completed and a few other workers leave for defense jobs in other States.

Other developments.

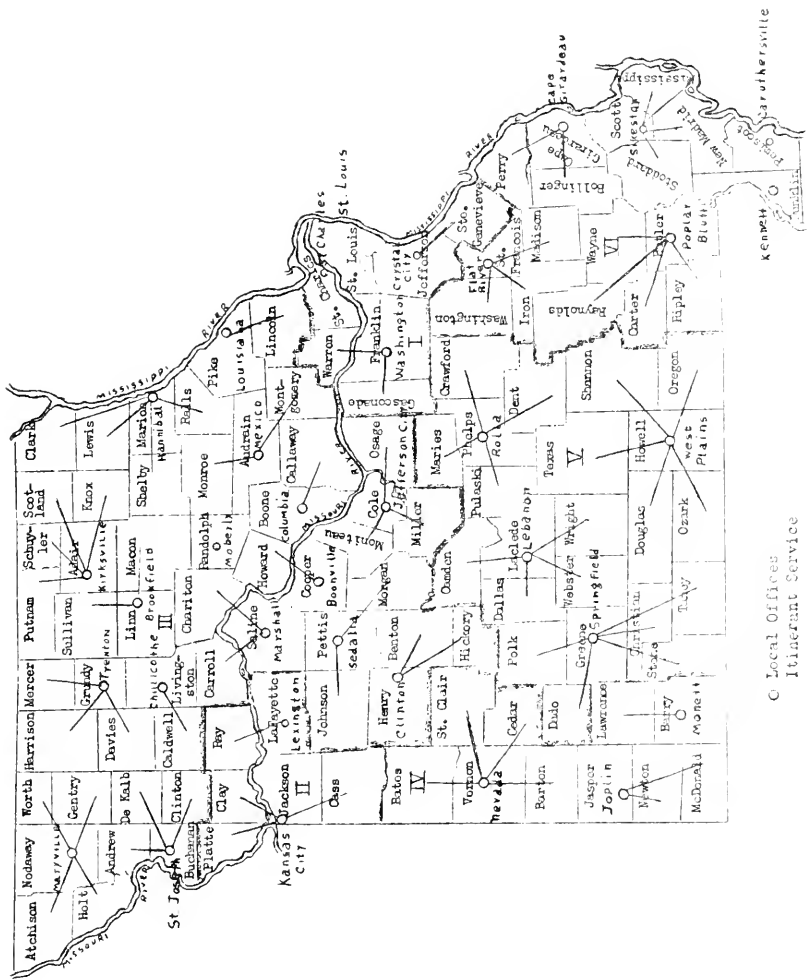
Some competition for workers on service and sales groups has developed in shorter hours and higher wages. One strike involving 230 garment workers is in progress with a possibility of quick settlement although some of the workers are applying for employment at other plants. Pay increases of 50 cents per day have been granted to 2,300 workers of the largest lead mine in the world.

Agriculture.

Increased wages was the deciding factor in attracting sufficient migratory workers for harvesting the cotton. From \$1.25 to \$2 per hundred was paid which is from one-half to twice last year's rate. There is positive indication that share cropping will be much more prevalent in cotton growing in 1942 than in the past.

Other industries.

This area has no major defense contracts but the numerous shoe and garment factories are working at capacity. There is a shortage of sewing machine operators so it has been necessary to hire inexperienced workers and train them on the job.



○ Local Offices
○ Itinerant Service

EXHIBIT B.—PRIME DEFENSE CONTRACTS ALLOCATED TO THE STATE OF MISSOURI

REPORT BY UNEMPLOYMENT COMPENSATION COMMISSION OF MISSOURI

PRIME DEFENSE PRODUCTION CONTRACTS IN ST. LOUIS, MO.

Industry and amount of contracts awarded

Aeme Uniform Cap Co....	\$112, 507	Gaffney-Kroese Electric Supply Co.....	\$707
Adams, S. G., Co.....	118, 086	General Cable Corporation.....	7, 240
Adams Net Turne Co.....	1, 922	General Engineering & Manufacturing.....	12, 819
Adjustable Engineers Cap Co.....	150, 925	Glaser Brothers, Inc....	8, 955
Airtherm Manufacturing Co.....	52, 640	Gomp Electric Co.....	5, 696
Alligator Co.....	1, 008, 476	Grady Manufacturing Co....	11, 999
Alex Manufacturing Co....	39, 605	Gross & James Co.....	160, 650
Aloe, A. S., Co.....	19, 343	Guendler Crusher & Pulverizer.....	158, 862
American Car & Foundry Manufacturing Co.....	58, 145	Hager, C., & Sons Hinge Manufacturing Co.....	135, 275
American Foundry & Manufacturing Co.....	2, 697	Hail Corporation.....	17
American Manufacturing Co.....	14, 632	Heikert & Meisel Truck Co.....	7, 300
American Thermometer Co.....	980, 000	Hickman, William & Co....	1, 247
Atlas Powder Co.....	6, 390, 000	Hussman, Legonier Co....	95, 430
Axelson Manufacturing Co.....	754, 900	Independent Concrete Pipe Corporation.....	7, 027
Baars, E. N., Manufacturing Co.....	6, 468	Industrial Aid for the Blind.....	11, 137
Bechler Steel Products....	599	International Hat Co.....	112, 014
Bemis Brothers Bag Co....	11, 210	International Shoe Co....	10, 917, 590
Benwood Linze Co.....	37, 687	Jaekes-Evans Manufacturing Co.....	1, 775, 054
Broderick & Bascom Rope Co.....	177, 243	Jasper Blackburn Products Corporation.....	354
Brown Shoe Co.....	6, 084, 735	Kniekerbocker Clothing Co.....	36, 198
Buck-X-Ograph Co.....	297, 692	Knight, J. W. B., Machinery Co.....	39, 103
Busch-Sulzer Bros.....	9, 611, 471	Laclede-Christy Clay Products Co.....	\$19, 140
Canvas Products Co.....	281, 490	Lammert Furniture Co....	5, 719
Carter Carburetor Co....	1, 335, 534	Landis Machine Co.....	769, 100
Century Electric Co.....	32, 736	Larkin Packer Co.....	2, 678
Chevrolet Motors Corporation (Chevrolet division).....	23, 951	Lehmann Machine Co....	39, 751
Chicago Pneumatic Co....	364, 919	Lepshers, A., & Sons Rope Co.....	70, 124
City Ice & Fuel Co.....	4, 335	Lincoln Engineering Co....	409, 058
Columbia Quarry Co....	17, 760	McCabe-Powers Auto Body Co.....	5, 360
Continental Can Co.....	14, 344	McQuay-Norris Manufacturing Co.....	4, 225
Correct Cap Co.....	184, 484	Majestic Manufacturing Co.....	4, 165
Curtis Manufacturing Co....	241	Mallinekrodt Chemical Co.	434, 684
Curtiss-Wright Corporation.....	126, 749, 616	Maloney Electric Co....	8, 227
Diagraph Bradley Stencil Machine Manufacturing Co.....	21, 505	Marks-Hass Korrekt Co....	43, 037
Duke Manufacturing Co....	65, 032	Measuregraph Co.....	39, 937
Elder Manufacturing Co....	103, 948	Medart, Fred Manufacturing Co.....	91, 750
Emerson Electric Manufacturing Co.....	30, 565, 360	Metal Goods Corporation.....	24, 812
Evers, Henry, Manufacturing Co.....	296, 670	Meyer Brothers Drug Co....	5, 282
Fairbanks, Morse & Co....	19, 222	Midwest Piping & Supply Co.....	33, 143
Frank & Meyer Neckwear Co.....	49, 090	Mines Equipment Co.....	93, 350
Fritz, Geo. J., Foundry & Machine Co.....	40, 289	Monsanto Chemical Co....	173, 055
Funk Brothers Hat & Cap Co.....	112, 375	Morose Cap Co.....	179, 065

PRIME DEFENSE PRODUCTION CONTRACTS IN ST. LOUIS, MO.—continued

Industry and amount of contracts awarded—Continued

Mound City Cap Manufacturing Co., Inc.....	\$146, 190	Shillington Box & Lumber Co.....	\$13, 581
Mound Tool Co.....	15, 191	Singer Sewing Machine Co.....	5, 225
National Lead Co.....	1, 090	Smith & Davis Manufacturing Co.....	301, 005
New Era Shirt Co.....	19, 800	Society Brand Hat Co.....	441, 211
Parks Air College.....	3, 630	Southern Equipment Co...	105, 905
Pet Milk Co.....	167, 197	Stix, Baer, & Fuller Co...	5, 814
Phillips-Drucker.....	18, 160	Swift, John H., Co.....	110, 250
Plectox Products Co.....	2, 160	Uniform Lettering Works, Inc.....	5, 348
Premium Cap Co.....	1, 013, 723	Union Cap Co.....	165, 232
Priesmeyer Brothers Trunk Co.....	59, 625	United Drug Co.....	32, 404
Pyramid Clothing Manufacturing Co.....	9, 450	United States Cartridge Co.....	87, 279, 790
Rawlings Manufacturing Co.....	24, 369	Valley Electric Corporation.....	23, 734
Ricc-Stix Dry Goods Co...	543, 154	Vi-Jon Laboratories, Inc...	46, 203
Royal Bedding Co.....	149, 099	Wackman Welded Ware Co.....	90, 548
St. Louis Car Co.....	744, 600	Wagner Electric Corporation.....	1, 555, 798
St. Louis Cordage Mills...	107, 749	Warner, Wm. R., & Co., Inc.....	47, 041
St. Louis Embroidery Works.....	33, 955	Wenzel H., Duck Co.....	9, 448
St. Louis Screw & Bolt Co.....	8, 568	Western Cartridge Co.....	18, 600, 000
St. Louis Steel Products...	223, 657	Western Last Co.....	56, 750
Sebaeffer Brothers & Powell Manufacturing Co.....	62, 656	Westinghouse Electric Supply Co.....	12, 853
Scullin Steel Co.....	1, 502, 560	Wrought Iron Range Co...	3, 439
Sefton Fibre Can Co.....	1, 726, 219		
Shampaine Co.....	16, 074		
Shapely Cap Co.....	271, 231		
Shell Oil Co.....	576, 146	Total.....	318, 532, 052

PRIME DEFENSE PRODUCTION CONTRACTS IN KANSAS CITY, MO.

Industry and amount of contracts awarded

Air Communications, Inc...	\$286, 041	Empire Mattress Co.....	\$94, 240
Aircraft Accessories Corporation.....	286, 207	Frischer, Paul J.....	8, 291
American Scale Co.....	12, 713	Fruchauff Trailer Co.....	4, 465, 040
Baker-Loekwood Manufacturing.....	760, 377	A. Fromhold.....	1, 391
Battenfield Grease & Oil Corporation.....	25, 845	Goodenow Textiles Co...	470, 367
Bettinger Trunk Manufacturing Co.....	30, 000	Hardware & Supply Corporation.....	4, 503
Burlington Overall Manufacturing Co.....	229, 040	Independent Awning Co...	25, 420
Butler Manufacturing Co.....	542, 628	International Harvester Co.....	19, 400
Carnie-Goudie Manufacturing Co.....	52, 690	Ismert-Hineke Milling Co...	127, 500
Columbian Steel Tank Co...	355, 568	Kansas City Cap Manufacturing Co.....	117, 204
Continental Hat & Cap Co.....	358, 640	Kansas Flour Mills Corporation.....	54, 627
Cowden Manufacturing Co.....	356, 497	Kanter Bedding Co.....	29, 803
Crawford Manufacturing Co.....	128, 609	Keystone Trailer & Equipment Co.....	467, 729
Dart Truck Co.....	28, 900	Koeh Butchers' Supply Co...	24, 080
Dewey Portland Cement Co.....	353, 580	Lee, H. D., Mercantile Co.....	503, 546
Empire Cap Manufacturing Co.....	29, 365	Lerner Bros. Cap Co.....	51, 988
		Luce Manufacturing Co...	239, 898
		National Cast Iron Pipe Co.....	40, 197
		Nevel Manufacturing Co...	455, 218

PRIME DEFENSE PRODUCTION CONTRACTS IN KANSAS CITY, MO. continued

Industry and amount of contracts awarded—Continued

New Mexico Airport Corporation	\$23, 250	Transcontinental & Western Air, Inc.....	\$36, 120
Remington Arms Co.....	73, 575, 261	Turner Uni-Drive Co	3, 321
Rodney Milling Co	29, 875	Union Co.....	430, 699
Seidlitz Paint & Varnish Co.....	117, 376	Union Wire Rope Co.....	103, 342
Sheffield Steel Corporation.....	689, 083	Western Laundry Machine Co.....	12, 003
Snowor Manufacturing Co.....	2, 055	Wilde Drop Forge & Tool Co.....	200, 400
Speas Co.....	34, 916	Witte Engine Works.....	7, 443
Standard Asbestos Manufacturing & Insulating Co.....	437, 666		
Standard Steel Works	4, 879, 465	Total.....	91, 619, 417

PRIME DEFENSE PRODUCTION CONTRACTS OUTSIDE MISSOURI

Industry and amount of contracts awarded

California:		Salem: Ely & Walker Dry Goods Co.....	\$218, 448
California Manufacturing Co.....	\$15, 097	Sedalia: J. A. Lamy Manufacturing Co.....	199, 490
Moniteau Mills.....	247, 152	Slater: Rice-Stix Dry Goods Co.....	266, 812
Chaffee: Chaffee Manufacturing Co.....	8, 068	Southeast Missouri: Gross & James Co.....	6, 962
Farmington: Rice-Stix Dry Goods Co.....	222, 000	Springfield:	
Gideon: Gideon-Anderson Lumber Co.....	202, 500	Citizens Drug Co.....	4, 675
Holden: Hipsh, Inc.....	42, 175	Oberman & Co.....	479, 382
Jefferson City: Oberman & Co.....	477, 627	Tipton: A. F. Martin Manufacturing Co.....	198, 997
Joplin: Miller Manufacturing Co., Inc.....	223, 593	Warrensburg: Brookfield-Garrison Manufacturing Co.....	77, 910
Kennett: Ely Walker Dry Goods Co.....	24, 310	Webb City: Atlas Powder Co.....	683, 230
Mexico: A. P. Green Fire Brick Co.....	78, 569		
St. Joseph: Sun Manufacturing Co.....	76, 000	Total.....	3, 752, 997

EXHIBIT C.—REPORT OF WORKERS DISPLACED AS A RESULT OF SHORTAGES OF MATERIALS OR PARTS

Report by Missouri State Employment Service, Jefferson City, Mo.

Industry	Number employees	Number workers to be laid off	Date of lay-off
St. Louis:			
Nov. 13, 1941.—Manufacturing bedsprings and spring products.	355	175 semiskilled	Dec. 15, 1941.
Nov. 1, 1941.—Manufacturing weather-strip molding.	8	3 skilled	Shortly.
Nov. 6, 1941.—Manufacturing slug rejectors for coin vending machines.	200	5 semiskilled 100 skilled	Do. 50 already off.
Nov. 13, 1941.—Manufacturing pencils, cigarette lighters, and pocket knives.	55	50 semiskilled 50 unskilled	Remainder off. Jan. 15, 1942.
Nov. 13, 1941.—Manufacturing metal stampings, tools, and repair machine shop.	150	2 skilled 23 semiskilled 2 unskilled	Dec. 15, 1941. Do. Do.
Nov. 12, 1941.—Manufacturing metal furniture.	567	20 skilled 80 semiskilled 25 unskilled	Jan. 15, 1942. Do. Do.
Nov. 12, 1941.—Manufacturing metal thermometers and thermostats; telescopic gun-sight mounts.	244	2 skilled 32 semiskilled 35 unskilled 40 semiskilled 85 unskilled.	Nov. 15, 1941. Do. Nov. 7, 1941. Do. Do.

Report by Missouri State Employment Service, Jefferson City, Mo.—Continued

Industry	Number employees	Number workers to be laid off	Date of lay-off
St. Louis—Continued.			
Nov. 1, 1941.—Manufacturing commercial display fireworks.	9	6 semiskilled . . .	Sept. 13, 1941.
Nov. 6, 1941.—Steel rolling mill	344	106 unskilled	Oct. 15 to Nov. 1, 1941.
Do	580	121 unskilled	Oct. 1, to Nov. 1, 1941.
Nov. 13, 1941.—Manufacturing bedsprings, cots, beds, etc.	276	15 skilled	Dec. 1, 1941, to Jan. 15, 1942.
		105 semiskilled	Do.
Nov. 10, 1941.—Manufacturing sash and counterweights.	65	50 unskilled	Do.
		55	Oct. 3, to Nov. 1, 1941.
		10	Do.
Kansas City:			
Nov. 13, 1941.—Manufacturing steel oil drums, tanks, airplane parts.	600	50 skilled	Oct. 18, to Oct. 24, 1941.
		150 unskilled	Do.
Nov. 13, 1941.—Manufacturing steel tanks	460	100 unskilled	Oct. 20, 1941.
Oct. 28, 1941.—Manufacturing automobiles	1520	10 skilled	Nov. 1, 1941.
		160 semiskilled	Do.
Oct. 28, 1941.—Manufacturing automobile bodies.	975	150 semiskilled	Do.
		50 unskilled	Do.
Out-State: Manufacturing hats	75	75 skilled	Nov. 3, 1941.

EXHIBIT D.—PREEMPLOYMENT DEFENSE TRAINING BY OCCUPATIONS

Report by Unemployment Compensation Commission of St. Louis, Nov. 13, 1941

Occupation	Area	Number of courses	Number in training
Aircraft riveting	Springfield	2	52
	North Kansas City	1	25
	St. Louis	1	80
	St. Charles	1	22
Total			179
Aircraft sheet metal	Flat River	2	40
	St. Charles	1	20
	Kansas City	9	188
	Joplin	3	55
	Hannibal	2	38
	Clayton	4	136
	St. Louis	2	45
Total			522
Chipping (metal or air hammer)	St. Louis	2	20
Electric welding	Kansas City	1	10
	North Kansas City	1	11
	St. Joseph	1	12
Total			33
Oxyacetylene welding	St. Louis	1	17
	Kansas City	1	4
	North Kansas City	2	20
	Fort Leonard Wood	1	14
Total			55
Gas welding	St. Louis	4	71
General welding (type not designated)	Kansas City	2	30
	St. Louis	1	25
	St. Charles	1	16
	Hannibal	1	12
	Springfield	1	21
	Clayton	1	16
Total			120
Foundry work	Kansas City	1	15
Metal work (bench or general)	Jefferson City	1	13

Report by Unemployment Compensation Commission of St. Louis, Nov. 13, 1941—
Continued

Occupation	Area	Number of courses	Number in training
Machine operation (for specific machine operations)	Joplin	4	61
	Kansas City	10	211
	Jefferson City	6	114
	St. Louis	6	160
	St. Joseph	4	48
	Clayton	3	37
	Flat River	1	40
	Hannibal	1	10
	Louisiana	10	216
	Trenton	4	48
	Columbia	1	15
	Mexico	1	10
	Springfield	2	32
Total			1,000
Sheet-metal work (general)	Springfield	6	135
	St. Louis	8	260
	St. Joseph	2	24
	Kansas City	4	77
	Clayton	1	13
	Webster Groves	1	15
Total			509

Vocational education—National defense supplementary training in Missouri

Machine shop courses:	Teacher training: Fort Leonard Wood	50	
Bonne Terre	12	120	
Clayton	15		
Joplin	45		
Kansas City	40		
Mexico	24		
St. Joseph	134		
St. Louis			
Total	300		
Welding:	Aircraft foremanship:		
	Fort Leonard Wood	14	55
	Clayton	12	30
	Joplin	14	
	Kansas City	101	
	Mexico	13	
St. Louis	166		
St. Charles	44		
Total	364	85	
Wood pattern making and machine shop:	Chipping (air hammer): St. Louis	10	
	Bonne Terre	54	
	Fort Leonard Wood	50	
Total	104		
Sheet-metal work: Bonne Terre	90		
Total:			
	Kansas City training	157	
	St. Louis training	495	
	Other training	682	
	Grand total	1,334	

EXHIBIT E.—MIGRATION IN MISSOURI

REPORT BY WALTER ERB, DISTRICT SUPERVISOR IN CHARGE OF FARM PLACEMENT, MISSOURI STATE EMPLOYMENT SERVICE, JEFFERSON CITY, MO.

The problem of migration in Missouri is not so much one of immigration as it is migration. This statement is made on the basis of observations both in the field of farm labor and unemployment insurance benefit payments, particularly of a multi-State nature.

Southeast Missouri, or perhaps one would better say the seven counties in the extreme southeast corner of Missouri, constitutes one of the largest farming areas in the United States and, until recent years, has been an area in which corn and cotton have been the principle crops, with cotton, of course, being the crop requiring vast numbers of seasonal workers with two specific peaks during the year, namely, the cotton chopping in the spring, and cotton picking in the fall. In this area a certain amount of migration occurs annually and is usually from a south to north direction. This is not the entire migration, however, but is further supplemented by what we term mobile labor—that is to say, small farmers from the hill section to the north and northwest of this area, plus small farmers from Tennessee and Kentucky, who, during the peak seasons in this area, supplement their farm income by the cash income that they can secure by moving into the area to perform this day-labor work; and who, upon completion of the crop, return immediately to their own farms. Such an arrangement, therefore, obviously reduces the problem of migration to a considerable extent. There is, however, some migration during the spring of people from the South and Southwest, who have been following the strawberry crop through north central Arkansas into Illinois in the vicinity of Anna and Murphysboro and thence on to Wisconsin and Michigan for other early fruit harvests. Even in this group there is a certain portion that, upon the completion of the cotton chopping in the southeast section of Missouri, turn westward again to the bean fields and to other truck crop areas in Arkansas and Louisiana.

In southwest Missouri, in a section of four counties consisting of Newton, McDonald, Barry, and Lawrence County, which comprise one of the principal berry areas in the Midwest, considerable immigration occurs with the progress of the strawberry harvest from Louisiana northward. Many of these people move on from this harvest to the potato harvest in the Kaw Valley and to small berry crops farther north. Here again a goodly portion of the harvest workers is made up of the mobile labor from the hill country to the east and northeast of the area. There is one other area in Missouri that uses large numbers of temporary farm labor, namely, the Orrick Bottoms located along the Missouri River from Lexington in Lafayette County westward to the eastern edge of Kansas City. This area is a large potato-producing section and during the 4-week harvest period of June through July has always used large numbers of extra harvest hands. In this latter area, which lies at the border of one of the principal coal mining sections of the State, much of the labor for the harvest period is composed of the miners who are unemployed during the summer months which is a slack season for the mining industry. There are, however, many migrant workers that come into this section during the harvest season each year, who as a rule upon completion of the harvest in that area, move northward to the Red River Valley. In conjunction with the southwest Missouri strawberry area, as an item of additional information, I am submitting with this report a copy of a "Brief Study of Seasonal Workers—Southwest Missouri," made from the registration records of workers during the 1940 berry picking season and which, I believe, will give you additional information as to the general direction and pattern of movement through the area.

In the initial paragraph of this report I mentioned multi-State payment of unemployment insurance claims: If you will take a map of Missouri you will note that in the area between the southwest and southeast corners, which are referred to as principal crop areas, that there are a series of counties which, beginning the Arkansas line and running north toward the central part of the State and the Missouri River, are mountainous and represent the major portion of the Ozark area in the State. The bulk of this land is marginal and in the early days of our State was principally a lumbering area. There is still some lumbering activity, such as tie and stave-bolt cutting, carried on to considerable degree. Due to the marginal type of land and the background of the people who have settled this section of Missouri, it is not surprising that we find large numbers of the people in this area who migrate from their homes in the hills into the North and Northwest part of the United States following the lumber industry found there, and in addition many who go into the Western States for the beet harvest, broomcorn cutting, as well as the fruit picking and packing of the Pacific Northwest and who, upon completion of this employment, return to their homes in Missouri in the off seasons of such employment and there carry on the limited farming activities suited to the area.

EXHIBIT F.—SEASONAL WORKERS IN THE STRAWBERRY HARVEST OF SOUTHWEST MISSOURI

REPORT BY WALTER ERB, DISTRICT SUPERVISOR IN CHARGE OF FARM PLACEMENT MISSOURI STATE EMPLOYMENT SERVICE, JEFFERSON CITY, MO.

The production of strawberries in Missouri is very largely confined to four counties in southwest Missouri. Within this area the principal berry growers' associations are located in Neosho—Newton County, in Anderson—McDonald County, and at Butterfield, Exeter, Cassville, Monett, and Purdy in Barry County.

Usually the number of pickers moving into this area ran into the thousands. Such workers, of course, have presented many problems to these small communities in the past.

The Missouri State Employment Service this year established a farm placement service for the first time, and initial effort and emphasis has been pointed toward being of service to the growers (employers) engaged in producing, harvesting, and shipping of seasonal crops by taking over the task of handling the labor needed in such crops, and through this effort to be of service to the worker by knowing where harvest hands are needed and to route them with a minimum of effort and loss of time on their part.

Through registration of local farm workers and by close cooperation with the growers through their respective associations, every effort was made to meet all of their work requirements with local labor and to discourage in every way possible the moving in of workers from other areas. This, to a rather large degree, was accomplished through two methods.

1. *Publicity.*—Newspaper and radio publicity prepared by the department of information stressed the fact that the local labor supply was sufficient to meet all of the needs in the berry harvest.

2. *Cooperation with neighbor State farm placement division.*—Arkansas has a highly developed farm placement service covering the entire State, and since their berry crop precedes the one in Missouri, it is the general rule of the harvest worker to move north with the crop.

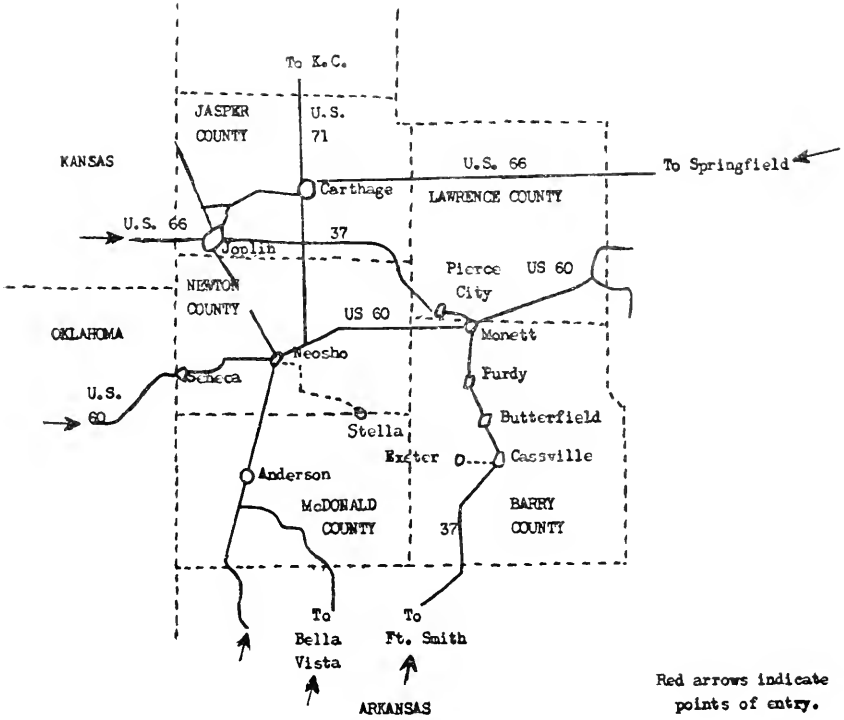
By keeping the Arkansas Employment Service informed of our needs, their field offices were in a position to advise people not to trek into Missouri since the crop was small and there were sufficient local pickers to handle it.

There were, however, several hundred workers who moved into the area during the harvest, and the following data has been compiled from the registrations taken by our interviewers stationed in the various towns of the area during the season.

Principal methods of travel are by car, car and trailer, truck, or hitchhiking. The amount of camping and cooking equipment was very meager in most instances. Most of these migrant workers camp wherever space will permit in or around the town and as close to the berry sheds as possible in order to insure being close to any work opportunities that might arise.

A review of these migrant workers' cards indicate that a majority come in for the berry season only and upon its completion return directly to their homes, and that still others follow one crop after another between the neighboring States.

It is also interesting to note that those workers coming from Kansas point toward U S 66, which will place them at Joplin, northwest of the berry area; those from north or east, U S 66 and U S 60; those from the southwest—Oklahoma and Texas, U S 44 and U S 60, striking into Missouri at Seneca at the west edge of the area; while those following the crops from the South through Louisiana and Arkansas move into the area via 71 or 37, depending on whether they were working in the spinach crop at Fort Smith or in the berry crop at Bald Knob and Springdale.



Red arrows indicate points of entry.

Table indicating number of worker groups, by State, going on to other crops

	From—			To—		
	Bean fields, Arkansas	Potato harvest, Kaw Valley, Kans.	Wheat harvest	Cherry harvest, Michigan	North to no definite point	Don't know
Arkansas.....	5	1	1			
Illinois.....					2	
Indiana.....	1					
Iowa.....	1	1				
Kansas.....		2				
Mississippi.....	2					1 1
Ohio.....				2		
Oklahoma.....	2	3	7			1 1
Texas.....						3 2
No home.....	2					1

¹ Rivet driver—"Trying to find place to follow trade."

² Machinist—"Trying to find place to follow trade."

³ Plumber and pipe fitter—"Trying to find place to follow trade."

Only one worker in the entire group indicated that he was registered at another employment office. Four indicated trade skill and each of these was working along at any job available as he moved on trying to find some place where he might find steady employment at his trade.

Types of transportation

Total registered.....	173	Truck.....	13
Car.....	50	Railroad side door.....	4
Car trailer.....	3	Bus.....	2
		Hitchhike.....	1 101

¹ For grouping, all persons who did not use any of the first 5 types of transportation have been classed as hitchhikers. This will include those who have through arrangement arrived at the berry harvest by riding with other worker groups coming to the harvest.

It is also interesting to note the small percentage of this group who indicate occupations other than agricultural labor, and a break-down on this basis is shown below.

Seasonal farm workers, by occupations

Barber.....	1	Painter.....	1
Blacksmith and tool sharpener.....	1	Smelting hand.....	1
Carpenter.....	2	Students.....	6
Construction labor.....	4		
Machine oiler.....	1	Total.....	21
Miner.....	4	Farm hands.....	152

Seasonal workers—Strawberry picking, southwest Missouri

[Number registered by States]

Age group	Arkansas	California	Idaho	Illinois	Indiana	Iowa	Kansas	Louisiana	Michigan	Mississippi	Missouri	New Jersey	Ohio	Oklahoma	Pennsylvania	Texas	Total States
Under 16	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
16 to 17	0	0	0	0	0	0	0	0	0	1	1	0	0	3	0	1	6
18 to 19	3	0	0	0	0	0	0	0	0	0	1	0	1	3	0	0	8
20	0	0	0	0	0	0	0	0	0	0	2	0	0	3	0	0	5
21 to 24	3	0	1	0	0	0	6	1	1	0	5	0	1	7	0	0	25
25 to 29	3	1	0	0	0	0	2	0	0	1	1	0	0	3	1	0	12
30 to 34	9	0	0	0	0	0	0	0	0	2	0	0	0	6	0	3	20
35 to 39	9	0	0	1	0	1	2	1	0	0	6	0	0	7	0	0	28
40 to 44	8	0	0	0	0	1	4	0	0	0	3	0	0	5	0	2	23
45 to 49	4	0	0	0	0	0	4	0	0	0	0	0	0	2	0	0	10
50 to 54	2	1	0	0	1	0	2	0	0	0	1	0	0	5	0	1	13
55 to 59	1	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	3
60 to 64	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13
65 to 69	3	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	15
70 to 74	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
75 and over	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1 Each of these figures includes one applicant who indicates that he is not from any particular State.

State, city, and color	Sex	Marital status	Age	Number of dependents	Age range of dependents	Type of transportation used
ARKANSAS (132)						
1 white	Male	Married	44	7	12 to 46	Car.
Do	do	Single	39			Hitchhike.
Do	do	do	15			Car.
Do	do	Married	25	1	24	Do.
Do	do	do	34	4	10 to 33	Do.
Do	do	Single	43			Hitchhike.
Do	do	do	43			Bus.
Do	do	Married	43	6	12 to 39	Truck.
Do	do	do	63	7	12 to 38	Car.
Do	do	Single	19			Hitchhike.
Do	do	Married	39	3	8 to 38	Truck.
Do	do	Single	57			Hitchhike.
Do	do	do	39			Do.
Do	do	do	23			Do.
Do. ¹	do	do	46			Car.
Do	do	do	19			Hitchhike.
Do	do	Married	42			Do.
Do	do	do	62			Do.
Do	do	Single	44			Bus.
Do. ¹	do	Married	44	5	14 to 41	Car.
Do	do	Single	32			Hitchhike.
Do	do	Married	66			Do.
Do	do	Single	23			Do.
Do	do	Married	46	6	14 to 46	Car truck.
Do	do	Single	39			Hitchhike.
Do	do	do	32			Do.
Do	do	Married	29	1	22	Car.
Do	do	do	52			Do.
Do	do	Single				Hitchhike.
Do	do	Married	45	4	12 to 44	Car.
Do	do	Single				Hitchhike.
Do	do	Married				Car.
Do	do	do	38			Hitchhike.
Do	do	do		6	10 to 22	
Do	do	Single	33			
Do	do	Married	38	2	16 to 38	Railroad.
Do	do	do	42	5	16 to 42	Car truck.
Do	do	do		6	12 to 22	Car.
Do	do	Single	48			Hitchhike.
Do	do	do	40			Do.
Do	do	do	31			Do.
Do	do	Married	33			Do.
Do	do	Single	66			Do.
Do	do	Married	70			Do.
Do	do	Single	33			Do.
Do	do	do	19			Do.
Do	do	do	30			Do.
Do. ¹	do	Married	54	8	14 to 52	Truck.
Do	do	Single	37			Hitchhike.
Do	do	do	31			Car.
Do	do	Married	24	1	29	Do.

Seasonal workers—Strawberry picking, southwest Missouri—Continued

State, city, and color	Sex	Marital status	Age	Number of dependents	Age range of dependents	Type of transportation used
ARKANSAS (132) continued						
1 white	Male	Married		4	14 to 26	Truck.
Do	do	Single	29			Hitchhike.
Do	do	do	37			Do.
CALIFORNIA (2)						
1 white	Male	Married	50			Car.
Do	do	Single	29			Do.
IDAHO (1)						
1 white	Female	Single	21			Pick-up truck.
ILLINOIS (7)						
1 white	Male	Single				Truck.
Do	do	Married	36	5	8 to 24	Do.
INDIANA (1)						
1 white	Male	Single	53			Hitchhike.
IOWA (2)						
1 white	Male	Single	44			Railroad.
Do	do	do	38			Do.
KANSAS (67)						
1 white	Male	Married	54	6	12 to 44	Truck.
Do	do	do	35			Car.
Do	do	do	41	2	14 to 29	Do.
Do	do	do	41	2	16 to 20	Do.
Do	do	Single	60			Hitchhike.
Do	do	Married	45	7	12 to 45	Truck.
Do	do	do	23	1		Hitchhike.
Do	do	do	36	4	10 to 28	Car trailer.
Do	do	do	27	1	22	Car.
Do	do	Single	24			Hitchhike.
Do	do	Married	49	6	9 to 45	Car.
Do	do	Single	51			Hitchhike.
Do	do	do	24			Do.
Do	do	Married	27	1	22	Car.
Do	do	do	50	9	12 to 46	Truck.
Do	do	do	42	6	12 to 43	Car.
Do	do	Single				Hitchhike.
Do	do	Married	24			Do.
Do	do	Single	22			Do.
Do	do	do	48			Do.
Do	do	do	21			Do.
Do	do	Married	42			Car.
LOUISIANA (5)						
1 white	Male	Single	24			Hitchhike.
Do	do	Married	39	3	16 to 38	Car.
MICHIGAN (2)						
1 white	Male	Married	22	1	20	
MISSISSIPPI (2)						
1 white	Male	Single	29			Hitchhike.
Do	do	do	17			Do.
MISSOURI (30)						
Clayton Hill: 1 white	Male	Single	20			Car.
Doniphan: 1 white	do	do	37			Hitchhike.
Kennett: 1 white	do	Single	23			Do.
Kirkville: 1 white	do	do	24			Do.
Osceola:						
1 white	do	do	38			Car.
Do	do	do	21			Do.
Do	do	do	27			Do.
Do	Female	do	20			Do.
Do	do	do	23			Do.
Poplar Bluff: 1 white	Male	Married	33	1	29	Do.
Rich Hill:						
1 White	do	Single	24			Hitchhike.
Do	do	Married	38	5	10 to 37	Car.
St. Louis: 1 white	do	Single	51			Hitchhike.
Springfield:						
1 white	do	Married	38	2	10 to 38	Do.
1 white	do	do	43	2	10 to 24	Do.
Do	do	Single	40			Do.
Van Buren:						
1 white	do	do	16			Do.
Do	do	do	19			Do.

1 Veteran.

Seasonal workers—Strawberry picking, southwest Missouri—Continued

State, city, and color	Sex	Marital status	Age	Number of dependents	Age range of dependents	Type of transportation used
MISSOURI (3C)—continued						
West Plains:						
1 white	Male	Married	41			Hitchhike.
Do	do	Single	34			Do.
NEW JERSEY (1)						
1 white	Male	Single	67			Do.
OHIO (2)						
1 white	Male	Married	23			Do.
Do	do	Single	19			Do.
OKLAHOMA (86)						
1 white	Male	Single	34			Hitchhike.
Do	do	do				Do.
Do	do	Married	34	3	14 to 20	Car.
Do	do	Single	19			Hitchhike.
Do	do	Married	44			Do.
Do	do	Single	30			Do.
Do	do	do	16			Do.
Do	do	do	49			Car.
Do	do	do	40			Hitchhike.
Do	do	do	26			Car.
Do	Female	do	47			Hitchhike.
Do	Male	Married	51	1	14	Do.
Do	do	Single	52			Do.
Do	do	Married	37	1	30	Do.
Do	do	do	24	2	16 to 24	Car.
Do	do	do	33	3	12 to 26	Truck.
Do	do	do	53	1	30	Car.
Do	do	Single	53			Hitchhike.
Do	do	Married	40	2	18 to 38	Car.
Do	do	do	39			Do.
Do	do	do	54			Hitchhike.
Do	do	Single	20			Do.
Do	do	do	30			Do.
Do	do	do	16			Car.
Do	do	do	20			Do.
Do	do	do				Hitchhike.
Do	do	do	35			Do.
Do	do	do	19			Do.
Do	do	do	22			Do.
Do	do	do	24			Do.
Do	do	do	40			Do.
Do	do	do	23			Car.
Do	do	do	21			Do.
Do	do	Married	17	1	16	Hitchhike.
Do	do	Single				
Do	do	Married	22	1	16	Car.
Do	do	do	52	7	10 to 40	Truck.
Do	do	do	39	7	6 to 28	Car.
Do	do	do	27	1	14	Hitchhike.
Do	Female	Single	39	6	14 to 37	Truck.
Do	Male	Married	39	6	14 to 37	Truck.
Do	do	Single	36			Hitchhike.
Do	do	do				Do.
Do	do	do	20			Car.
Do	do	Single	21			Do.
Do	do	Married	30			Railroad.
Do	do	Single				
Do	do	do	38			
Do	do	do	18			Car.
Do	do	do	27			Do.
Do	do	Married	42			Hitchhike.
PENNSYLVANIA (1)						
1 white	Male	Single	29			Hitchhike.
TEXAS (9)						
1 white	Male	Married	34			Hitchhike.
Do	do	Single	17			
Do	do	Married	31	2	16 to 35	Car.
Do	do	Single	51			Hitchhike.
Do	do	do	44			Do.
Do	do	do	32			Do.
Do	do	do	43			Do.
NONE (3)						
1 White	Male	Single	36			Hitchhike.
Do	do	Married	64			Do.
Do	do	Single	65			Do.

EXHIBIT G.—DEFENSE TRAINING PROGRAM

MEMORANDUM BY WILL S. DENHAM, DIRECTOR, MISSOURI STATE EMPLOYMENT SERVICE

JULY 10, 1941.

For your advance information we are attaching a copy of the official Instructions and Policies and Administrative Procedures Governing the Conduct of the National Defense Training Programs of the Federal Agency.¹

A 3-day meeting was recently held in Chicago to give thorough study and consideration to this program. This conference was attended by directors of the employment services, National Youth Administration, and the department of education administrators of the 48 States, also the regional and Washington officials of the Bureau of Employment Security, the National Youth Administration, and the United States Department of Education.

The chairman of the conference at Chicago was Col. Frank McSherry, the newly appointed National Director of Defense Training. Colonel McSherry is on the pay roll of the Federal Security Agency and serves as liaison officer between the Federal Security Agency and the Office of Production Management.

Colonel McSherry, as Director of Defense Training, will direct and supervise all national defense training programs carried on jointly through the coordinated efforts of the State employment services, the State departments of education and the National Youth Administration. He will have field agents to assist him and the constituent State agencies in carrying out assigned duties and responsibilities.

As chairman of the conference, Colonel McSherry dwelt upon the extreme importance and urgency of immediately initiating this defense training program to serve the needs of employers who have contracts for defense production. Congress has appropriated many millions of dollars for this defense training program. The sums appropriated have been earmarked for defense training work projects and training courses that must be geared to the specific needs of contractors for defense production. It is estimated that approximately 4,000,000 skilled men must be obtained for defense production in the coming year. All the training possible will very likely fail to produce enough skilled men to meet anticipated needs but training for defense industries must be pressed to the utmost and serve as far as possible in the national emergency.

The responsibilities of the Employment Service have been tied down closely in this program. We will be the designated agency to make the necessary employer contacts and recommend the necessary and specific training courses to be given.

You will note from the attached procedures and instructions that a council of State administrators, consisting of three members, is to be in active charge of the defense training program in Missouri. This council will consist of one member appointed from the administrative office of the State employment service, one member from the administrative office of the State department of education, and one member from the State office of the National Youth Administration. You will also note that similar councils of like representation will be established in each of the local communities operating defense training programs.

We would like for you to particularly note the following which we quote from the attached instructions:

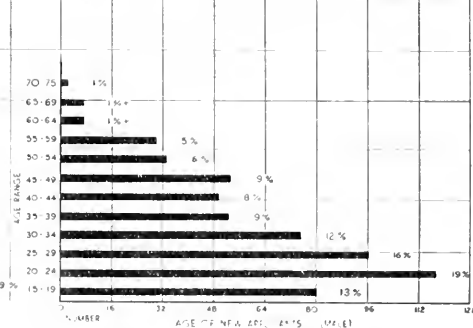
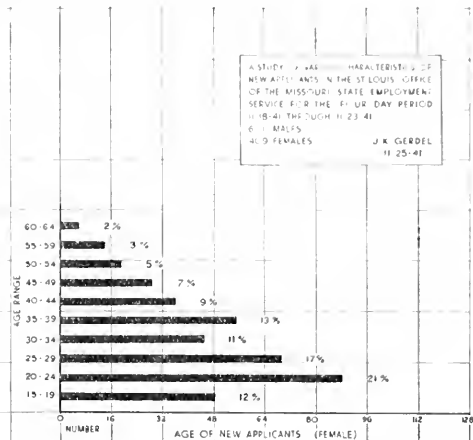
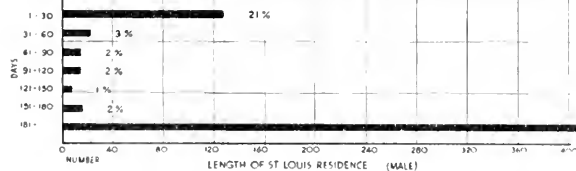
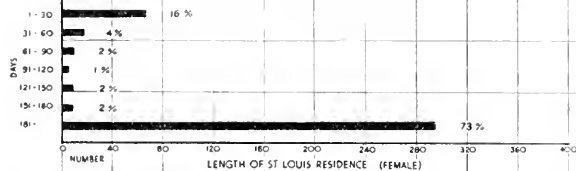
"The Employment Service shall make available currently to each member of the council of administrators in each community and each State the labor demand and supply data and information on labor market developments obtained from its registration and placement activities and its employer and other community contacts.

"On the basis of such information, the Employment Service shall make recommendations to the council in each community as to the need for training for defense occupations in that community, giving the number of workers needed, the dates they are needed, and the occupational specifications that should be met by the trainees in order that they may be placed in employment. Such recommendations shall be made promptly on the first of each month."

From the above alone it can be seen that the Employment Service has a very large and urgent responsibility. Not later than August 1, we will be expected to make the proper recommendations to the local and State councils of administrators in regard to training needs. This means that we must obtain from employers holding defense contracts the specific data for their training needs as outlined above. It means that we need the production schedules of those employers, the occupational specifications for each job in the production line for which trainees will be needed, and the number of workers needed for such jobs and the date such workers are needed.

¹ Held in committee files. See Training Programs, Detroit hearings, pt. 18, p. 7498ff.

EXHIBIT H₂-CHARACTERISTICS OF ST. LOUIS EMPLOYMENT SERVICE APPLICANTS



A STUDY OF THE CHARACTERISTICS OF
 NEW APPLICANTS IN THE ST. LOUIS OFFICE
 OF THE MISSOURI STATE EMPLOYMENT
 SERVICE FOR THE FIVE DAY PERIOD
 11-18-41 THROUGH 11-23-41
 611 MALES
 419 FEMALES
 J. K. GERDEL
 11-25-41

It is of paramount importance that all offices in the Service be prepared to report on such needs of employers as hold contracts for defense production. We trust that our offices will leave nothing undone to collect this necessary information.

We will shortly hold meetings with the necessary staff members of our administrative and local offices to give further study and training regarding our part of this program. Likewise the proper local councils will shortly be set up by the State councils. At this particular moment you will not have to concern yourselves with the operating mechanism that will be set up. You do need to concern yourselves, however, with getting the closest possible check on all defense contracts and all defense production in your community and with collecting all the necessary information from the employers holding such contracts. This is the only urgent action expected from you until such times as we hold meetings with the necessary local staff members to further go into this program.

We would like to impress upon you that the attached information is for your own office organization so that you can get set in advance for the work that must be done. We ask that no publicity stories or newspaper or radio releases be given out in regard to this program unless you receive specific instructions in regard to them.

We are forwarding additional copies of the attached instructions in accordance with the requirements of our various offices.

STATEMENT BY J. W. BURCH, DIRECTOR, EXTENSION SERVICE,
COLLEGE OF AGRICULTURE, UNIVERSITY OF MISSOURI, JEFFERSON CITY, MO.

EFFECT OF DEFENSE ACTIVITY ON FARM LABOR AND FARM POPULATION MOVEMENT
IN MISSOURI

The interstate movement of farm labor created by defense industries and selective training is of two types.

1. A general movement to industry from all over the State of farm boys, small farmers, and hired farm labor.

2. A heavy movement of these same people in areas where defense activities are located such as Weldon Spring, Camp Leonard Wood, Camp Crowder, St. Louis, and Kansas City.

The No. 1 type of movement is of a more permanent type while the No. 2 type creates a severe shortage for a few months but after general construction is over many of them return to their homes and old jobs.

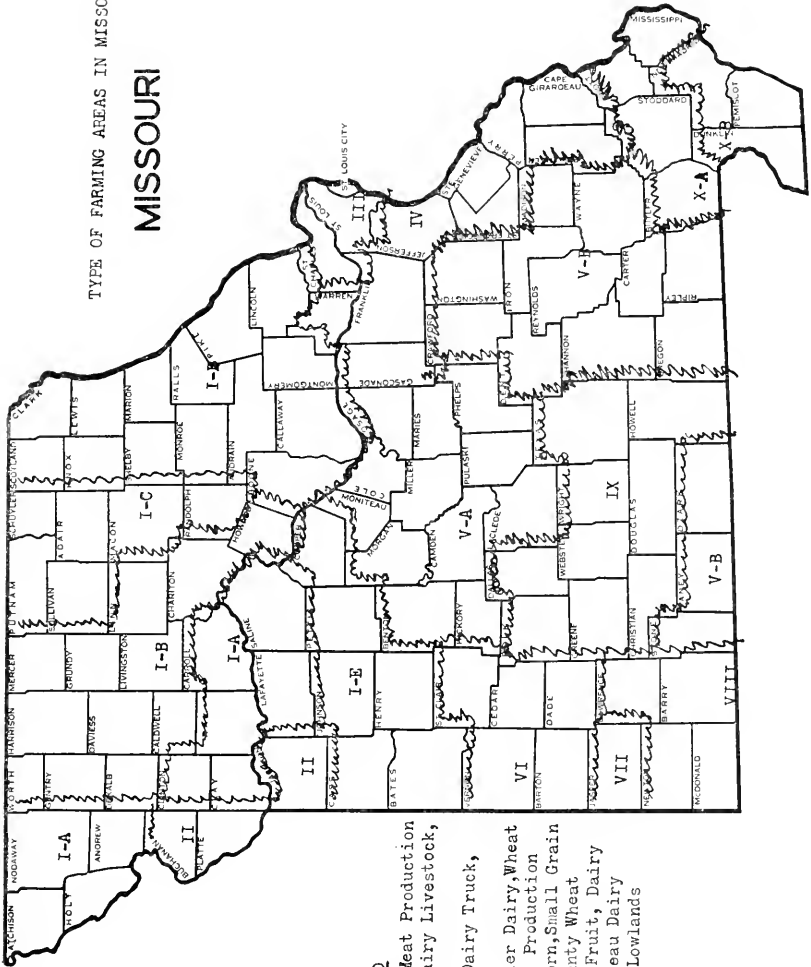
Labor movement and labor shortages are tied very closely to types of farming areas, soil fertility, custom and defense activities.

As to the general labor situation in Missouri, I quote from a paper by Dr. C. E. Lively on The Population of Missouri, Its Condition and Trends, as to migratory labor.

"The State of Missouri is not characterized by a large volume of migratory agricultural labor. Although the year-round hired man is disappearing and farm operators rely largely upon seasonal labor, either regular or casual, a very large proportion of such labor is of local origin. Map 2 shows the number of wage laborers employed on the farms of Missouri during the week of September 24 to 30, 1939, by counties, as enumerated by the 1940 Federal Census of Agriculture. The number of laborers employed, as indicated by these figures, is probably near the maximum for southeast Missouri because of cotton picking. The number is probably much below the maximum for the small fruit area of the Southwest, the corn-hog area of the Northwest and possibly for others. However, the general picture of the State based upon these figures is accurate in emphasizing that most wage labor in agriculture is employed in the Southeast cotton delta, the Southwest small fruit area, the Northwest corn-hog area and the truck and fruit areas near St. Louis and Kansas City. Apparently there is less tendency now than formerly to use unskilled Ozark workers in the better farming sections of northern Missouri, and reports are that Ozark laborers are little used in the cotton-producing lowlands. On the other hand, considerable seasonable labor from Arkansas and other points south has been reported working at the picking of cotton and small fruits in southern Missouri. On the whole, it would appear that the agricultural economy in Missouri is moving toward the employment of relatively less migratory seasonal labor and more local mobile labor."

These labor conditions in 1939 and the trends so stated by Dr. Lively are now undergoing some changes which have up to date shown as affecting agriculture.

TYPE OF FARMING AREAS IN MISSOURI
MISSOURI



LEGEND

- I Northern Meat Production
- II Western Dairy Livestock, Truck
- III Eastern Dairy Truck, Wheat
- IV Ozark Border Dairy, Wheat
- V Ozark Meat Production
- VI Western Corn, Small Grain
- VII Jasper County Wheat
- VIII Southwest Fruit, Dairy
- IX Ozark Plateau Dairy
- X Southeast Lowlands

County labor subcommittees, land-use planning committees reports of October 15 and November 15, 1941, showed some rather unusual changes which I am going to bring out by type of farming areas of the State in my report of the areas. My reason for using these areas is to more nearly tie down our labor problem so something can be done about it.

Area IA, made up by the counties of Atchison, Holt, Nodaway, Andrew, Carroll, Clinton, Clay, Ray, Lafayette, and Saline, located in the Northwest corn and meat producing area, normally employs about 650 hired hands to the county in addition to the young men who have remained at home and are thought of as family labor. This area has a high investment in farm machinery per farm and is mostly tractor operated. The land is fertile and very productive. With defense activities, many of the farmers' sons, and young farm laborers are going to the Army and in employment of industry. This brings about two problems—one, a smaller supply of labor and, two, a shortage of farm labor homes on farms. The reason for house shortage is that young single laborers and farmers' sons lived in the operator's house, while the labor replacing these young men are married men with families. To an agriculture that has not long enjoyed increased prices this brings a fairly serious problem and one that is hard to say the exact outcome.

Possibilities are: 1. increased mechanization which is hard for this area to go much further; 2. decrease production down to family labor; 3. build or repair tenant houses.

The labor subcommittees of this area report:

1. Labor adequate until spring.
2. Anticipated farm machinery shortage may make labor situation more acute.
3. It is doubtful if farm income will be high enough to pay labor comparable wages to industry.
4. Trend is to mechanized farming to offset labor requirements.
5. This area has some labor shortage the entire year.
6. Migratory labor that has in the past come in from south Missouri is going on defense work this year.
7. Increased farm wages have failed to pull farm labor in because of more money in defense and where factory jobs are obtainable labor seems to prefer them.

In looking at these subcommittee reports, it should be kept in mind that farmers are used to a great deal of labor and when shifting begins and they have three or more regular hired hands in 1 year, it appears to them there is a shortage. While industry would not notice this, the farmer has some training to do with all hired men to operate his equipment and care for his livestock. This changing causes much inefficiency in operation and higher production cost.

Area IB, made up of the counties of Worth, Gentry, Harrison, Mercer, DeKalb, Daviess, Grundy, Caldwell, Livingston, Linn, Chariton, and Howard with the exception of Chariton, only hire about one-half as many farm hands as area IA or an average of about 350 to the county. This area not so highly mechanized and with a little lower production that IA generally is operated on a more extensive basis with the operator's family labor and I think its problems are expressed in its labor subcommittee's report.

1. Labor shortage anticipated in spring.
2. May be some shortage for corn gathering if weather remains unfavorable.
3. Railroad building in Mercer County causing some shortage.
4. Housing for farm labor not available.
5. Deferring farm boys from selective service would help farm labor and housing.

6. Farm units requiring some labor but not a full-time man are tending to cut operations to be handled by family or increase to full-time man if additional land can be secured.

Area IC, made up of Putnam, Schuyler, Sullivan, Adair, Macon, and Randolph Counties is a more rolling and extensive type of farming counties. The average county in this group hires about 267 farm laborers. At present, however, they may have to hire more to fill in for family labor that has gone on defense work in the future. Their trends and problems are well expressed in the subcommittees reports and are what one would expect to find in the less productive land with more extensive farming.

1. Labor adequate until spring.
2. Farm returns not sufficient to pay increased wages.
3. Tendency to cut farm operations to family size in less productive areas.

Area ID, for the sake of this report, is divided in a north and south part, the counties of Scotland, Clark, Knox, Lewis, Marion, Shelby, Ralls, and Monroe forming the north part and the counties of Audrian, Pike, Lincoln, Montgomery, Callaway, and Boone forming the south part.

The north half of this area with the exception of the Mississippi River bottoms is an extensive livestock and dairy farming area using mostly family labor for farm operation. The average county of this group only has approximately 300 hired farm laborers. These laborers are largely regular hands on a monthly or weekly pay basis. They too, may face some of the increased employment of area IC, if family labor moves to the Army and defense industries. The trend of operators to meet this is to cut down operations or increase size of units using machinery and some amount of labor.

The south part of this area hires twice as much labor per county with an average of approximately 650 hired laborers to the county. I would attribute this largely to custom set up by early settlers which were from the Southern States and were used to large amounts of hired labor. The farming unit and productivity has something to do with it also the bottom lands of the Missouri and Mississippi Rivers. This area reports a serious labor shortage due to defense activities in St. Louis and Louisiana, Mo. This is especially true in Pike and Lincoln Counties, both hiring up to 750 and 900 farm laborers.

This movement is of both types, permanent and short-time duration. As to the extent of the seriousness, it cannot be ascertained before spring of 1942. The subcommittee from the area as a whole reflects mostly the south half of the area and is as follows:

1. Defense activities in and near St. Louis, also ammonia plant at Louisiana, Mo., have caused an acute shortage of farm labor in this area.

2. Farm income and production per acre in this area will not support rate per day requested by farm labor.

3. South half of this area one of the most serious in the State.

Area IE, made up of the counties of Cass, Bates, Johnson, Henry, Pettis, and Cooper hire an average of 523 farm laborers to the county with Pettis and Cass Counties running up to approximately 700. The subcommittee reports show this area up as to problems of farm labor. However, they do not show that this area in the past has supplied much of northwestern Missouri's migrant labor until this year when most of the surplus labor and small farm operators went into the Kansas City, Camp Crowder, and Fort Leonard Wood defense activities. The report of the committees is as follows:

1. Cannot pay sufficient wage increase to get labor.

2. Work Projects Administration workers reluctant to take farm labor because of length of working day and no time off.

3. There are only a few full-time hands employed but need is increasing because small farmers are selling out and going in defense work and farm boys are going into defense work and selective service.

4. Larger operators showing some tendency to cut operations to families' ability.

5. Pettis County making close farm labor survey on a township basis.

Area II, composed of Buchanan, Platte, and Jackson Counties employ generally 1,200 farm laborers to the county. The statement of their problems by the subcommittees brings out the migration that has taken place and the position of the farmers in regard to hiring labor with industry of Kansas City increasing.

Committees' report:

1. Labor shortage apparent now.

2. Farm boys gone into industry.

3. Not sufficient housing for farm labor families.

4. Labor shortage mostly on dairy farms—fluid milk prices have not advanced sufficiently to pay increase necessary to compete with industry.

Area III, composed of St. Charles and St. Louis Counties employs large amounts of labor especially in St. Louis County where it is reported 1,798 farm laborers.

This county has had an increase of approximately 8 percent in population this year and uses quite a bit of migratory labor. It is stated that available labor will decide the truck crop acreage for 1942.

The committee reports are—

1. Acute labor shortage expected in spring of 1942.

2. Migratory labor moves on into industry.

3. Conditions similar to area IV.

Area IV, made up of the counties of Warren, Moniteau, Cole, Osage, Gasconade, Franklin, Jefferson, St. Francois, Ste. Genevieve, Perry, Bollinger, and Cape Girardeau on the average doesn't hire a large amount of farm labor. The average county hiring about 390 per county with a high in Franklin County of 975 and the next in Cape Girardeau of 490. However, it has borne the brunt of a large part of defense migration to St. Louis, Weldon Springs, and Camp Leonard Wood.

The committees express it as follows:

1. Farm labor shortage of regular farm and dairy farm hands.
2. Laborers gone to defense work as unskilled securing \$62 per week—also affecting school teachers.
3. Migratory labor does not fill need.
4. Farmers are reducing operations due to anticipated labor shortage.
5. Dairy herds being sold down to family size.
6. Shortage of skilled labor as tractor operators and mechanics.
7. Small farm operators selling out.

Area V-A, composed of Morgan, Benton, Hickory, Camden, Miller, Laelege, Pulaski, Maries, and Phelps are Ozark counties and hired only about 150 farm laborers to the county. This area and areas V-B and VI are surplus labor counties and the defense activities have given them some opportunity to adjust to better employment. However, in many cases it is the best employed of farm labor and small operators from those areas that are moving to defense work because of their adaptability.

The committees report it as follows:

1. Shortage of labor anticipated in spring.
2. Production would not pay higher wages and farmers will let acreage go unplanted.
3. Building of Camp Leonard Wood depleted this area.
4. Small farmers selling livestock on market going to work in industry leaving farms idle.
5. Large operators tending to cut down to family labor because farm returns do not justify farm wage necessary.

It is too early yet to say how defense activity is going to affect the agricultural production in this area.

Area V-B, composed of the counties of Washington, Crawford, Dent, Iron, Madison, Reynolds, Shannon, Carter, Wayne, Oregon, Ripley, Stone, Taney, and Ozark. These counties are commonly called Ozark counties, with a very extensive type of farming, mostly pasture except in the bottom land. The average county in this group employs approximately 160 hired hands. This is a surplus labor area generally. In the building of Fort Leonard Wood, this area supplied much of the unskilled labor. In the past, many of these laborers in this area have gone to the Kansas wheat fields and some of them into Iowa to shuck corn. A few months ago Washington County reported a large surplus of labor. That was at the time of the building of Fort Leonard Wood. Recently their report shows that most of the employable young men of Washington County have moved into defense work in St. Louis and into additional work created by defense activities in the mining of lead and tiff in Washington County. The subcommittees from these counties for the area report:

1. Part of this area affected as area V-A, because of Fort Leonard Wood.
2. Some labor swapping going on as usual.
3. Shortage of labor to cut fuel wood for town.
4. Some labor in the past has gone to Kansas wheat fields.
5. Use of Work Projects Administration labor on farms seems overrated.

Area VI, made up of the counties of Vernon, Barton, St. Clair, Cedar, and Dade, lies in the western wheat production region with some corn and small grain. This area employs approximately 300 farm laborers to the average county and some additional labor generally through the year in the harvesting of prairie hay and wheat. Numbers of laborers have gone from this area to the building of Camp Crowder at Neosho. They also went to Fort Leonard Wood and some have gone into Kansas City and the small arms plants for defense work. A number of young men have also gone to the Army from this area. A large percent of this area is heavily machine operated. The increase in machinery to cut down use of labor could not be expected. The committees report:

1. Shortage of carpenters and skilled men to repair farm buildings.
2. One county reported 175 men on Work Projects Administration not fit for farm labor because of physical defects, age, training, and transportation.
3. Small operators are selling out, most of the large ones are cutting down their own operations.
4. Prairie sections which are machine operated mostly by the operator not much change is expected.

The committee reports that an increase in wage to \$3 per day and dinner will not draw labor required. This is probably true while the large construction is going on in the Tri-State area from Neosho, Mo. and westward. No particular labor shortage is anticipated at present, however, there may be some in the spring. It might also be understood that we may be using on land as labor some

persons who we feel now are not fit for farm labor. If that should come about this will show a large differential in wages paid on a basis of efficiency to produce work on the farm.

Areas VII and VIII, made up of the counties of Jasper, Lawrence, Barry, Newton, and McDonald, are located in the southwest corner of the State which is a fruit and dairy area. Large dairy plants are located at Neosho and the towns of Carthage and Joplin are supplied with fresh milk from this area. This area normally hires about 400 farm hands per county, and is now placed at the disadvantage of the large amount of building going on in the Tri-State area around Neosho, Mo., Oklahoma, and in Arkansas. The building of Camp Crowder, also the increased activity of the lead mines will draw many laborers from farms and small operators from farm operations. This has been a labor surplus area in recent years, but with the opening up of the lead mines, increased activity, farmers are going to feel a shortage in berry picking, fruit harvesting next year. If prices of these products will be sufficient, labor may not be so hard to secure. The committee reports:

1. Regular farm help is short.
2. Building of Camp Crowder at Neosho, increased activity of lead mines, munitions plants, defense project, in Oklahoma and Arkansas make this area in for a labor shortage next spring and probably this winter.
3. There will probably be some cutting of dairy herds to family size.
4. Fruit harvest and strawberry picking is expected to suffer unless prices are sufficient to pay high labor.
5. Small farmers selling out and going into defense work.

Area IX, made up of the counties of Polk, Dallas, Greene, Webster, Wright, Texas, Christian, Douglas, and Howell, commonly thought of as the Ozark plateau area, produces quite a bit of dairy products with small herds in general. However, there are a few large dairy herds through this area. It is also a surplus labor area and there has been a migration of farm boys from this area to central and northern Missouri, Iowa, and Kansas at times of peak labor load on farms. This area has supplied quite a large number of workers for the camp building of Fort Leonard Wood, Camp Crowder, and to St. Louis for defense work, and Weldon Springs. There seems to be no immediate problem as to sufficient labor to maintain this area, however, with smaller farmers closing out, which normally give some labor off of their own farms, it might cause a little labor disturbance but not a complete shortage. This area hires on the average, about 360 farm laborers per county, with Greene County as a high with 837. The next highest to that is Polk with 467 laborers, and a low in Dallas County of 72 laborers. The committee reports for this area are:

1. The northern part of this area has been a surplus farm labor area where farm boys and men went to central and northern Missouri, Iowa, and Kansas to follow wheat harvesting and corn gathering. However, many of these men are now in defense work.
2. Truckers, tradesmen, and skilled workers have followed the camp buildings.
3. Some small farmers are closing out and some of the larger farms tend toward cutting down their operations.
4. A shortage of fuel wood cutters for this area.

Area X-A, made up of the counties of Butler, Stoddard, Scott, and Mississippi. This is the second largest farm labor employment area in Missouri. These four counties hire an average of about 2,000 men per county, with a high in Mississippi County of 5,400 laborers and a low in Butler County of 441, which is largely in the south and eastern part of that county. This is a cotton area of the boot heel of Missouri, with some livestock in the north tier of counties of the area. This area and area X-B hire 49 percent of all the farm labor hired in Missouri. The committee reports for the area:

1. Labor enough to meet present demand except for skilled workers.
2. Definite increase in sharecropping to meet labor needs.
3. Wage hands and share croppers expected to move to defense work this winter and not return.
4. Scarcity of year around farm hands that present farm income will permit paying.
5. Labor housing in the area is still a problem. This area generally has a large amount of migrant labor in cotton picking and cotton topping.

I think there is a much fuller report to be given in regard to this area from other sources.

Area X-B, composed of the counties of New Madrid, Pemiscot, and Dunklin. These three counties hire 38 percent of all the farm labor hired in Missouri with an average of about 10,700 farm laborers per county. This is a strictly cotton

country and larger farm ownership tracts using large amount of farm labor. The committee reports that some influx of farm labor from factories has started from factories that have closed down. Labor is not expected to stay after cotton picking. Labor problems anticipated next spring of trained tractor men, machine operators, also a shortage in cotton gins. This area is attempting to stabilize its labor situation by changing to sharecropping which creates smaller farms and the use of more family labor and not so much employed labor. This area has always been heavy in migration in and out in times of heavy cotton picking and chopping. It is also starting in the production of some vegetables which require additional labor. A very productive area with fairly good farm income per capita, also a very high population per county. As to exact labor conditions for 1942, they cannot be anticipated. It will depend on the amount of sharecropping and defense work to draw people from the area.

STATEMENT BY LLOYD W. KING, STATE SUPERINTENDENT,
DEPARTMENT OF PUBLIC SCHOOLS, JEFFERSON CITY, MO.

DEFENSE TRAINING IN MISSOURI

I. ADMINISTRATIVE ORGANIZATION

The national defense-training program is administered in Missouri by the State board for vocational education, which has as its executive officer the State superintendent of schools who also serves as State director of vocational education. On a parallel with the other vocational divisions in the State department of education, the division of national defense training was established by the State board to inaugurate, administer, and supervise the defense training for the State.

The State board for vocational education consists of the following:

Forrest C. Donnell, Governor.....	Member.
Dwight H. Brown, secretary of State.....	Secretary.
Roy S. McKittrick, attorney general.....	Member.
Lloyd W. King, State superintendent of schools.....	President.

(The State board for vocational education is also the State board of education.)

The personnel of the division of national defense training in the State department of education includes Mr. Hollis Dahlor, State director of defense training, eight State supervisors, an auditing supervisor, an equipment supervisor, and a supervisor responsible for finance. These men are responsible for the promotion, administration, and supervision of the program on the State level. The defense-training programs are administered on the local level by the local superintendent of schools through the local director of vocational education, the local coordinator, or a local director of defense training. In two centers of the State in which industries are concentrated, supervisors have been employed to coordinate and direct defense-training activities in the schools of these areas.

2. PLACEMENT OF TRAINEES

It has been impossible to ascertain the exact number of persons who have been placed in employment as a result of training received in defense classes. Many have received jobs locally, in other cities of Missouri, or in other States, who have not reported back to the local supervisor of defense training or to the local office of the Missouri State Employment Service. In many instances, local plants employ all trainees who successfully complete certain defense courses. A few plants have placed standing orders for all trainees who subsequently complete defense courses being conducted by given public schools.

The following table gives the cumulative enrollments and placements in Missouri's program of defense training as indicated by statistical reports from local supervisors. It should be noted that trainees enrolled in VE-ND supplementary classes are employed workers. The figure appearing in this column indicates the number who changed jobs while enrolled in the supplementary classes. Since these statistical reports are submitted at the conclusion of each course, placement figures quoted are far below numbers actually placed.

Statistical summary of national defense training program in Missouri—July 1, 1940,
to Oct. 31, 1941

	VE-ND		Out-of-school youth		Training for National Youth Administration youth
	Supplementary	Pre-employment refresher	General pre-employment	Specific pre-employment	
Number of schools offering.....	14	22	197	24	63
Number of classes.....	178	409	479	46	477
Number of different courses taught.....	25	30	4	18	-----
Enrollments.....	7,680	14,264	7,961	861	26,922
Number of trainees placed ¹	148	3,452	358	34	2,241

¹ Includes only those trainees placed while enrolled in courses.

3. WORKING RELATIONSHIPS WITH THE MISSOURI STATE EMPLOYMENT SERVICE

The following outline of procedure indicates the working arrangements existing between the division of defense training of the State department of education and the Missouri State Employment Service.

(a) From employers of the State of Missouri State Employment Service secures specifications which form the basis for defense training programs. These specifications include the special abilities, skills, and understandings required to perform jobs within industry.

(b) The Missouri State Employment Service secures labor needs. Reports showing the number of types of skilled workers to be needed by industry are submitted regularly to the division of defense training.

(c) The Missouri State Employment Service registers persons eligible for training and refers them to the schools in which training can be provided.

(d) After the student has completed his training in defense classes, he is referred back to the employment service for placement. A summary of his training, together with the recommendations of his instructor, is forwarded to the placement service.

4. RELATIONSHIP WITH THE OFFICE OF PRODUCTION MANAGEMENT, TRAINING WITHIN INDUSTRY PROGRAM

The State director of vocational training for defense workers received recently from the United States Office of Education a special release in which was outlined a cooperative plan for the training within Industry Branch of the Office of Production Management in the training of these keymen. The following quotation from the above-mentioned release indicates the working relationships which are to exist between the division of defense training and the Office of Production Management in the development of this program.

In the near future a representative of the Training Within Industry Branch of the Office of Production Management will probably call on you about a program of intensive instructor training for first-line supervisors in defense industries. You will be asked to sponsor the program jointly with the training within industry district representative. This intensive training was developed by the training within industry branch and State departments of vocational education together with this office, from long-accepted help training material. It contains the minimum essentials designed to help the foremen start workers on new jobs. Following is a brief outline of the suggested steps in the inauguration of this program:

1. A training within industry district representative will contact the State director for working out the program.

2. Training within industry will contact defense industries and make arrangements for an organizational meeting of industry representatives to consider the plan.

3. Following this meeting, if a plan is accepted by industry, a selected group of not more than 20 men will attend an Office of Production Management training institute for 20 hours of intensive instruction in job instructor training methods. This institute will be conducted by training within industry.

4. Those who successfully complete the 20-hour training will conduct 10-hour training sessions for supervisors. When the instructor holds these sessions on his own time, he is entitled to additional pay and may be carried on the State pay roll, paid from defense funds to be charged to supervision, or he may be paid in any manner provided in the State plan. If the sessions are held on time covered by the instructor's regular salary, he may not draw additional compensation. The most successful of these trainers may be used to conduct training institutes for the training of additional instructors.

5. First contacts and general arrangements for plant instructor training sessions will be made by training within industry consultants.

6. The first contacts will be followed up and final arrangements will be made by someone selected by the State director to act as local supervisor of the program in cooperation with training within industry. This individual should be selected in advance of the holding of the organizational meeting and the training institute and should attend these in order to become thoroughly familiar with both the content of the condensed job instructor training and the plan of operating the program. First contacts with the plants and general arrangements for the instructor training sessions will be made by training within industry consultants.

This program is being successfully staged in a number of States and seems to meet an urgent need of industry. It should not be considered a complete instructor training or foremanship training program but should be regarded as supplying a most urgently needed first step. It should be followed up with whatever training is indicated by the individual situation.

5. THE NEED FOR INSTRUCTORS

Securing competent instructors who have had recent industrial experience has been and still is one of the greatest problems confronting those responsible for the administration of the national defense training program. Insofar as it has been possible to do so, part-time instructors for defense classes have been drawn from the ranks of skilled labor. A few skilled industrial workers are employed as full-time instructors. Several industrial arts and day trade teachers are now employed in the defense training program. Every possible source has been exhausted in the search for teachers. Because of the shortage of competent instructors, many planned and approved classes have been delayed. Since instructors are not available in certain fields of work, it will be impossible to conduct several classes that have been approved.

STATEMENT BY PROCTAR CARTER, MISSOURI STATE SOCIAL SECURITY COMMISSION, JEFFERSON CITY, MO.

PREPARED BY PARKE M. BANTA, ADMINISTRATOR, MISSOURI STATE SOCIAL SECURITY COMMISSION, JEFFERSON CITY, MO.

The State Social Security Commission was created by an act of the Fifty-ninth General Assembly in June 1937, and has responsibility for administration of the following programs:

- Old-age assistance.
- Aid to dependent children.
- General relief.
- Child welfare.
- Distribution of Federal surplus commodities.
- Certification service for Civilian Conservation Corps.
- Certification service for Work Projects Administration.

The State law gives the Commission broad powers in establishment of rules and regulations governing the assistance programs, and establishes certain basic eligibility requirements for assistance payments in the different categories. The State Commission functions under a comprehensive plan of administration, which is in conformity with the Federal social security law, and the requirements of the Federal Social Security Board.

The Federal Government participates with the State in the old-age assistance and aid to dependent children programs to the extent of matching State funds dollar for dollar, and also makes a Federal grant for child welfare services.

The State Social Security Commission has an office in every county in the State and the city of St. Louis, and maintains a staff in each office for the purpose of carrying out the manifold duties of the law in regard to the assistance pro-

grams. In each county there is established, under the law, a commission of four members, appointed on a bipartisan basis, to serve in an advisory capacity to the local office of the Social Security Commission.

The following are the requirements for public assistance in Missouri, including residence requirements:

OLD-AGE ASSISTANCE

ELIGIBILITY

Persons to be eligible must meet the following requirements:

1. Be 65 years of age or over.
2. Be incapacitated from earning a livelihood and not have sufficient income or other resources, whether such income or resources is received from some other person or persons, gifts or otherwise, to provide a reasonable subsistence, compatible with decency and health, and is without adequate means of support.
3. Have resided in the State 5 years or more within the 9 years immediately preceding application for assistance, and for 1 year next preceding date of application for assistance. (Sec. 9407, Revised Statutes 1939.)

The law further provides that benefits shall not be payable to any person who:

- (1) Has made an assignment or transfer of property for the purpose of rendering himself eligible for benefits;
- (2) Owns or possesses cash or negotiable security in the sum of \$500 or more;
- (3) Owns or possesses property of any kind or character in excess of \$1,500 or has an interest in property the value of which exceeds said amount;
- (4) Is married and actually living with husband or wife, if the value of his or her property, or the value of his or her interest in property together with that of such husband or wife exceeds \$2,000;
- (5) Is an inmate of any public institution at the time of receiving benefits. An inmate of such an institution may, however, make application for such benefits, which if granted, shall not begin until after he or she ceases to be an inmate;
- (6) Has earning capacity income, or resources, whether such income or resources is received from some other person or persons, gifts or otherwise, sufficient to meet his needs for a reasonable subsistence compatible with decency and health (sec. 9406, Revised Statutes 1939).

BENEFITS

The maximum monthly assistance grant, under the law, shall not be in excess of \$30 for each person approved for old-age assistance, and is not to exceed \$45 in the case of husband and wife living together, each of whom is drawing an assistance check.

AID TO DEPENDENT CHILDREN

ELIGIBILITY

Children to be eligible must be—

1. Under the age of 14 years, or
2. Between the ages of 14 and 16, if the child is regularly attending school, or is physically or mentally incapable of attending school.
3. Deprived of parental support or care by reason of death, continued absence from the home, or physical or mental incapacity of a parent.
4. Must be living with father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, or aunt.
5. Must have resided in the State for 1 year immediately preceding the application for benefits, or who was born within the State within 1 year immediately preceding the application and whose mother has resided in the State for 1 year immediately preceding the birth. (Sec. 9408, Revised Statutes 1939.)

BENEFITS

The amount of assistance which is granted is based upon the need in each individual case, but in no instance can it exceed \$18 for one child, and \$12 for each additional child living in the same home, provided the maximum amount does not exceed \$60 for any single household.

GENERAL RELIEF

The general relief program, which is administered entirely from State funds does not have specific eligibility requirements set up for it. The law defines

general relief as aid or relief in cases of public calamity. (Sec. 9396, Revised Statutes 1939.)

Before the general relief program was established, the responsibility for the support of the poor rested on the county court for the inhabitants of each county. (Secs. 12950 and 12953, Revised Statutes 1929.)

The following is a definition of an inhabitant as it relates to county support of the poor: "No person shall be deemed an inhabitant within the meaning of this article, who has not resided in the county for the space of 12 months next preceding the time of any order being made respecting such poor person, or who shall have removed from another county for the purpose of imposing the burden of keeping such poor person on the county where he or she last resided for the time aforesaid." (Sec. 12952, Revised Statutes 1929.) However, the county court shall at all times use its discretion, and grant relief to all persons without regard to residence, who may require its assistance. (Sec. 12954, Revised Statutes 1929.)

During and following the depression years, the county courts were unable to meet the increasing requests for aid from persons in need and, therefore, it became necessary to make appropriations from State funds for general relief. At the present time general relief is provided largely from State appropriations rather than county funds, although in some counties a part of the relief granted is provided locally.

ELIGIBILITY

General relief, during the current biennium, has been almost wholly restricted to unemployable persons and some employable families in which there are children, because of the inadequacy of available funds.

The following residence requirement has been established as a policy of the commission: "A person in making application for general relief must reside in the State for 1 year immediately preceding application for assistance. Temporary assistance may be granted to nonresidents during the period while verification of their residence in another State is made, and authorization is obtained to return them to their place of legal residence."

BENEFITS

No specific amount of assistance is set up by law to be granted for general relief. Relief funds are allotted to the counties each month on the basis of number of cases which local offices of the commission estimate will need help during the month, and after taking into consideration funds available for the biennial period.

OTHER PROGRAMS

Surplus commodities, furnished by the Federal Surplus Marketing Administration, are distributed to persons in need by the State social security commission. The State social security commission also acts as the selecting agency in Missouri for the Civilian Conservation Corps, and as a referral agency in designating persons eligible for employment under the program of the Federal Work Projects Administration.

DIVISION OF CHILD WELFARE

The child welfare division of the State social security commission has responsibility for developing service and protection to those children who have no parents or relatives who can care for them. There are four departments in this division as follows: Supervision of child caring agencies and institutions, supervision of juvenile probation, foster care department for State wards, and child welfare services.

POLICIES CONCERNING NONRESIDENTS

Since the Federal transient program was discontinued in 1935, the care of transients has fallen almost entirely on local communities, due to the fact that State relief funds have been very limited. Because there were no special appropriations for transients, and no definite organization set up to meet the problem, the needs of this group have been met in varying degrees, dependent upon local funds and attitudes. In general, aid to transients during the past few years has been discouraged, and in many instances, poor practices have developed in the counties, such as the purchase of gasoline to enable the person or family to leave the locality, or temporary assistance with food.

In the old age assistance and aid to dependent children programs, the State policy has been to allow recipients to visit out of State 6 months. This is extended

in individual cases where the health of the individual will not permit return within this period.

In the general relief program, under State policy, State funds may be used to grant assistance to transients for a temporary period while their legal residence is being verified. However, limited State funds for relief has made the use of this policy very restricted.

The main defense areas in Missouri which have attracted large numbers of workers outside of the local areas are as follows:

Area:	<i>Defense projects</i>
Pulaski and Texas Counties.....	Fort Leonard Wood.
St. Charles County.....	Weldon Springs ordnance plant.
St. Louis City.....	Several projects with defense priority.
Jackson County.....	Small arms munitions plant.
Newton and McDonald Counties....	Camp Crowder.

The problem of assistance to transients has as yet been small in these areas. In the Fort Leonard Wood area, which has attracted the largest number of outside workers, it was anticipated that there would be a residue of stranded workers at the end of construction. However, this was not true, since almost all of the workers were able to leave the area without any assistance, and moved on to other points where employment opportunities had developed as a result of other defense projects.

CASELOAD STATISTICS

The attached tables show the general relief, old age assistance, and aid to dependent children caseloads, and amount of assistance granted in the State during the past 12 months.

On the old age assistance and aid to dependent children tables it is to be noted that there was a sharp decrease in the average old age assistance and aid to dependent children grants in July, 1941. This is due to the fact that legislative appropriations for these programs were insufficient to maintain payments on their former basis. As a result, much difficulty is being experienced by old age assistance and aid to dependent children recipients in all parts of the State, and especially in those defense areas where rents have risen and costs of other necessities of life have increased greatly.

The rise in rents is forcing public assistance clients to move to very inadequate living quarters. Families are moving together and old age assistance clients are being forced to move in with children. Such conditions cause crowding and disturb family relationships. Newton County reports an Aid to Dependent Children case of seven persons moving into a two-room house, in which another family was already living. St. Charles County reports four families living in chicken houses. Pulaski County reports instances of two and three families living in houses which would ordinarily accommodate one family.

During the period from October 1940, to October 1941, there was a decrease of 9,455 cases in the number of general relief cases making the present total case load the lowest it has been since the beginning of State-wide general relief in 1932. The current decrease has been almost entirely in the cases classified as "employable," there being a decrease of 8,878 "employable" cases in that period. The limited amount of State funds for relief during the past few years has placed most of the emphasis on granting assistance, first, to the unemployable group, and secondly, to those employable families in which there are minor children. Relief funds for employables have been, of necessity, used sparingly and at no time has sufficient money been available to care for all employable families in need of relief.

A more limited State appropriation for the biennium 1941-42 necessitated further restrictions on relief to employable families which were effected during the months of July and August 1941. These, in part, account for the present reduced size of the general relief caseload. Reduction in caseload from June to September 1941 amounted to approximately 5,200 cases, in comparison with an average reduction of somewhat less than 1,000 cases during each of the earlier months of the year as a result of seasonal decrease in need and increased employment opportunities.

It is not possible to determine exactly how many cases which were closed as a result of administrative policy would not have been closed under previous policy. It is clear that the number to which relief was discontinued due to administrative policy was substantially in excess of the number which would have been closed had the trend evidenced in previous months continued. It is equally true that the number of families to which relief was discontinued, who have subsequently obtained employment, is unknown.

Under the present policy of the State social security commission, general relief may be granted to unemployable families, and to those employable families who have children under 18 years of age, if resources of such families are insufficient to provide 70 percent of the budgetary needs. The fact that there has not been more evidence of unmet needs called to the attention of the State commission by clients and communities since the restrictions of July and August were placed into effect, would seem to indicate a considerable absorption of persons no longer receiving relief through employment resulting directly, or indirectly, from defense activities.

Further evidence of increased employment with a resulting decrease in need has been found in:

1. The employment of certain older persons who have been previously considered unemployable.
2. The smaller monthly rates of increase in old age assistance and aid to dependent children recipients.
3. A greatly decreased number of applicants for Civilian Conservation Corps enrollment.

While it is not possible to forecast the extent of the relief problem which would be created by curtailment of present defense activities, it is almost certain that there will be a substantial increase in need for public assistance if the present activity decreases and no other employment is available.

At the present time, Missouri's public assistance programs are not meeting budgetary needs of families under care, and an increase in the number of families needing assistance would result in one of two alternatives; either a further decreased level of care for all families, or, restriction of relief to substantially the group now under care and failure to meet the needs of persons applying as a result of increased unemployment.

In October 1941 the average amount of relief was \$14.48 for all cases, or an average of \$17.57 per family case, and \$9.67 per single person case. An increase in migratory workers would have the same effect as an increased number of unemployed resident persons. As present funds are insufficient to meet the needs of resident families, it would seem clear that they could not be stretched to include migrants. Local funds are also inadequate, constituting less than 4 percent of the total expenditures for general relief. It would not appear that any substantial number of migratory workers could be cared for from this source.

REMOVAL OF FAMILIES FROM DEFENSE AREAS

Other problems which have been brought about by defense developments have occurred as a result of the displacement of families because of large areas of land being taken over by the Government for Army location. The areas which were taken over in Missouri were entirely rural. This relocation of families caused a housing shortage, a shortage of available farms and many changes in the families' normal life. Some farm families were forced to move to town. Farm families had to move to entirely new areas where they were unknown, and many were forced to move over 100 miles to find other farms. There was insecurity due to the slow payment for land and loss of crops. Many families had no cash with which to move, and tenants had no way of obtaining credit for moving expenses. The following tabulation gives the number of families who were forced to move as a result of national defense developments, and shows the break-down of the number of cases who were receiving public assistance from the Social Security Commission.

Total families displaced

Fort Leonard Wood area:		
Pulaska County.....		310
Texas County.....		20
Total.....		330
Weldon Springs ordnance plant:		
St. Charles County.....		184
Total.....		184
Camp Crowder:		
Newton County.....		547
McDonald County.....		182
Total.....		629

¹ Estimated.

Public assistance families displaced

Fort Leonard Wood area:	
Pulaska County.....	90
Texas County.....	
Total.....	90
Weldon Springs ordnance plant:	
St. Charles County.....	17
Total.....	17
Camp Crowder:	
Newton County.....	118
McDonald County.....	82
Total.....	200

DISPLACEMENT OF WORKERS DUE TO DEFENSE PRIORITIES

The effect of displacement of workers due to defense priorities has not been reflected to any considerable extent in increased applications for assistance at the local offices of the State social security commission. Recent reports from the St. Louis city office indicate that there has been no appreciable increase in applications which could be attributed to the fact that workers are losing their jobs because of the closing of plants and industries due to priorities placed on materials.

The St. Louis County office of the commission reports that some workers have been displaced in the sales division of the automotive industry because of the decreased production of automobiles.

The Jackson County office of the commission, which area includes Kansas City, estimates that approximately 10 applications for assistance are being received each week from persons who had been working for firms that are now unable to obtain supplies because of priorities. The director of the Jackson County office predicts that unless some action is taken to protect small firms as the defense program expands in Kansas City and the effect of priorities is consequently felt more strongly, that the relief problem will become increasingly serious.

Number of old age assistance recipients and amount of payments, October 1940-41

Year and month	Number of recipients	Amount of assistance	
		Total	Average per recipient
1941			
October.....	116, 676	\$1, 503, 309. 50	\$12. 88
September.....	116, 192	1, 490, 072. 10	12. 82
August.....	115, 752	1, 477, 080. 30	12. 76
July.....	114, 211	1, 452, 045. 30	12. 71
June.....	113, 787	2, 039, 891. 50	17. 93
May.....	112, 802	2, 018, 397. 50	17. 89
April.....	111, 692	1, 997, 340. 00	17. 88
March.....	110, 301	1, 969, 982. 00	17. 86
February.....	109, 238	1, 950, 256. 50	17. 85
January.....	109, 140	1, 949, 008. 50	17. 86
1940			
December.....	108, 349	1, 619, 994. 40	14. 95
November.....	106, 746	1, 597, 335. 65	14. 96
October.....	104, 370	1, 564, 762. 63	14. 99

Number of aid to dependent children recipients and amount of payments, October 1940-41

Year and month	Number of recipients		Amount of assistance		
	Families	Children	Total	Average	
				Per family	Per child
1941					
October	14,299	32,969	\$328,438.15	\$22.97	\$9.96
September	14,278	32,942	327,354.05	22.93	9.94
August	14,206	32,83	324,813.70	22.86	9.89
July	14,058	32,485	321,214.10	22.85	9.89
June	13,937	32,297	414,829.48	29.76	12.84
May	13,711	31,787	407,954.81	29.75	12.83
April	13,563	31,486	403,293.25	29.73	12.81
March	13,317	31,029	396,465.11	29.77	12.78
February	13,230	30,945	394,336.59	29.81	12.74
January	13,179	30,944	393,563.31	29.86	12.72
1940					
December	13,181	31,078	318,165.48	24.11	10.24
November	12,350	29,413	298,199.15	24.15	10.14
October	11,949	28,603	288,136.94	24.11	10.07

Number of cases receiving relief and amount of assistance, October 1940; October 1941

Year and month	Number of recipients			Amount of assistance			
	Total	Employable	Unemployable	Total	Average		
					Per family case	Per single person case	All cases
1941							
October	15,439	2,474	12,965	\$223,510.11	\$17.57	\$9.67	\$14.48
September	15,481	2,625	12,856	210,966.73	16.57	8.76	13.63
August	16,825	3,779	13,046	208,729.30	15.02	7.86	12.41
July	18,854	5,347	13,507	232,681.77	14.86	7.76	12.34
June	20,708	6,861	13,847	271,046.11	15.67	8.00	13.09
May	22,396	8,260	14,136	281,549.20	15.07	7.41	12.57
April	24,102	9,501	14,601	316,262.60	15.91	6.99	13.12
March	25,251	10,212	15,039	350,796.12	16.74	7.50	13.89
February	25,787	10,819	14,968	358,615.46	16.56	7.95	13.91
January	26,101	11,372	14,729	371,931.97	17.00	8.07	14.25
1940							
December	25,923	12,092	13,831	330,264.61	14.86	7.83	12.74
November	25,183	11,505	13,678	331,705.67	15.64	7.44	13.17
October	24,894	11,352	13,542	314,485.55	14.86	7.35	12.63

**STATEMENT BY CAPT. W. J. RAMSEY, STATE HIGHWAY PATROL,
JEFFERSON CITY, MO.**

**TRAFFIC PROBLEMS ARISING FROM NATIONAL DEFENSE MIGRATION,
NOVEMBER 26, 1941**

With the advent of the national defense program, Missouri was confronted with an unprecedented traffic problem. The demand for labor, especially of the skilled type, caused a migration not only from the outlying sections of the State, but also from the surrounding States to the defense project areas. The majority of the laborers come in private automobiles and these combined with the many trucks used to transport material to the areas increased congestion and traffic accidents with which the existing highway facilities have been unable to cope. The functional design of the roadways permits the rapid, safe passage of only a limited number of vehicles and there is little that the police or the drivers can do to increase the capacity of these roadways. Whatever contributions can be

made toward improving the traffic situation can only be in regard to reducing accidents. This is accomplished by the slowing up of traffic and is in no way consistent with an adequate transportation system. Traffic accidents in this case are a true barometer of our inadequate transportation system. Thus, the problem reduces itself, not to accident reduction but to the fundamental problem of efficient transportation.

Automotive transportation is essential to organized society and will continue to be essential long after the defense projects have been eliminated. A critical analysis of the present highway and traffic situation in Missouri proves that engineering alone can solve the problem of congestion. This can be accomplished by the reconstruction of existing roadways and by construction of new, modern roads designed to carry modern traffic.

The following is a list of the defense-project areas and a short summary of conditions around each:

I. FORT LEONARD WOOD

Fort Leonard Wood is located in the south central portion of the State and has so far been the greatest problem connected with the defense projects. The highways giving access to this area are U S 66, Missouri 17 and 28. Over these roads there has been a 965-percent increase in traffic flow, resulting in a 417-percent increase in accidents. This has been due to the migration of some 50,000 workers into the area and due to the fact that many of these workers commuted up to 30 miles during the construction period; also to the fact that a majority of the construction material was trucked into the area, since there was no railroad transportation to the camp proper. At the present time, construction has almost ended in the camp itself, but there is in contemplation construction of a new airport located near Vichy, Mo., which will bring in a large number of workers. Although the construction period is almost ended, the traffic flow is still four times greater than normal. With the increased traffic flow the accident rate rose alarmingly and consequently made this area still more of a problem. The present flow has appeared to stabilize itself, which means that this area will continue to be a constant problem, due to the strain on the capacity of the roads involved.

The above conditions are more readily understood when it is realized that this camp was constructed in a county with a population of less than 11,000 people. Into this county, with housing facilities for 11,000 people, moved the 50,000 workers and many thousand soldiers, and the work was concentrated in one small section. It was necessary for these workers to scatter far and wide over three counties to find homes and all had to be adjacent to the only main highway in the area so they would have access to their work.

II. CAMP CROWDER

This camp is located in the southwestern part of Missouri. The access roads are U S 71, U S 60, and the county roads in the vicinity. At the present time there are about 16,000 workers from this camp and it is expected that the traffic flow will increase from 300 to 500 percent over the preconstruction period. All of these roads were built to carry ordinary traffic for a sparsely settled locality. Much of the slow traffic has been eliminated, due to the fact that most of the material is taken directly into the camp by rail.

The nitrate and loading plants just across the Missouri line in Galena, Kans., are other causes for the traffic increase, since many of the workers in these plants commute from Carthage, Joplin, and Carl Junction. The problem here will not be so great as that at Fort Wood, even though the roads are already overloaded.

III. WELDON SPRINGS TNT PLANT

This plant is located near the metropolitan district of St. Louis on U S 40 and 61. Approximately 15,000 workers are now employed, and in this instance there has only been a 250-percent increase in traffic. Since the production personnel is expected to be equal to, if not greater than the construction personnel, no lessening of traffic can be expected here. The bomber plant now under construction at Lambert Airfield has added its share of traffic to U S 66. Almost all of the workers at the TNT plant and the bomber plant commute from the city of St. Louis and its suburbs.

IV. SMALL ARMS PLANT AT LAKE CITY

This plant is located near Missouri 7 just east of Kansas City, Mo. The access roads are U S 24, U S 40, and Missouri 7. There has been a 1,670 percent increase in traffic and very little increase in the number of accidents. Most of the

congestion here is caused by the fact that traffic is bottlenecked both in North Kansas City, Mo., and by the Armour-Swift-Burlington Bridge between North Kansas City and Kansas City proper. The roads are heavily overloaded. The congestion has been lessened somewhat by staggering the working shifts of the people employed at the plant.

V. AMMONIA PLANT NEAR LOUISIANA

This plant is located just south of Louisiana and its access roads are Missouri 79 and the many county routes. All of these roads are built to handle local traffic in a farming community. The plant employs about 1,000 workers. The cars of these workers have overloaded the roads, but the problem arises not from congestion, but from possible accidents.

It can readily be seen from the problems resulting from construction in these areas, both metropolitan and out-State, that in all instances road facilities have been inadequate to handle the traffic increase adjacent to defense projects.

STATEMENT BY DR. JAMES STEWART, COMMISSIONER, MISSOURI STATE BOARD OF HEALTH, JEFFERSON CITY, MO.

NOVEMBER 22, 1941.

The health problems created by national defense activities in Missouri have been investigated and reported upon in detail by various State and national agencies. Such reports by the State board of health and the United States Public Health Service are available for the various areas concerned. It is a fact that no area involved had entirely satisfactory health facilities before the emergency existed, however, this varied all the way from practically nothing to reasonably adequate, based on average prevailing conditions. Consequently, it is an extremely difficult, if not an indeterminable problem, to define the exact extent that the present emergency has caused conditions detrimental to public health.

Further, the magnitude of the problem, even in the immediate future, has been difficult to determine due to lack of definite information concerning the size and demands of the defense projects and to what extent any particular locality will be selected as recipient of the impact.

PURPOSE OF THIS REPORT

It is the purpose of this report to, in general, summarize the health problems existing to date in Missouri due to national defense activities—their cause, nature, need for control, and factors retarding satisfactory control. More detailed information is available in above mentioned reports.

AREAS INVOLVED

1. Fort Leonard Wood, Seventh Corps Area Training Center, capable of housing a military population of 35,000 to 40,000, located in Pulaski County, having a population of 10,772 (1940). There were no cities over 400 population (1940) in Pulaski County before the emergency and the two largest cities within a radius of 45 miles of the fort are Rolla, 5,141 (1940) and Lebanon, 5,025 (1940).

2. Camp Crowder under construction at present reported to be planned for a military population of 18,000 located in Newton County, population 29,039 (1940), about 1 mile south of Neosho, county seat, population 5,318 (1940). The largest cities within a 25-mile radius are Joplin, population 37,144, and Carthage, 10,585.

3. Lake City Small Arms Plant—Jackson County, population 477,828 (1940), within 20 miles of Kansas City and Independence. Construction just completed—employees estimated at 4,000 to 6,000.

4. Anhydrous ammonia plant located near Louisiana, population 4,669, Pike County, under construction at present will require 1,000 to 1,500 workers; permanent employees estimated at 450.

5. Weldon Springs Ordnance Works, practically completed, located in St. Charles County, 14 miles from St. Charles, population 10,803, county seat; will employ 2,000 to 3,000 persons.

6. St. Louis metropolitan area—Jefferson Barracks—located in this area and is having a considerable increase in military population. In addition, the numerous defense industries in St. Louis City and St. Louis County as well as East St. Louis will increase the population of this area variously estimated from 25,000 to 200,000 persons.

FACILITIES ESSENTIAL TO HEALTH PROTECTION

1. Safe, adequate water supply.
2. Adequate and efficient sewerage system.
3. Well controlled and supervised general sanitation including milk and food sanitation, garbage and refuse disposal, mosquito control, etc.
4. Adequate housing facilities.
5. Sufficient hospital facilities, well operated.
6. Adequate, experienced health personnel constituting an organized health unit.

HEALTH PROBLEMS

Health problems in these defense areas are created due to (1) the rapid increase in population, (2) limited existing facilities for health protection overtaxed due to rapid population increase, (3) inability of these communities to finance needed facilities, (4) delay in financial assistance from outside sources, and (5) recognized danger of spreading epidemic diseases due to migrations of large numbers of people.

In practically all of these areas the facilities such as water supply, sewerage systems, hospital beds, etc., either do not exist at all or are not adequate for present increases in population. As an example, the city of Waynesville, nearest city to Fort Leonard Wood, did not have, and still does not have, a public water supply or sewerage system. The Fort Leonard Wood area had, and has at present only 40 hospital beds available in private institutions, whereas, it is estimated that at least 200 beds will be required to be distributed about equally at Rolla, Waynesville, and Lebanon.

Housing in all areas is a problem although work has already started to remedy this situation. From the health standpoint, the lack of water and sewage facilities is one of the greatest drawbacks to satisfactory housing. General sanitation control including milk sanitation, garbage and refuse disposal, mosquito control, etc., are not effective in most of the defense areas due to insufficient local funds and personnel.

Adequate organized health units including health centers, health physicians, sanitary engineers and nurses were lacking in all of these areas except Jackson and St. Louis Counties before the emergency existed. Since that time four full time county health units have been established in the Fort Leonard Wood Area, additions have been made to the personnel of Jackson and St. Louis County units and also to the district health office having jurisdiction over the Neosho area. These expansions in local health services have been possible through the loan of limited personnel from the United States Public Health Service and Federal funds from title V and VI of the social security law. However, there has been practically no increase in these funds for Missouri since the emergency began, consequently, sufficient personnel is not available to do a satisfactory job in any of these areas.

In addition to adequate full-time personnel, a satisfactory health and medical care program cannot be maintained without the facilities indicated above as well as local law enforcement personnel and local facilities for incarceration and detention. The latter are particularly essential to control venereal disease which is showing a rapid increase among the troops. Further, we are entering the second winter of the emergency with no additional hospital facilities in any of the areas and already the threat of a serious influenza epidemic is indicated.

Local funds and local leadership are for the most part insufficient and lacking to even attempt a solution or control of the many existing health problems. The facilities of the State board of health are being strained to the limit to provide the meager health organizations in existence. No additional funds for this board will be available until the next legislature convenes in 1943 and the problem continues to increase and become more acute.

Additional facilities, such as water and sewage works in certain defense areas will be provided through Defense Public Works probably within the next 6 to 9 months or about 18 months after the emergency started. However, we are informed that in the newer defense areas, such as Neosho, no funds will be available from the present appropriation from the Lanham community facilities bill.

As previously indicated, limited loaned health personnel have been made available from the United States Public Health Service. This personnel is inadequate in number and the plan from an administration standpoint is not entirely satisfactory. These statements concerning Defense Public Works and the United States Public Health Service are no reflection on the sincerity and earnestness of these Federal agencies to do the best possible under the legal restrictions and deficiencies of the program as established by Federal statutes.

CONCLUSIONS

1. That to a greater or less degree in all defense areas in Missouri, facilities as well as health organizations, are lacking or deficient to provide adequate public health protection from conditions created in whole or in part by the national emergency.

2. That local ability to cope with this added health problem is lacking, at least in the immediate future.

3. That a conscientious effort is being made to provide aid and assistance from Federal and State sources within statutory limitations. However, the defense created health emergency has been developed more rapidly and is far ahead of the present program to provide for adequate health protection in defense areas.

TESTIMONY OF PANEL REPRESENTING HON. FORREST C. DONNELL—Resumed

The CHAIRMAN. Mr. Anderson, one of the first things the committee would like to learn from the panel is the degree to which the defense program has caused population movements within the State and attracted persons from outside the State into Missouri in the hope of getting defense work.

Mr. ANDERSON. I think Mr. Doarn is familiar with that.

Mr. DOARN. For some time in the various local offices of the Employment Service, particularly in St. Louis and Kansas City, we have been keeping a record with respect to the place of former residence of persons registering with our local office in Missouri. That seems to indicate that in the two metropolitan areas of St. Louis and Kansas City, 15 percent of our new applications each month are coming from rural Missouri and from points outside of the State.

The CHAIRMAN. Can you give us an idea of the principal defense projects in Missouri responsible for inducing this movement and where they are located?

Mr. DOARN. The principal manufacturing projects in Missouri—those engaged in production work—are located in Kansas City and St. Louis. There are some manufacturing plants elsewhere in the State and some cantonment projects under construction. There is the Camp Crowder project at Neosho, a rural section of the State, and the anhydrous-ammonia plant to be constructed at Louisiana, 100 miles north of St. Louis.

The bulk of the production work, to the extent of \$300,000,000, has been allocated to St. Louis. There has been \$100,000,000 allotted in Kansas City.

Mr. CURTIS. Are there any areas in the State especially affected by out-migration?

Mr. DOARN. I have some figures with respect to the break-down of people registering, showing the percentage coming from rural Missouri and those coming from other States.

Mr. CURTIS. In addition to that, have you any locality where whole families are picking up and moving and going outside of Missouri?

Mr. DOARN. No, sir.

Mr. ANDERSON. From newspaper reports there apparently is some of that going on in Kansas City. People are leaving Kansas City, particularly for the west coast, to work in the aircraft plants. There are a number of schools in Kansas City training workers for the aircraft industry, and the pupils are leaving as fast as they are trained.

Mr. ARNOLD. The committee has noted that there is an increase in traffic accidents since the defense program started, particularly in rural areas, where the cantonments and ammunition plants are located. I wonder if Captain Ramsey can tell us the facts on that.

Captain RAMSEY. Yes, sir; there has been a decided increase in those places because of the fact that these highways were not built to handle the traffic they are now handling and because the workers, when they come to these jobs, come in old, dilapidated jalopies.

Mr. ARNOLD. Under the bill recently signed by the President, I assume that you expect to get additional road facilities in those neighborhoods.

Captain RAMSEY. That is right.

Mr. ARNOLD. And thereby greatly reduce traffic accidents?

Captain RAMSEY. Yes, sir.

HEALTH HAZARDS IN DEFENSE AREAS

Mr. SPARKMAN. Dr. Stewart, I would like to ask you a question with reference to the health conditions prevailing throughout the State. We have found, going about, that there is great need for increased facilities, including medical care, in these expanded areas. Would you tell us something about the conditions that may prevail here and the health problems growing out of them?

Dr. STEWART. Our first cantonment is Fort Leonard Wood, located in Pulaski County, which is a very rural county.

Mr. SPARKMAN. How far is it from St. Louis?

Dr. STEWART. About 140 miles; and it is in a strictly rural section. That is our first cantonment. Then, down in the southwest portion of the State, we have now under construction Camp Crowder, another cantonment, where we have, as I have said—and I may be just a little bit strong in my statement—no hospital facilities whatsoever.

Just referring to the question asked of Captain Ramsey a minute ago, we had 781 deaths in Missouri from traffic accidents in 1940.

We have no way of taking care of those people. We have an influx of people, as he has said, in all kinds of conveyances, and they are living in shacks and tents and lean-to's, and even, in a few isolated cases, in caves, if you please.

We have a venereal-disease problem to an extent that we might say we have a "red light district" in Missouri from the city of St. Louis all the way through on Highway 66, taking in Fort Leonard Wood, and down into Camp Crowder, in the southwest part of the State.

There is a question and a problem of control. The increase of venereal disease has been very great, as reported by the officials of Camp Leonard Wood.

We are just at the present moment threatened with an epidemic of influenza such as we experienced last winter, when we had to convert our Trachoma Hospital into a hospital for infectious diseases. We are in dire need of hospitals through that section. It has been so reported to the P. W. A. and the United States Public Health Service. We have many public health units throughout the State and particularly through that section, and we are doing all we can with the facilities we have at hand. We feel that the need of constructing a hospital or two in that area is most urgent for the safety of the civilian population. The Army can take care of its people, of course, but there is nothing at all

through that section to protect those people who have been brought in because of the construction work on the cantonments.

Mr. SPARKMAN. Are applications being made for assistance under the Lanham Act?

Dr. STEWART. Yes. We have received some assistance. For example, the Government has been approached for a health center at Waynesville, the nearest point to Fort Leonard Wood. We have a temporary building there at the present moment. Our request has been approved. We also have had a health center approved at Lebanon, some 30 or 40 miles away.

A school has been approved for Waynesville, as well as a water and sewerage project for that community.

Mr. SPARKMAN. So you feel that some relief is being obtained?

Dr. STEWART. Some relief in the very near future, and it is very, very badly needed. But the greatest need at the present time—and the Public Health Service has been made acquainted with that fact as well as the P. W. A.—is the need for hospitals. I am sure that would be a great relief. In fact, it is absolutely essential that we have some relief of that sort, and very promptly.

AID FOR OPERATION OF SCHOOL PLANTS

Mr. SPARKMAN. Mr. King, let me ask you a similar question with reference to the school burden. Have you felt an increased demand on the school system of Missouri from the increased population load?

Mr. KING. We have made a number of surveys in the affected centers. Some of the need is being met through that first bill that was passed for some additional building. One has already been approved at Waynesville. But our immediate problem is the maintenance and operation of the school plants that have increased enrollments due to the influx of workers. In our State, as the State aid for education is based on attendance established in the previous year, an increased load coming in now would not be reflected in increased State aid for this year. So our problem is to have sufficient maintenance and operation money in certain areas to permit them to operate their schools until they have established their increased attendance, thereby qualifying them for State aid.

Mr. SPARKMAN. I believe under the Lanham Act maintenance and operation money is not let out, at least none of it has been let out yet.

Mr. ARNOLD. Captain Ramsey, I wonder if you would be able to tell me for the record what places in the rural areas under your jurisdiction have been most afflicted with traffic accidents.

TRAFFIC ACCIDENTS IN DEFENSE AREAS

Captain RAMSEY. The first one would, of course, be Fort Leonard Wood, which is located in the hills of Missouri. The roads were built for the transportation of possibly not over a fourth of what they are now carrying.

Mr. ARNOLD. The load has been increased fourfold?

Captain RAMSEY. Yes. The second is Camp Crowder at Neosho. The third one is the Weldon Springs Ordnance Works at St. Louis. The fourth is the Lake City plant at Kansas City. And now there is the ammonia plant at Louisiana, Mo., under construction. So far we have not had much of a problem at that place.

Another factor that increases the accident rate materially is that the men in service are given furloughs of short duration. They have their own cars. They start home, and in order to have as much time as possible, they ride at a rate of speed that is not in accordance with the road conditions. The recommendation that I have to make is that soldiers on furlough be required to use service trucks, with a good service driver out of their own organization. I think we would eliminate at least 50 percent of the accidents in the State if that were done.

Mr. ARNOLD. But you are convinced that additional road facilities are required?

Captain RAMSEY. Very badly.

Mr. CURTIS (to Mr. King). Have you noticed any community in which the decline of population has been so large as to occasion the closing of schools or the laying off of teachers?

Mr. KING. The only place that has happened is where the Government has bought land for a camp or a cantonment.

Mr. CURTIS. And if a school happened to be located on such a site?

Mr. KING. The families have moved out because of the purchase by the Government of that property. I don't call to mind any example of any local school district being depopulated by any other kind of migration.

VENEREAL DISEASE AT ARMY CAMPS

Mr. OSMERS. Dr. Stewart, I was very much interested in your remarks, and I am wondering if you are familiar with the contentions and conclusions of Dr. Parran and Dr. Vonderlehr in their recent book on the subject of venereal disease at Army camps.¹

Dr. STEWART. Yes, sir.

Mr. OSMERS. From a review of that book, I gather that they recommend that the Army itself, acting through its commanding generals at various camps and defense points, exercise its authority in stamping out the prostitution leading to this increase in venereal disease.

Dr. STEWART. That is true. They are doing that. They are also aiding, in conjunction with our health centers, in the maintenance of venereal prophylactic clinics. The Army is doing that with the assistance of the State health departments.

Mr. OSMERS. Have any results been noticed?

Dr. STEWART. No; I am very sorry to say that the report that I got from Fort Leonard Wood just a few days ago was that as far as their cantonment was concerned, venereal disease was increasing.

Mr. OSMERS. It is a horrible commentary on our Army, because they did not accept any boys who were infected.

Dr. STEWART. That is true, and the fact remains that nothing is being done in a tangible way to control the infected prostitutes.

Mr. OSMERS. Cannot the State of Missouri exert its police power?

Dr. STEWART. We could exert our police power if we had a place to incarcerate the prostitutes.

Mr. OSMERS. It is a lack of facilities, you mean?

¹ Reference is to Plain Words About Venereal Disease, by Thomas Parran and R. A. Vonderlehr, New York, 1941. Drs. Parran and Vonderlehr were witnesses before the committee in July 1941 and their testimony on this subject appears in Washington hearings, pt. 17, pp. 6706-6707 and 6997-6999, respectively.

Dr. STEWART. Yes. We lack the facilities to put them under observation and treat them and discharge them with orders to get out of the country.

Mr. OSMERS. And have them go to some other town?

Dr. STEWART. That is their business. But I say it is a serious factor affecting the health of our Army.

Mr. OSMERS. It is the greatest health factor facing the Army. It is a concern to this committee because the migration of infected persons from one part of the United States to another is a tremendous health hazard.

Dr. STEWART. I don't think it is the wise thing for any health department or health official to think that these people are going to migrate to another community; but it is our duty to take these patients and clean them up and possibly by so doing teach them the folly of their ways and maybe send them on happy and in a condition in which they cannot infect some of these other chaps.

Mr. OSMERS. You are extremely hopeful.

Dr. STEWART. I am only that way because of the situation, if you please.

Mr. OSMERS. In the Missouri law, does the State board of health have ample authority?

Dr. STEWART. The State board of health has wide powers in the control of infectious and contagious diseases.

LACK OF HOSPITAL FACILITIES

Mr. OSMERS. Because of the lack of facilities it is impossible for you to carry out those powers?

Dr. STEWART. Even our personnel is somewhat limited, but that is to be taken care of if we get the facilities to handle these people. The same goes for any other infectious disease. If we are afflicted with a serious epidemic, we have no place to care for the victims. The same is true of accidents. When two or four people are killed in an automobile accident and three or more are injured, where can we take them? They can't take them in the Army hospital. They have to depend on the community hospitals, and bed capacity is very limited.

Mr. OSMERS. Do you think it would be possible or wise to have the Army hospitals at some of these points open up to local civilians?

Dr. STEWART. That would be something if it could be done under the rules of the Army. They would require upsetting all of the Army's regulations. This condition has been brought about by the defense program and these cantonments. It has been wished on the State of Missouri, and we'd like to have some help.

Mr. OSMERS. I certainly think you are entitled to it.

DEFENSE TRAINING COURSES

Mr. King, you have been in charge of all defense training?

Mr. KING. It is administered by the State board of vocational education, of which I am the director.

Mr. OSMERS. What are the relations between the various training schools and employment services with respect to the referral of students to industry on the completion of training?

Mr. KING. We have a cooperative arrangement with the Employment Service. First we have a council of administrators that is made

up of representatives from my office, a representative from the employment office, and a representative from the National Youth Administration. That council meets periodically and clears interdepartmental relationships.

We look to the Employment Service to indicate to us the type of training that is needed and the number of men to be trained. Then, upon the advices that are given to us by the Employment Service, through an advisory committee on a State wide level we set up a policy with reference to the approval of courses that come to us from the local districts.

Mr. OSMERS. For the State as a whole, have you figures on the total number trained and placed since the beginning of the training program?

Mr. KING. Yes; I have it broken down. Roughly, 50,000 have been trained.

Mr. OSMERS. And placed?

Mr. KING. Our records would indicate about 10,000 were actually placed.

Mr. OSMERS. 10,000 of the 50,000 have been placed? Do you have any break-down on the number of Negroes trained and placed during the same period?

Mr. KING. No; I don't have it here by whites and Negroes. I have it by courses.

Mr. OSMERS. Are there any figures available on that subject?

Mr. KING. Yes.

Mr. OSMERS. I think, Mr. Chairman, they might be of value if supplied by Mr. King.

Mr. KING. I will be glad to supply them.

JOB PLACEMENTS

Mr. ARNOLD. Mr. Doarn, what arrangements have you had for placing workers enrolled with you as available for employment?

Mr. DOARN. We operate our registration and placement offices in 38 areas in the State. All applicants applying at the offices are carefully interviewed and classified as to occupational aptitudes, as based upon education, experience, and other factors. We maintain in those same offices a regular staff assigned to contact employers.

Our placement figures are running 20,000 to 35,000 a month. In St. Louis we placed about 6,200 persons. The remainder were placed in the other parts of the State. About 50 percent of our placements have run in Kansas City and St. Louis, and the balance is not in strictly rural areas, but in smaller metropolitan areas throughout the State.

Mr. ARNOLD. Did you place workers in nondefense as well as defense work? Have you any record of the workers placed in defense industry since June 1940?

Mr. DOARN. Yes; I have. I can break that down by individual projects. On the Fort Leonard Wood project, during 1940, 43,000 individuals were employed. Of that number 30,000 were placed through the State employment service.

On the Camp Crowder project at Neosho, there are now about 15,000 individuals working, and 100 percent of them were cleared through the local employment offices at Joplin and Neosho.

All the construction labor on the Remington Arms plant at Kansas City was referred and cleared through the State employment service.

At the anhydrous ammonia plant at Louisiana, Mo., both contractor and quartermaster cooperated 100 percent. While only 100 or 200 individuals are working there, 80 percent of them were chosen through the local employment office.

With plants holding defense contracts in St. Louis—not production work—we have placed 8,300 individuals in 1941 so far. The amount of business that we are doing with holders of defense contracts in St. Louis varies from 30 percent upward, and I might say that that percentage ratio of placements through the employment service to individuals working is increasing steadily; and whereas 3 to 6 months ago the percentage of workers being selected was very low, there is every indication that from this time out it will be 50 percent and upward.

Mr. ARNOLD. That is a very good percentage.

Mr. DOARN. I can give you that by individual firms for St. Louis if you would like to have it.

Mr. ARNOLD. I think we should like to have it for the record if you can do it. Is that included in your statement?

Mr. DOARN. Yes.

Mr. ARNOLD. We were told by Major Maloney, of the Connecticut State Employment Service, that his office had placed men in one-third of the jobs from June 1940 to June 1941. Can you give the committee a comparable estimate in terms of percentage for the State of Missouri for that period?

Mr. DOARN. Not on a State-wide basis. It would be almost impossible to do it. It varies from locality to locality and depends on certain local situations. In Kansas City, when there was a close-working relationship and understanding between the local office of the State employment service and A. F. of L. unions who had jurisdiction on that particular job, all of those placements were cleared through our office. In St. Louis, in the construction projects here, none of the construction workers was cleared through the employment office, but among the production workers the ratio is higher in St. Louis.

Mr. ARNOLD. You would say that the relationship is becoming closer and your percentages are rising rapidly?

PERCENTAGE OF TOTAL PLACEMENTS

Mr. DOARN. On Camp Crowder it has been 100 percent through the State employment service. At Fort Leonard Wood it was 75 percent. On production workers alone and production placements in St. Louis at the present time it is 30 percent, and from the present time on it will be 50 percent or greater, with every indication that it will be much higher.

Mr. SPARKMAN. Mr. Doarn, let me ask you this. You mentioned the job in the Kansas City area where there is very close cooperation between the local employment office and the A. F. of L. How were those requisitions made? Did the employer requisition the help through your office, then you made the referral, and then they were qualified by affiliating with the unions? Or was the requisition made to the union and the union then requisitioned your office?

Mr. DOARN. They were made directly to the employment office in Kansas City. We made the referrals and the arrangements had been made for the registration of union members to be employed. They were registrants in our files.

Mr. SPARKMAN. What about nonunion members? Do they have any chance at all?

Mr. DOARN. No more on that type of project than on any project where there is an understanding between employer and union with respect to employment.

Mr. SPARKMAN. Suppose you have a nonmember of the building trades. Could he qualify by joining and then registering with you?

Mr. DOARN. That is not a point, not on a construction project of that kind. There is no point to it.

EMPLOYMENT OF UNION MEMBERS

Mr. SPARKMAN. Certainly. If the employer would ask only for union members, you would refer only union members to him. But how would the individuals who are not union members qualify?

Mr. DOARN. By having an understanding with the union.

Mr. SPARKMAN. Then such a worker would have to come back to show you he had joined the union. Wasn't that true at Neosho?

Mr. DOARN. At Neosho it was worked pretty much both ways. In other words, in certain crafts the workers were referred to the office and we determined whether they were to be union or nonunion on orders that we had. If we had available union people they were referred. In cases where we had orders for certain types of workers and we did not have registered union members, we selected from our files on the basis of qualifications, and these people were referred from local employment offices to the union and then cleared to the contractor.

Mr. SPARKMAN. When these requisitions are made of you, do you, in making the referrals, pick out the names referred without any control or act on the part of the union? Do you pick out the individuals to be referred, rather than the unions?

Mr. DOARN. I would say so; yes. You see, those projects are pretty large, and in some cases you will find that certain organizations will want a continuous clearance. That depends upon the relationship and understanding that you might have. I would say that as far as we are concerned, in Kansas City and Neosho and at Fort Leonard Wood, the employment service was pretty free to make its own selections with respect to those chosen from union groups.

Mr. SPARKMAN. You gave preference to those in the immediate vicinity, and gradually widened and lengthened your registers as the need arose?

Mr. DOARN. That is right. On the Fort Leonard Wood project there were workers from all but one or two counties in the State of Missouri. We didn't try to do it that way and we didn't keep a tabulation on that until after the project was completed, but it was rather interesting and significant to note. We found that the largest number of workers came from the surrounding communities. There were about 3,000 or more people referred from West Plains, Mo., 60 or 70 miles from the camp, and probably another 3,000 from Lebanon, the first town of any size on the west, and probably 2,000 or 3,000 from Jefferson City immediately north of that. As you got farther away from the cantonment site it became evident that the referrals from those areas were progressively smaller.

Mr. CURTIS. Mr. Burch, has the defense program had specific effects on the rural people of the State? Does there appear to be any tendency for the rural people to move toward defense centers?

Mr. BURCH. The farm help has. The hired help.

Mr. CURTIS. Has it been an individual migration, with farm men and boys going to get these jobs, but with families not moving?

Mr. BURCH. Generally, that is true.

MOVEMENT OF RURAL YOUTH TO DEFENSE CENTERS

Mr. CURTIS. Mr. King, I wonder if you could estimate the extent to which rural youth is being attracted to defense centers?

Mr. KING. I could not venture an estimate. The reports are that these rural youth are going to defense centers in great numbers, and one reason for thinking that this is true is a decline in enrollments in the National Youth Administration. However, it is sometimes possible for us to secure enrollees on this out-of-school youth program out in the rural areas.

Mr. OSMERS. Mr. Doarn, has the Missouri State Employment Service any estimate of the number of men displaced by priorities unemployment?

Mr. DOARN. Not of those actually displaced as of this moment, but—to broaden that group a little—those displaced now and likely to be displaced within the next 30 days. In St. Louis there are firms upon which we have reports. There are undoubtedly other individuals who are out of work as a result of priorities, particularly those in the smaller establishments with whom we would not have any contact. I would say that within the next 30 days, about 2,000 to 2,500 will be displaced because of priorities in St. Louis.

Mr. OSMERS. How about the whole State? Are there any figures on that?

Mr. DOARN. In Kansas City there are about 850, and out-State about 950.

Mr. OSMERS. That would make the figure around 4,000. Have you any way of estimating what percent that makes of the total? You would not know what these small plants are going to do, or how much partial employment there will be?

Mr. DOARN. No, sir; I would not.

Mr. CARTER. I would like to make a statement for the record. The Social Security Commission is responsible for the administration of general relief. I want to state that under present appropriations of the State general assembly, it was necessary about midsummer for us to remove under our administrative policy employable persons on relief rolls in this State other than those families in which there were minor children. We anticipate that if there is any stoppage of defense activities with the resultant throwing out of work of persons, and if to any great extent priority unemployment takes place in Missouri, we are going to have a very difficult situation, because funds are so inadequate that we are very limited in what we can do for employable people.

So any great increase in relief needs for residents or nonresidents is going to carry with it grave consequences to the State. Nonresidents are required to live in Missouri for a year before they are eligible for relief except on a temporary basis. I merely wanted to point that out. If there is anything the Federal Government might do in assisting the States in the matter of general relief, it would be welcome.

Mr. SPARKMAN. You mean a fourth category?

Mr. CARTER. That would have our whole-hearted approval.

The CHAIRMAN. We have made that recommendation to Congress. Thank you very much, gentlemen, for coming here.

Our next witness is Mr. Davis.

TESTIMONY OF CHESTER C. DAVIS, PRESIDENT, FEDERAL RESERVE BANK OF ST. LOUIS, ST. LOUIS, MO.

The CHAIRMAN. Mr. Davis, will you give us your full name and address and occupation for the record?

Mr. DAVIS. Chester C. Davis, president, Federal Reserve Bank, St. Louis, formerly of the National Defense Advisory Commission.

Mr. SPARKMAN. You might add a veteran before this committee.¹

Mr. DAVIS. I am delighted to renew my acquaintance with the members of the committee. I have filed with the committee a general statement which I will not repeat, with your permission, Mr. Chairman.

(The statement referred to above is as follows:)

STATEMENT BY CHESTER C. DAVIS, PRESIDENT, FEDERAL RESERVE BANK OF ST. LOUIS, ST. LOUIS, MO.

NOVEMBER 24, 1941.

My occupation since April 15 has provided little opportunity for direct observation of the effects upon labor supply of the expanding defense program. You may recall that I discussed particularly with your committee the importance of locating new Government defense plants outside of regions of heavy industrial concentration. I also discussed the importance of spreading the load of defense effort widely through subcontracting in order to make opportunity for the employment of labor in the defense effort without forcing long-distance migrations.

Complete statements have been made to your committee showing the location of defense plants that have been provided for since my previous meeting with your committee. It is unnecessary, therefore, to go into that, beyond expressing my opinion that the defense authorities have done a good job in scattering those later plants in areas that had not been directly reached by the earlier program.

I would prefer not to go into the question of subcontracting, for recent steps have been taken in Washington which greatly enlarge the scope of activities in that direction and it is too early to draw any conclusions as to the degree of success that will be attained under the direction of the division of contract distribution.

As you know, I was particularly concerned to see that the defense program provided an opportunity for the rural labor supply in areas where farm income was low. Since my resignation from the National Defense Advisory Commission, I have had no organization to study these questions, and my opportunity for observation has been limited. Reports from Washington, however, indicate that there has been a considerable increase in the volume of migration from rural areas, in response to the opportunities for employment in defense industries. But the reports which we have also indicate that the effect of this migration has been very unevenly felt in the rural areas; some have had extensive movements out, others have had very little. The rural areas which have been unable to provide adequate school facilities and have a large rate of natural increase have been less affected by this movement than other more favorably situated areas.

There is still a large reservoir of unemployed and underemployed population in the rural areas of the Nation. This reservoir is located in areas where there is no farm labor shortage, and little or no demand for additional workers in agriculture. Some steps have been taken to train these people for jobs in defense industries, but much remains to be done if we are to utilize our full resources of manpower in this defense effort.

I am told that the management at the powder plant in Radford, Va., found that the workers whom they recruited from the nearby rural areas are an exceptionally capable group of employees. They quickly learned the skills which are

¹ Chester C. Davis also appeared before the committee on December 11, 1940, at hearings held in Washington, D. C.

needed and they have shown remarkable morale and endurance. Experiences like this make it clear that we ought to go much further than we have done in looking to our rural problem areas as places from which to get workers who could be trained for agricultural or industrial jobs.

The information about this movement is somewhat scattered and not at all complete. The Farm Security Administration has been asking its county supervisors to report regularly on the number of families in the program who have moved from farms to towns and cities. The latest report which is available is for the 3 months—June, July, and August, in 1941. For the entire country they report that 4 out of every 1,000 rural families on the program moved to a town or city during that time. The rate of this movement was greatest in the New England and northeastern industrial States and in the Pacific Coast States. But in the Southern States, where the pressure of population on agricultural resources is greatest, the migration was least. In the belt of States from South Carolina across to Louisiana and Arkansas, only 1 family out of 1,000 was reported as having moved.

It is, of course, true that this does not indicate all of the movement from the farms of these low-income farm families to towns and cities; for in many instances the family stays on the farm while one or more of the members, usually the grown sons or daughters, move to a town or city. Again, the New England States and the northeastern industrial States, as well as those on the Pacific coast, in this Farm Security Administration survey, report rates somewhat above the average for the United States as a whole. The region which includes Texas and Oklahoma also has a rate well above that for the entire country. But the other Southern States as a whole had rates below the average for the country.

When one examines these figures somewhat closely, one is impressed by the fact that the extent of this movement from the farms is very uneven. Some counties seem to have much more of it than others, and in many there was little or no movement reported among the Farm Security Administration borrower families.

This unevenness in the distribution of the migration seems also to be one of the findings of the surveys of migration into defense areas. The Work Projects Administration has made some surveys which show that the extent of the migration from farms into these areas differs considerably from one center to another. In their study of recent migrants into Chicago, for example, they found that nearly one-fourth of the workers had come from farming; but in Akron, Ohio, only 12 percent came from farming; and in Fort Wayne, Ind., it was only 6 percent. Migrants to defense areas, like migrants under other conditions, usually go only short distances. The smaller centers generally have only a limited area within which they recruit migrants and our industrial plant is not at all evenly distributed over the Nation.

About a year ago, the Department of Agriculture, in cooperation with the Purdue Agricultural Experiment Station carried on some studies of rural youth in that State. Recently they checked up to find what had happened to the young people who were present when the surveys were first made. They found, as one would expect, that some of the young people had gone into the Army, others had gone into nonfarm employment, and some of them in defense plants. But it seems especially significant to me that they found that the rate of migration from the farm was considerably greater in the sample area in northern Indiana, which is nearer the centers of industrial employment than in southern Indiana, which is somewhat farther away. The young people in the southern Indiana area had had fewer educational and vocational training opportunities than those in the areas in the northern part of the State, and in addition to the difference in distance, they apparently were also less well able to compete with the young people from the more prosperous parts of the State.

PLANNING FOR POST-WAR PROBLEMS

Naturally, all of us in this district, as well as elsewhere in the United States, are concerned over what is going to happen after the defense effort lessens. One of the topics suggested for me to discuss was the extent of the work now being done by Government agencies to study these problems. Many Federal agencies, as well as a large number of private research organizations, are engaged in studies along this line. I have been provided with an outline of the scope of study now being carried on by a number of Federal agencies, which I am glad to put in the record. It was supplied me by Mr. Ralph H. Danhof of the Office of Defense Relations of the Department of Agriculture.

Your committee will undoubtedly go into these matters in greater detail in Washington. The wide diversity of this field of study and the number of agencies

involved suggests the importance of coordinating the studies under some central leadership and direction. The National Resources Planning Board, which is giving thought to the problem of coordination, is, I believe, wholly advisory in its relationship to other governmental agencies.

POST-DEFENSE PLANNING ACTIVITIES OF THE FEDERAL GOVERNMENT

I. National Resources Planning Board:

A. Coordinate and facilities post-defense planning work in all Government agencies.

B. Prepare special plans with regard to the following:

- (a) Demobilization (finding jobs for men in service, retaining, etc.).
- (b) Public works and activities (prepare detailed, specific public works proposals).
- (c) Industrial production (conversion of defense industries, replacement of obsolescent plant and equipment, etc. May be handled by Production Planning Board of Office of Production Management).
- (d) Expanding service activities (medical care, schools, recreation, etc.).
- (e) Greater security (new forms of social security, programs for relief and work relief, nutrition program, etc.).
- (f) Financing post-defense measures (coordination of planning of fiscal policy).
- (g) International scene.

II. Department of Agriculture:

A. Rural public works (conservation, adjustment in land ownership and occupancy, new land development, etc.).

- (a) Cropland and pasture.
- (b) Range land.
- (c) Forest land.

B. Development of rural facilities and services.

- (a) Facilities:
 1. Rural electrification.
 2. Rural housing.
 3. Sanitation.
 4. Rural roads.
 5. Marketing facilities.
 6. County agricultural office buildings, etc.
- (b) Services:
 1. Medical care.
 2. Development of cooperatives.
 3. Education.
 4. Nutrition.
 5. Rural cultural facilities.

C. Agricultural-industrial relations.

- (a) Interest of farmers in industrial employment and foreign trade after the war.
- (b) Means of keeping full employment and high industrial production after the war.
- (c) Problems caused by changes in foreign farm production and trade policies.
- (d) Decentralization of industry.
- (e) Problems in distribution of farm products.

III. Department of Commerce:

A. Bureau of Foreign and Domestic Commerce:

- (a) International Economics:
 1. Study of the international financial position of the United States in terms of balance of payments by cyclical periods.
 2. Study of effects upon our foreign trade and finance of complete British defeat.
 - (a) On our raw material supplies.
 - (b) On our trade with Europe.
 - (c) On our economic relations with Latin America.
 - (d) On our economic relations with Canada.
- (b) National economics:
 1. Development of business data for more effective operation of industrial policy and marketing.
 2. Post-war industrial adjustments.

- IV. Federal Reserve Board:
 - A. Study of effects of our economy of enlarged defense program and probable changes in American external trade resulting from war and post-war developments.
 - B. Study of relations of taxation and of public expenditures to post-defense employment and development of proposals in the fiscal and monetary field.
 - C. Study of post-defense housing and urban rehabilitation.
 - D. Study of British Commonwealth-American relations, including an analysis of the German organization of Europe.
 - V. Department of State:
 - A. Group discussion and analysis of various post-war problems as relief of a prostrate Europe denuded of raw materials. Representatives of other Government agencies are invited to attend the meetings.
 - VI. Treasury Department:
 - A. Studies of post-war taxation and debt policy.
 - B. Federal, State, local fiscal relationships.
 - VII. Department of Labor:
 - A. Bureau of Labor Statistics:
 - (a) Study of post-war shifts of industrial employment opportunity and migration of laborers.
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TESTIMONY OF CHESTER C. DAVIS—Resumed

The CHAIRMAN. When you appeared before our committee in Washington, you devoted considerable attention to decentralization in the defense program. The committee would like to have your estimate as to what has been happening in the way of plant decentralization during the last year.

Mr. DAVIS. In the months leading up to my previous appearance before your committee, I had taken, as a member of the Defense Commission, the position that if this Nation is to mobilize its full manpower for defense production it must make provision for tapping the unemployed and unsatisfactorily employed people out on the farms and in the small towns, as well as the enrolled unemployed in the cities; that to do so it was important to locate new Government-financed industry that could be operated outside the areas of present industrial concentration; and that, in order to reach other areas where skilled labor and labor supply is available, it was important to spread the work both through prime contracts and subcontracts insofar as possible. Now, in the plants that have been located and financed by the Government since I appeared before the committee, I believe the Government has done a very good job from the standpoint of the principles which I favor. I have a feeling that the new plants, particularly the munitions plants, have been brought out into the country in areas where there is a rural labor supply available. They have done a very good job in the Plant Site Board, the O. P. M., and the Army and the Navy in handling this problem. On the second approach, that is, spreading the work through new prime contracts with new suppliers and developing subcontracting, I want to say that in this district the Defense Contract Office has done an excellent job. Particularly when you take into consideration the lack of support which I felt they had from the Army and Navy, and when you consider the inadequate finances they have had with which to carry on their work out in the field. Now, as you know, a change has been made. A new Division of Defense Contract Distribution has been created in O. P. M. It is too early to say what the results are going

to be from this change. But I have hopes that they are going to do even a better job in that line than has been done heretofore because I believe they are going to get better support from the Army and Navy than they received in the earlier effort. And I am sure they are going to have a lot more money to work with than the men who worked in the field before.

The CHAIRMAN. As president of the Federal Reserve bank here, have you had many calls upon you from small businessmen for financial assistance in connection with the defense program?

DEFENSE BULLETIN DISTRIBUTION

Mr. DAVIS. Some, but not many. The Defense Contracts Office of Contract Distribution has built up a mailing list of all of the men in all of the firms in this area that are equipped to do any kind of defense production. They send them, once a week or perhaps oftener, a little defense bulletin which lists all information for prime contractors and subcontractors which appears to fit the facilities of this area. This bulletin also takes up the question of financing arrangements for firms or individuals who want to tackle some of this defense work, but may not have the working capital or financial backing to handle it. We have stood ready, as the R. F. C. has stood ready, to back up any prospective contractor or subcontractor who knows how to do a job and has, or can get, the facilities with which to do the job—to assist them in any financial arrangement they need. I believe the fact that we haven't had many calls indicates that lack of financing has not been the limiting factor in getting these industries going here.

Mr. CURTIS. Do you read these weekly announcements of requests for bids that these men get? You glance at them occasionally?

Mr. DAVIS. Yes.

Mr. CURTIS. We discovered at our rural hearings in Nebraska that sometimes they had only 3 days after receiving those bids in the mail to have them back on the east coast, and at most they had 7 or 8 days. And sometimes these bids call for some minor changes in their plant and for additional financing. Do you think this fact might be one of the reasons why they aren't jumping in and coming to you for financing?

Mr. DAVIS. Yes. I would say that the local offices do the very best they can to get these bids out to local prospective bidders as fast as they can, but unless the contracting authorities in Washington make provision for that, you can't expect to get these bids in.

Mr. CURTIS. In a further effort to get rural areas and small plants to take part for the mutual good of everyone concerned, do you think it would be well if production engineers could be made available with sufficient authority to cut a few corners and get them adjusted and started on a negotiated contract to see what they could do?

Mr. DAVIS. Yes. The plans of the local office which will be discussed with the committee this afternoon, contemplate going just as far in that direction as authorities in Washington will permit. We found considerable reluctance in the Army and Navy to go into any new channels in getting their supplies. I excuse them largely on the grounds of the pressure for speed. As I stated to your committee early last spring, they had to get the contracts out. It was easier for them to go to firms they had previously dealt with, and the ten-

dency was to concentrate the orders in that direction and not make much provision for reaching out.

Mr. OSMERS. Do you anticipate any difficulty in financing the smaller subcontractors in the coming year by the use of the present financial channels of the country?

Mr. DAVIS. I do not.

ARMY AND NAVY ARE CONTRACTING AUTHORITIES

Mr. SPARKMAN. Mr. Davis, getting back to the proposition of getting these bids out on time, you referred to the contracting authorities back in Washington. Who are they?

Mr. DAVIS. The Army, the Navy.

Mr. SPARKMAN. Are they the ones we should go to in order to have the time limitation corrected?

Mr. DAVIS. They are the final contracting authorities. They may take advice from the civilian authorities like O. P. M. and you might get modifications if O. P. M. brings enough pressure on them. Nevertheless, as Mr. Knudsen was continually reminding us on the old Defense Commission, it is the Army and the Navy that are the contracting authorities.

The CHAIRMAN. When you appeared before our committee in Washington you advanced, as one of the possible cushions for the post-war economic shock, a public works program. Has your view changed in any way since that time or have you any new ideas?

Mr. DAVIS. I have some new ideas about it, but they all tend to emphasize the necessity of being prepared with far-reaching public works programs to cushion the effects, if and when this defense effort slackens off. I have added to my statement, a report on what the several Government departments and agencies in Washington are doing in long-range studies relating to the post-war period.

POST-WAR DEFLATION CAN BE AVOIDED

The CHAIRMAN. Do you feel that the economic shock of the post-war period will be even greater after this present emergency than it was after the first World War?

Mr. DAVIS. It doesn't need to be. This is going to demonstrate, in my opinion, that you can bring about a larger utilization of our manpower and our resources than we have ever done before, when you go at it hard enough. I think it can be done after war is over and you don't need to go into the deflationary course we experienced after the last war. What happens in the future always depends on what you do in the present, and if things are permitted to get too far out of hand and if we have a serious inflationary situation now, it will make the post-war period that much worse.

Mr. OSMERS. Wouldn't the natural consequence of your remarks be that we must have very stringent price-control regulation in this period?

Mr. DAVIS. I favor it, yes, sir.

Mr. OSMERS. Would you favor it on agricultural commodities and wages?

Mr. DAVIS. By means appropriate to the respective ends.

Mr. OSMERS. Would you favor such a scheme as they have adopted in Canada whereby wages are adjusted in accordance with the general index of living costs? I believe that is their proposal.

Mr. DAVIS. That is right. Whether it is a completely adequate adjustment or not, I wouldn't want to say. It is going to take action on a great many fronts to hold things from going into an inflationary spiral. No single thing can do it alone.

Mr. OSMERS. Wouldn't you say the spiral is pretty well started?

Mr. DAVIS. I don't think it is out of hand yet. It has certainly shown the tendency to start, particularly in prices and wages, where the defense demand is greatest. Unjustified prices should be prevented in agricultural products and you should move to prevent this by means appropriate to the end. Wages also should be brought under control; I don't know whether this price-control bill is planning to do this or not.

Mr. OSMERS. We have had evidence in the Nebraska area that the cost of producing a product next year is going to be higher than it is this year because of the shortage of labor and also because of other factors entering into it such as the rise in the cost of farm implements and supplies.

You are much more optimistic on the post-war situation than I am. I am thinking for the moment of the fiscal situation that will confront us after the war is over. I am presuming that we may have a debt of \$150,000,000,000 or \$200,000,000,000, and many of the remedies that have been proposed for the post-war period hinge directly on the expenditure of Federal funds. Do you anticipate any Government financial difficulties at that time?

Mr. DAVIS. Again that depends pretty much on the policy we pursue at the present.

ADEQUATE TAX PROGRAM REQUIRED

Mr. OSMERS. How would you change our present policy to prepare us for that period?

Mr. DAVIS. I would propose a courageous and adequate tax program through this period. If we follow the policy of holding prices reasonably within bounds and then taxing additional national income that results from the Federal war expenditures, we needn't end up with a public debt as large as the one you mention. If we do those things I don't anticipate any financial difficulties after the war is over.

Mr. OSMERS. Yes, but the point is we have not done those things. In my judgment Congress thus far has not levied the taxes that are required by the present situation. Our taxes are extremely heavy based on our concept of the last 15 years, but based on the money we are now spending our tax program is entirely inadequate. I feel certain that, as a means of avoiding the awful truth of taxation, we are going to have several proposals for forced savings. Forced savings as a means of controlling inflation; forced savings as a means of financing the program; forced savings to do a great many things; but after all is said and done at the end of the war any forced-savings plan will present a Government obligation. Would you favor a forced-savings plan?

Mr. DAVIS. Not as a complete substitute for scientific taxation. I would say, however, that forced savings represents curtailed con-

sumer buying power, which, to the extent that it is made available after the war, will lower the necessary contribution to the public works program.

Mr. OSMERS. There is a good deal in that. It will conserve buying power now when we certainly don't need buying power and give it to us after the war when we will need buying power to get going again. It also prevents consumer competition from entering the price field when a limited supply of goods is available. Do you have any ideas about taxing income at the source rather than through the methods we use today?

Mr. DAVIS. I am not advocating a 15 percent withholding tax at the source now but it may become advisable somewhere along the line. But I am not a tax expert. Has your committee invited Alvin Hansen to appear before it?

The CHAIRMAN. No.

Mr. DAVIS. I just received a confidential preprint of a pamphlet he is working on for the National Resources Planning Board, which takes up this whole question extraordinarily well. I mention Hansen as he may be employed by the Federal Reserve Board in Washington to help organize a study in this field. I think you would find it stimulating to hear from Mr. Hansen.

Dr. LAMB. I think the committee would undoubtedly benefit by hearing him.

Mr. DAVIS. He is probably the outstanding authority on this subject in the country at the present time.

The CHAIRMAN. Dr. Lamb, will you make contact with Mr. Hansen when you get to Washington?

Mr. SPARKMAN. Mr. Davis, I would like to ask you a question along this same line. You speak of the necessity of taxing part of the excessive earnings by individuals, I presume?

Mr. DAVIS. No, corporations and individuals.

Mr. SPARKMAN. How are you going to levy a tax within the confines of the Constitution that will not also hit that man who is on a steady salary, whose salary has not been increased but has been badly affected by the increased cost of living?

OPTIMISTIC ABOUT POST-WAR PLANNING

Mr. DAVIS. I don't know. I imagine men who are experts in that field could be able to throw some light on it. I don't think I can.

Mr. SPARKMAN. There is one other question. Discussing what is going to happen when this emergency is over, you say that if it is properly planned we ought not to have the same degree of shock we had at the end of the last war. Is it your opinion that we have approached it with more planning than we did in the other war?

Mr. DAVIS. Yes, definitely.

Mr. SPARKMAN. So you feel optimistic to that extent?

Mr. DAVIS. I believe it can be done. I believe it is important to have a really high degree of coordination in all these defense plans and programs. I doubt if that has been developed yet. But if we do those things I think it is possible to avoid the mistakes of the last war.

Mr. OSMERS. We always seem to be late on these proposals. We are now starting to think of subcontracting. We are late on that. We should have thought about that in the very earliest stages of the program. I hope we won't be late on these proposals that have been made to aid the situation after the war.

Mr. DAVIS. I do, too.

Mr. CURTIS. Do you think we ought to plan something to follow the post-war plans? We are talking about the defense program and a work program to take care of things after it stops. What are you going to have when that stops?

Mr. DAVIS. You are dead right. There never is any point where things stop off clean-cut. These things stretch on in endless chains.

The CHAIRMAN. Thank you very much, Mr. Davis.

We will stand adjourned until 1:30 o'clock. (Whereupon at 12 o'clock the committee recessed until 1:30 p. m.)

NATIONAL DEFENSE MIGRATION

WEDNESDAY, NOVEMBER 26, 1941

AFTERNOON SESSION

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION,
Washington, D. C.

The committee met at 2 p. m. in the city hall, St. Louis, Mo., Hon. John H. Tolan (chairman) presiding.

Present were: Representative John H. Tolan (chairman), of California; Laurence F. Arnold, of Illinois; Carl T. Curtis, of Nebraska; Frank C. Osmer, Jr., of New Jersey; and John J. Sparkman, of Alabama.

Also present: Dr. Robert K. Lamb, staff director; John W. Abbott, chief field investigator; Jack B. Burke, field investigator; and Ruth Abrams, field secretary.

The CHAIRMAN. The committee will please come to order. Our first witness will be Mr. Holland.

TESTIMONY OF LOU E. HOLLAND, PRESIDENT, MID-CENTRAL ASSOCIATED DEFENSE INDUSTRIES, INC., KANSAS CITY, MO.

The CHAIRMAN. Mr. Holland, will you give the reporter your full name and occupation?

Mr. HOLLAND. Lou E. Holland, President of the Mid-Central Associated Defense Industries, Inc., Kansas City, Mo.

The CHAIRMAN. Mr. Holland, I want to say to you, on behalf of the committee, that we appreciate very much your coming here at what we know to be something of a sacrifice.

Mr. HOLLAND. I am glad to be here.

The CHAIRMAN. We are very grateful to you because we feel the need of your testimony. The prepared statement you submitted will be incorporated in the record.

(The statement referred to above is as follows:)

STATEMENT BY LOU E. HOLLAND, PRESIDENT, MID-CENTRAL WAR RESOURCES BOARD, KANSAS CITY, MO.

NOVEMBER 24, 1941.

The Mid-Central Associated Defense Industries, Inc., is the outgrowth of a study by the Mid-Central War Resources Board of the problems confronting small business.

In May 1940 Mayor Gage of Kansas City, Mo., called in for conference three other mayors of this community: Mayor Sermon of Independence, Mo., Mayor McCombs of Kansas City, Kans., and Mayor Hecker of North Kansas City, Mo., to determine what could be done in this area to aid in the defense program. As a result of that conference, the Mid-Central War Resources Board, a nonprofit

corporation, was organized. The mayors of Kansas and western Missouri were made directors of the corporation and an operating committee of 11 were elected to serve for 1 year. The names of this committee appear on our letterhead.

We proceeded to have 15,000 questionnaires printed and distributed. From these we obtained information on all kinds of business as represented in the cities and towns throughout this area. The enclosed questionnaire shows the type of information received from 142 towns, representing many lines of business.

As soon as the survey was completed, a break-down was made of each industry, and this information was forwarded to Washington to give them an idea of our potential production along given lines. We succeeded in obtaining several large orders for cotton goods, and today we have about 19 companies busy on work garments, uniforms, underwear, hats, caps, etc. The total volume runs into millions of dollars.

In November, last year, I read in the papers that there was a shortage of machine tools. I went to Washington, carrying with me a break-down of the machine tools in this area. I talked to J. C. Nichols who represented this area with the Advisory Commission on National Defense and to Dr. Isador Lubin. I showed him the list of machine tools and told him that if a plan could be worked out to use the tools where they were, there would be no housing problem involved, no waiting on tools, and no shortage of mechanics and the economics structure of the communities would not be upset. Dr. Lubin was very much impressed and later called and asked me to see Mr. Morris Cooke. Mr. Cooke advised me that the plan I was working on was what Germany did, and that England did not make much progress until she devised a way of using the smaller plants.

I talked with several men in the Army and Navy and was told that their regulations would not allow them to place contracts with these small concerns; that the thing for them to do was to associate themselves with a big company, allow the big company to bid on a prime contract and, if successful, spread the work out among the smaller plants. I advised them that I had gone to two of our largest concerns with that sort of a proposal—their reply was that the Government had surveyed their plants, they were quite certain they intended to use their facilities, and that they would have all they could do and that they would not consider playing "wet nurse" to a lot of small plants. I can readily understand their attitude and from their standpoint they were probably correct.

I was told repeatedly in Washington to get a large firm to bid on work and have them farm it out to the smaller plants. I have just related how that works.

On December 17, 1940, I wrote a letter to the National Defense Commission, sending the letter direct to Mr. J. C. Nichols for presentation to the committee. I quote this letter in its entirety:

DECEMBER 17, 1940.

NATIONAL DEFENSE COMMISSION,
Washington, D. C.

GENTLEMEN: Many large manufacturing plants are being built in the United States as factories for the production of articles which the Government urgently needs in its extensive national defense program. Still more of these large plants will have to be built in the near future if the program is to succeed. Generally speaking, each of these extensive plants is being built with a single purpose in mind. By this, I mean that each of the plants is being built to manufacture some special item necessary to the rearming of our Army and Navy. These plants will employ large numbers of people. Many of them are being built where the housing of these workers presents a problem which will probably only be met by building new housing facilities.

It is my belief that at least a certain sizable percentage of the national defense work can be done by a well organized utilization of existing plants, few of which are being permitted participation in the program, because of their inability to make complete the items necessary in this emergency.

The Mid-Central War Resources Board of Kansas City started last July to obtain information on the various manufacturing plants in our area. Knowing of the shortage of machine tools, we have assembled facts as to location, available man power and machine power. From our observation, 90 percent of the smaller plants will not be reached through the ordinary channels of defense contracting. Most of these plants could not handle a Government contract in its entirety, as they have neither the money nor the facilities for the completion of a much needed article of defense.

In our opinion, a practical way of immediate utilization of both machines and manpower in these small plants would be to set up a local coordinating and technical agency to handle details of contract and assembly, farm out to the

cooperating plants the parts each is best equipped to manufacture; the completed parts to be delivered to the coordinating agency for assembly and delivery.

This arrangement carries the defense program to the smaller towns and factories. It gives employment to idle men and idle machinery. There is no housing problem concerned—immediate production would result. There is no waiting on machine tools or plant construction and when the defense program is over, the economic structure is less disturbed as the men are in their own community. These shops are all eager to do their part as evidenced by many letters and personal contacts.

If this program can be worked out, we stand ready to immediately make available the use of hundreds of shops, thousands of pieces of equipment, and the necessary man power.

One day this preparation for war will be finished. If it continues to be the policy of the Government to ignore small existing plants and to continue to build large, single-purpose plants, the finish of the program will find us with a greatly unbalanced industrial and economic picture. It will also find us with skilled workers living in Government housing projects with no employment ahead of them and probably with an inability to return to their former employment because, unless these small plants are included in the rearmament program, they will, when the program is finished, have disintegrated from forced idleness and the removal of essential equipment. Already, attempts are being made daily to purchase, from these small plants, machine equipment at highly inflated values, for use in the larger plants which are under construction.

I have the detail of these shops right down to the last machine tool, size, type, and all of the information necessary to apply it and its operator to do this needed work. I firmly believe favorable consideration of this project by the Defense Commission will greatly stimulate production in a practical, economical way.

MID-CENTRAL WAR RESOURCES BOARD,
LOU E. HOLLAND, *President*.

Late in December a program was announced to open offices in the Federal Reserve bank districts throughout the Nation, for the purpose of bringing the smaller industries into the defense picture. Mr. Robert L. Mehornay headed up that department. On January 24, 1941, I wrote a letter to Mr. Mehornay and enclosed a chart which had been carefully worked out by engineers that would show how the small manufacturers could be brought into production for the defense program. I received no reply to this letter.

In February I had a long talk with Mr. Mehornay and told him that if they would place a man in each of their contract service offices who had authority to select items suitable to manufacture in the area and would use a form of organization similar to that suggested in my letter to him, they could immediately get production and get all of the small plants in the country busy. Mr. Mehornay informed me they had another plan; that they were going to force prime contractors to subcontract. We had a quite lengthy discussion on that subject and I advised him the plan would not work as successfully as he thought it would, because it was unfair to a prime contractor who had a performance bond up with the Government to force him to subcontract a part of that work and be responsible for the subcontractor.

I was not successful in convincing Mr. Mehornay as to our plan, but about 3 or 4 months later I talked with him and he said he should have listened to me; that he had discovered I knew what it was all about and that he was having a great deal of difficulty in getting prime contractors to willingly subcontract any part of their work. I knew the attitude of prime contractors because I had talked with them.

In January this year, while in Detroit, I received a telegram from Mr. Pierce Williams who was in the office of Mr. Morris Cooke, asking me to stop off in Chicago to see a concern and that they had an order for tanks and were desirous of farming out or subcontracting a part of the order. I immediately went to Chicago, contacted this concern—they inquired whether or not we had any No. 4 milling machines or any Warner-Swasey lathes. I replied yes—they then said they wanted to buy them. I explained that we did not want to disturb our economic set-up by allowing machines to be taken out of the area, but that we wanted to obtain work for those machines where they were. The man I was talking with said to think twice about selling those machines; we are going to make all this work under our own roof and we are going to get the machines to do it.

I was told on one trip to Washington to contact a man in the Army who wanted some work done. I contacted him over the phone and he said "you are the man who has a large list of radial drills" and I replied yes. He then said "we want to

buy them." I told him they were not for sale. I went down to the Munitions Building and had a talk with him, attempting to get some work for our idle machines. He turned me over to a colonel—I showed him our list of equipment, asked him if there wasn't something we could do to help out in this emergency and his reply was "those farmers out there can't work to our tolerances."

Along about May of this year, I saw priorities coming and I heard testimony before the Truman committee by a man from Office of Production Management who testified the further we got into the defense program the more idle machines and the more idle men we were going to have.

I called a group together in our area and suggested to them they investigate the practicability of organizing a corporation to handle defense contracts. I told them I could not assure them they would ever receive a dollar's worth of work, but I felt it would strengthen their position if they were able to take a contract in its entirety, whereas as individual concerns they could not bid on a complete job. These men thought well of the idea and the result was that we formed a corporation known as the Mid-Central Associated Defense Industries, Inc.

We bid on a job of bore sights for the Navy and were awarded the contract on September 2, 1941. We have 30 concerns in the corporation. Each concern owns 10 shares of stock, no more, no less, and 16 of these concerns will participate in this order. The work is going forward in fine shape and I am firmly convinced that the work turned out by this combination of shops will be entirely satisfactory.

While we are experiencing some trouble getting materials, they are starting to come through. One of the problems confronting us is the fact that manufacturers of precision instruments have withdrawn certain large sizes of micrometers from the market and have issued a list of discontinued items to the dealers, which they say is "in the interest of national emergency." They go on to state "we request you do not call for any of these discontinued items; however, if you do, the orders will be canceled by us." Due to the fact these large-size precision instruments have been withdrawn from the market, we are asking the Government to loan us a full set of items that we are to manufacture and from these we will make gages to use in connection with the various parts which we manufacture.

I am greatly concerned about the small businessman. Our Government has apparently set up two standards of procedure in the letting of defense contracts. To the big fellows, they say "take it and make it on a cost-plus-a-fee basis. The Government purchases land, erects buildings, fully equip them with new machinery, give them educational orders and large contracts, with no possible chance for the big concern to lose. The small manufacturer either cannot get work or else is forced to bid and if successful, the chances are he will lose on the contract as he is unfamiliar with the particular work he is doing.

Thousands of boys have left the Middle West to work in the airplane factories on the east and west coasts. Many of the cities and towns throughout the Middle West are suffering because their skilled craftsmen could not find work at home and have left for the congested centers where they can obtain much higher wages, and the populations of our towns are on the decrease and in many instances only common labor is left. The purchasing power of this class is not sufficient to allow the stores to carry on in a profitable way and the income of the cities has dropped to a point where they cannot render their customary service.

EXHIBIT A.—ARTICLES OF INCORPORATION AND BYLAWS OF MID-CENTRAL ASSOCIATED DEFENSE INDUSTRIES, INC., KANSAS CITY, MO.

Know all men by these presents that we, the undersigned, desirous of forming a corporation under the laws of the State of Missouri and more specifically under article 6, chapter 33, of the Revised Statutes of Missouri of 1939 and amendments, relating to manufacturing and business companies do agree as follows:

First. The name of the company shall be -----

Second. The home office of the corporation shall be in Kansas City, Jackson County, Mo.

Third. (a) The total capital of the corporation shall be and consist of 1,000 shares of common stock of no par value, fully paid and nonassessable.

(b) The amount of capital with which the corporation is to commence business is \$2,000 in lawful money of the United States; and the number of shares of the corporation stock that will be issued fully paid therefor are 200.

(c) All of the shares of the corporation shall be voting shares and at all meetings of the shareholders for any purpose and at all elections for directors, each holder of shares in this corporation shall be entitled to cast one vote for each share of

stock held as by law provided, and shall be entitled to participate in all dividends as shall be ordered by the Board of Directors.

(d) The capital shares of the corporation shall be issued only in units of 10 shares each, and no shareholder shall at any time own or vote more than 1 unit (10 shares) of the common stock of this corporation. The Board of Directors, pursuant to resolution, may offer or dispose of any authorized, unissued, units of shares for such consideration and upon such terms as they shall, in the exercise of their discretion, deem advisable.

(e) In the event of the dissolution of the corporation, its balance of assets or funds above its liabilities shall be distributed wholly and ratably among holders of shares of stock in the corporation.

Fourth. The names and places and residences of shareholders and number of shares subscribed by each are:

Name	Residence	No. of shares
-----	-----	-----
-----	-----	-----

Fifth. That the Board of Directors shall consist of ----- directors, and may be increased at any annual elections of stockholders, but the total may not at any time exceed 21. The directors agreed upon for the first year are:

Sixth. That the duration of the corporation shall be perpetual.

Seventh. That the corporation is formed for the following purposes:

(a) To promote and aid the national defense of the United States of America and in connection therewith to cooperatively promote and utilize the resources and facilities of the midcentral trade territory of the United States, as a trade association, or otherwise.

(b) To aid in, supervise, or directly manufacture, assemble, purchase, sell, barter and exchange, store, transport, distribute, brokerage, and otherwise acquire, deal in or dispose of, manufactured articles, finished merchandise, raw materials, machine tools, machinery, parts or appurtenances therefor, or any other essential article, alone or in association with other corporations, firms, or individuals.

(c) To buy, sell, or otherwise acquire, hold, own, use, manage, improve, maintain, develop, rent, transfer or exchange real estate; to trade in and deal with real property improved or unimproved; to rent or lease manufacturing, storage, or transportation facilities separate and apart and independent of land, buildings, or housing connected therewith, and to sublease or otherwise offer said facilities, with or without profit, in the furtherance of the objects and powers of the corporation.

(d) To buy, sell, own, and hold stock, bonds, or obligations of other corporations, firms or individuals, for the purpose of investment or control, more specifically for the fulfillment of any of the purposes of this corporation, direct or through partially or wholly owned subsidiaries, to borrow or loan money or other assets, all as permitted by law.

(e) To enter into, make, perform, or carry out contracts of every sort and kind which may be necessary to the business and purposes of the corporation with any firm, person, or corporation (private, public, or municipal), the Government of the United States, or any State, Territory, or Colony of the United States, or any foreign government, so far as and to the extent that same may be done and performed by corporations organized under the stock corporation laws of Missouri.

(f) To do all and everything permitted under the general powers of corporations, as conferred upon them by the stock corporation laws of the State of Missouri, and to do any and all things that may be necessary to the business aforesaid not otherwise provided for in these articles, which are not in conflict with the laws and constitution of the State of Missouri, or the laws, treaties, and Constitution of the United States.

In testimony whereof we have set our hands and seals this ----- day of -----, 1941.

BYLAWS OF -----

ARTICLE I

Name and location

SECTION 1. The name of this corporation shall be -----

SEC. 2. Its general offices shall be located in Jackson County, State of Missouri. The office of the secretary shall be at the same place and all books and records of

the corporation shall be kept thereat. The office of the Treasurer shall be at the same place and shall be kept within the State of Missouri; and all earnings, income, profits, and moneys collected by the corporation shall be in charge of the treasurer until same are disbursed or divided by the directors.

SEC. 3. Other offices for the transaction of business may be located at such other places as the board of directors shall from time to time determine.

ARTICLE II

Corporate seal

SECTION 1. The corporation shall have a seal, round in form, which shall have inscribed around the outer edges the words ----- and in its center the words "corporate seal." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

Stockholders' meetings

SECTION 1. All meetings of the stockholders for the election of directors shall be held at the principal office of the corporation. Special meetings of stockholders for any other purpose may be held at such other place as shall be stated in the notice of the meeting.

SEC. 2. The annual meeting of the stockholders after the year 1941 shall be held on the first Monday of ----- in each year at 10 a. m., when they shall elect, by a plurality vote, a board of directors and transact such other business as may properly be brought before the meeting.

SEC. 3. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by law, by the articles of incorporation, or by these bylaws. If, however, such quorum shall not be present at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such adjourned meeting at which such a quorum shall be present, any business may be transacted which might have been transacted at the meeting originally notified.

SEC. 4. At each meeting of the stockholders every stockholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such stockholder. Except in elections of directors, each stockholder shall have one vote for each share of stock having voting power registered in his name on the books of the corporation. At all elections of directors, each stockholder shall have the right to cast as many votes in the aggregate as shall equal the number of shares of voting stock held by him, multiplied by the number of directors to be elected, and he may cast the whole number of votes for one candidate or may distribute his votes among one or more of the candidates, as he sees fit.

SEC. 5. Written notice of the annual meeting shall be mailed to each stockholder entitled to vote thereat at such address as appears on the stock book of the corporation at least 30 days prior to the meeting.

SEC. 6. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors or at the request in writing of stockholders holding 10 percent or more of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the call.

SEC. 7. Written notice of a special meeting of stockholders, stating the time, place, and object thereof, shall be mailed postage prepaid, at least 30 days before such meeting to each stockholder entitled to vote thereat at such address as appears on the books of the corporation.

ARTICLE IV

Directors

SECTION 1. The property and business of the corporation shall be managed by its board of directors, ----- in number, one of whom shall be a citizen and resident of the State of Missouri. Directors shall be stockholders and shall be sworn to the faithful discharge of their duties. They shall be elected at the annual meeting of the stockholders and each director shall be elected to serve until his successor shall be elected and shall qualify. A transfer by a director of his stock in the corporation shall operate as an automatic resignation of his office.

SEC. 2. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining directors, providing they constitute a quorum, may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred, or until the next election of directors.

SEC. 3. In addition to the powers and authorities by these bylaws expressly conferred upon it, the board may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the articles of incorporation or by these bylaws directed or required to be exercised and done by the stockholders.

SEC. 4. Directors as such shall not receive any stated salary for their services but by resolution of the board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board, provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SEC. 5. The first meeting of each newly elected board shall be held at the principal office of the corporation immediately following the adjournment of the annual meeting of the stockholders in each year.

SEC. 6. Regular meetings of the board may be held without notice at such time and place as shall from time to time be determined by the board.

SEC. 7. Special meetings of the board may be held at the principal office of the corporation or at such other place or places, within or without the State of Missouri, as shall from time to time be determined by the board. Special meetings of the board may be called by the president on at least 10 days' notice to each director, either personally or by mail or by telegram. Special meetings shall be called by the president or secretary in like manner and on like notice on the written request of ----- directors.

SEC. 8. At all meetings of the board a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the articles of incorporation or by these bylaws.

SEC. 9. The directors may by resolution appoint members of the board as an executive committee to manage the business of the corporation during the interim between meetings of the board.

ARTICLE V

Officers

SECTION 1. The officers of the corporation shall be chosen by the directors and shall be a president, one or more vice presidents, a secretary, and a treasurer. The secretary and the treasurer may be the same person.

SEC. 2. The board of directors, at its first meeting, after each annual meeting of stockholders, shall choose a president from its own number, and a secretary and a treasurer, and any number of vice presidents who need not be members of the board.

SEC. 3. The board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

SEC. 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

SEC. 5. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of two-thirds of the whole board of directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the board of directors.

SEC. 6. *The president.*—The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the stockholders and directors; he shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the board are carried into effect. He shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the corporation and shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation.

SEC. 7. *The vice president.*—The vice president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties as the board of directors shall prescribe.

SEC. 8. *The secretary.*—The secretary shall attend all sessions of the board and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the stockholders and of special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall be sworn to the faithful discharge of his duty. He shall keep in safe custody the seal of the corporation, and when authorized by the board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or by the signature of the treasurer or the assistant secretary.

SEC. 9. *The treasurer.*—The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys, and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation. If required by the board of directors he shall give the corporation a bond in such sum, and with such surety or sureties as shall be satisfactory to the board, for the faithful performance of the duties of his office, and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE VI

Finances

SECTION 1. The funds of the corporation shall be deposited in such bank or banks as the directors shall from time to time designate and shall be withdrawn upon check or order over the signature of any _____ of the officers of the corporation duly empowered to sign checks.

SEC. 2. The board of directors shall have the power to authorize the borrowing of money from banks, individuals, Federal agencies, or other sources, with or without security, upon such terms as they, in their discretion, shall determine, and may pledge therefor any asset, earnings, contract, subcontract, or other thing of value of the corporation, alone or in conjunction with other corporations, firms, or individuals.

SEC. 3. The permanent capital of the corporation having been planned merely to cover the organization needs of the corporation, and it being intended that its operations shall result in no profit to itself, and the corporation shall, from time to time, have need of funds wherewith to defray administrative and other expenses, the board of directors is empowered to authorize the establishment of an operating fund and to determine how and on what basis contributions to said fund shall be made from time to time by the members (stockholders).

ARTICLE VII

Certificates of stock

SECTION 1. The certificates of stock of the corporation shall be numbered and shall be entered in the books of the corporation as they are issued. They shall exhibit on their face the name of the corporation, the State of its incorporation, the name of the registered holder, the number of shares of each and every class represented thereby, the par value of shares having a par value and the number of shares without par value, the total number of shares of each and all of the several classes of stock which the corporation is now or hereafter authorized to issue, the

par value of shares having a par value and any other provisions which may be required, either by law or by the articles of incorporation. The certificate of stock shall be signed by the president or a vice president and the treasurer or an assistant treasurer or the secretary or an assistant secretary.

SEC. 2. The corporation shall have a first lien on any of the shares of its capital stock and all dividends declared and accruing to said shares for any indebtedness of the respective holders thereof to the corporation.

ARTICLE VIII

Transfers of stock

SECTION 1. It being the primary purpose of this corporation to function as a trade association without pecuniary profit, devoting its efforts and powers to furthering the collective affairs of its members (stockholders), and to that end having restricted ownership to not more than 1 unit of 10 shares of its capital stock, shares of stock may only be transferred by the shareholder, in a complete unit and only to a corporation, firm, or individual whose type of business and interests are similar to, connected with, and congenial to those of the other shareholders. The board of directors shall be the sole judge as to whether or not said shares shall be transferred. Should the board of directors authorize the transfer of said shares it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transfer upon its books.

SEC. 2. The board of directors shall have power to close the stock transfer books of the corporation for a period not exceeding 30 days preceding the date of any meeting of stockholders or the date for the payment of any dividends, and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of and to vote at such meetings, and any adjournment thereof, or to receive payment of such dividend.

SEC. 3. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof.

SEC. 4. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been destroyed or lost upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed and the board of directors when authorizing such issue of a new certificate or certificates, may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation. Any such new certificate shall be plainly marked "duplicate" upon its face.

ARTICLE IX

Dividends

SECTION 1. Dividends upon the capital stock of the corporation may be declared in such amount and payable at such time or times as the board of directors, in its discretion, shall determine, but only out of such sources as shall at the time be, under the laws of the State of Missouri, authorized sources for the declaration and payment of dividends.

SEC. 2. Before payment of any dividend or making any distribution of profits, there may be set aside out of the surplus or net profits of the corporation such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interests of the corporation.

ARTICLE X

Amendments

SECTION 1. Amendments to these bylaws may be made by a vote of the stockholders representing a majority of all the stock issued and outstanding at any annual stockholders meeting; or at any special stockholders meeting when the

proposed amendment has been set out in the notice of such meeting. At least 30 days' notice of any meeting called for the purpose of amending these bylaws shall be given to the stockholders and such meeting, if not otherwise called, shall be ordered by the directors on the written application of at least three stockholders.

ARTICLE XI

Miscellaneous

SECTION 1. The fiscal year shall begin on the ----- day of ----- in each year.

SEC. 2. The directors shall present a written report of the accounts and the amount of business of the corporation to all the stockholders upon a written request by one-third of the stockholders of the corporation.

SEC. 3. Whenever under the provisions of these bylaws notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in the post office or letter box, in a postpaid sealed wrapper, addressed to such director, or stockholder, at such address as appears on the books of the corporation, or, in default of other address, to such director or stockholder at the general post office in the city of Kansas City, Mo., and such notice shall be deemed to be given at the time when the same shall be thus mailed.

SEC. 4. Any stockholder or director may waive any notice required to be given under these bylaws.

EXHIBIT B.—QUESTIONS ASKED IN MANUFACTURER'S DATA REPORT

PREPARED BY MID-CENTRAL WAR RESOURCES BOARD, CITY HALL,
KANSAS CITY, MO.

1. What do you manufacture? (State principal articles.)
 - (a) State volume and character of present business and general condition of plant.
 - (b) Financial strength and possibility of enlarging.
 - (c) Possible volume expansion with existing facilities.
 - (d) Have Government orders been handled heretofore?
 - (1) If so, state character of Government contracts, including description of products or equipment furnished.
 - (2) Were such orders for war purposes?
 - (e) Are you now furnishing to the Government products, equipment, or materials? (State quantity, value.)
 - (f) Have you ever presented bids for Government contracts or are you making an effort to secure orders?
 - (1) If so, where and what type?
2. Is your business a seasonal business? (If so, at what season is it best to take on additional work?)
3. Give square footage of floor space. (State area now in use and area available for expansion of present activity.)
4. Size, number, and stories of buildings; fire proof or not; location in city or suburbs.
5. What percent of your plant capacity is available for new business?
6. Give square footage of ground area exclusive of ground occupied by buildings, and how much expansion possible.
7. Is your plant on a railroad siding? (Give description of transportation facilities.)
8. What power is used? (Steam, electricity, gas, water.)
9. Raw materials used, and source.
10. Source and character of water supply.
11. What is the average number of employees?
 - (a) How many of these are skilled? (1) Tool makers, (2) machinists, (3) mechanics, (4) machine operators, (5) woodworkers, (6) miscellaneous.
 - (b) How many of these are semiskilled? (List by trade.)
 - (c) How many common labor?
 - (d) Availability of skilled and unskilled labor.
 - (e) Describe housing conditions and availability of housing for additional employees.
12. List all machine tools, woodworking equipment and all classes of manufacturing and foundry equipment, giving number of each kind, size, and capacity,

age, condition, and maker's name. (Example: 10 Warner-Swassey Turret Lathes—up to 3½-inch capacity—new 1939. Four Power Breaks—6 to 12 feet ¼-inch capacity—new 1938.)

13. Do you work under union or nonunion labor conditions?

14. Do you completely finish products in your own plant? If not, what do you buy, and what geographical sources do you ship to or receive from?

15. Do you produce products that are raw materials or semifinished materials for other industries? If so, name.

16. Do you want a war contract?

17. Would you work on other than cost-plus contracts?

18. State in what way general representation of this area at Washington could, in your judgment, be advantageous to you.

EXHIBIT C.—INDUSTRIAL CONDITIONS IN 18 TOWNS IN KANSAS CITY AREA

ANSWERS TO QUESTIONNAIRES SENT OUT BY MID-CENTRAL WAR RESOURCES BOARD,
KANSAS CITY, MO.

Horton, Kans., J. S. Henderson, mayor.

Do you have industries in your town?

Chief industrial facility, Rock Island Railroad shops.

If so, are they working to capacity?

No; prior to 1930, 700 men; now, 25 men.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

None in draft, owing to county quota being filled by National Guard units and Army and Navy enlistments.

How many skilled workers have left to work on defense projects in other communities?

Estimated at 50.

What is your increase, or decrease, in population due to the above reasons?

United States census 1930, 4,049; 1940, 2,855; 29-percent loss estimated in additional loss, military service and defense work, 10 percent.

What is the general outlook for the future of your community?

Without additional industrial activity Horton faces further sharp loss of population, and the economic welfare of the remaining citizens will be seriously further impaired. Whereas, Horton of 12 years ago with a population of about 4,000 had upward of 700 men employed in the railroad shops at good wages, the period since has seen the loss of the best salaried class to the town, and a greatly diminished earning power by the remainder. The loss of population has been severe, but the loss of per family income has been much greater.

Among the most serious prospects is the continued departure of the young men and women from the town, many of the most energetic and capable seeking locations elsewhere because of lack of opportunity here to earn a livelihood. Their loss in future years of public and community service is a disaster to the long-term outlook of Horton and vicinity. Very many families too, life-long residents here, have been forced to leave their homes for new locations.

On the other hand, Horton has excellent facilities to provide ideal living conditions for hundreds of additional people, providing the present nearly idle industrial facilities of the Rock Island shops are put to use—and they are available for use in the defense and the post-defense plan.

Splendid public and parochial schools are available with accommodations much beyond their present use; likewise is this true of the churches, commercial locations, housing, utilities, governmental and recreational facilities.

Briefly, without additional industrial employment Horton faces a future of diminishing living and economic standards and its unusual and valuable natural advantages will be wasted.

Given a defense industry Horton will regain many of its old citizens and welcome new ones, and will resume and increase its usefulness as a typical American agricultural and industrial city of self-reliant, home-owning, contented citizens.

What can we do to help the situation in your locality?

A recommendation for the use of the advantages offered for immediate usefulness in the defense program by the city of Horton would be helpful and greatly appreciated.

Yates Center, Kans., R. V. Stoll, Mayor.

Do you have industries in your town?

Small repair shops.

If so, are they working to capacity?

Yes.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

About 25.

How many skilled workers have left to work on defense projects in other communities?

None but students.

What is your increase, or decrease, in population due to the above reasons?

Very little either way.

What is the general outlook for the future of your community?

The immediate future looks prosperous or fairly so for our community, but I am uneasy as to the distant future, say 2 or 3 years hence.

I think if strikes in industry could be halted and wages kept from pyramiding, it would be a great help to our community, as the way things are going it creates a spirit of dissatis-faction among our workers and places our farmers at a disadvantage, as the present trend will cause the price of all machinery which they use to rise to an unreasonable height.

In a nonunion town such as this is, common labor is getting from 30 to 50 cents per hour; you can imagine what this means when the product which they buy is produced by labor getting 90 to \$1.50 per hour.

Ottawa, Kans., L. C. Geiger, mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

A little of it.

How many young men have been called in the draft?

One hundred and seventy-five.

How many skilled workers have left to work on defense projects in other communities?

Three hundred and twenty-five.

What is your increase, or decrease, in population due to the above reasons?

Decrease of \$50.

What is the general outlook for the future of your community?

Frankly, the immediate future of Ottawa and Franklin County is none too bright. Our loss of population is in our workers of the county. Our relief load remains virtually constant.

What can we do to help?

The Santa Fe shops at one time employed nearly 500 men. Their present pay roll is approximately 30.

These shops might be used very satisfactorily for defense purposes if the Santa Fe so desired. Your influence to get these shops transferred to a freight-car manufacturer whose operations are expanding might put these shops to good use.

Coffeyville, Kans., J. D. Byers, mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

One.

How many young men have been called in the draft?

About 225 including Troop B.

How many skilled workers have left to work on defense projects in other communities?

Approximately 200.

What is your increase, or decrease, in population due to the above reasons?

Decrease about 800.

What is the outlook for the future of your community?

The future outlook for our community is very good. We are doing considerable home building and city improvement work. However we desire very much to see some of our machine shops and foundries get some direct or suborders under the national defense program.

Barnes, Kans., P. E. Davis, mayor.

Do you have industries in your town?

No.

How many young men have been called in the draft?

One thousand five hundred registered from this county.

How many skilled workers have left to work on defense projects in other communities?

Unknown, but many.

What is your increase, or decrease, in population due to the above reasons?

Don't have exact figures but decrease in county to Fort Riley, Kans.

What is the general outlook for the future of your community?

I would say that in a general way the future is anything but promising. It is an agricultural community, devoted largely to farming and livestock in normal times.

This year, crops are going to be very short. There can be but little activity in livestock when there is no feed or grain to fatten them for market. There is but little employment to be had for those who depend on wages or salary for a livelihood.

The effects of such a situation obviously are very discouraging to the businessmen and merchants of the town. In fact, aid from somewhere is imperative.

What can we do to help the situation in your locality?

Barnes is located on the Missouri Pacific Railroad, is intersected by State Highways No. 9 and No. 15, the latter intersecting National Highway No. 36, 10 miles north of the town. It is not only conveniently located but has a group of very active citizens who will assure the success of any industry that may be located here. There is available a nucleus of skilled men and women who are industrious and that have proven their worth under proper supervision.

The vital need is sufficient capital to start them going in some way that will make a real contribution to the Federal Government's program of defense. Such assistance will in the judgment of practical businessmen serve a threefold purpose. It would provide employment, save business, and aid in the defense of America. The need is for immediate action.

Independence, Kans., F. M. Wilhelm, mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Seventy-three to date, 142 quota.

How many skilled workers have left to work on defense projects in other communities?

One hundred, estimate.

What is your increase, or decrease, in population due to the above reasons?

Approximately 200.

What is the general outlook for the future of your community?

From an agriculture standpoint the outlook is good.

We will lose additional men to the draft and if current news reports are correct we will lose our skilled workmen to defense industries. We have one plant that has the space and desire to work on defense contracts but they have been unable to secure contracts.

This plant is the Atchinson Revolving Door Co. and they have space to work approximately 300 men and are willing and able to expand if necessary. Other smaller plants are also willing to cooperate.

What can we do to help?

We believe the future of the Midwest is at stake in the future of the towns between 8,000 and 30,000. If these towns are robbed of their manpower and population the whole section will go down with them. It seems to us that the larger corporations should not be allowed to bid in additional defense contracts when their capacity has been reached. These corporations can underbid the smaller companies in the Midwest and therefore it is impossible for the smaller companies to accept subcontracts from the larger corporations.

This is a bottleneck that can be adjusted by proper cooperation.

Macon, Mo., Chas. R. Shale, Mayor.

Do you have industries in your town?

Yes; see below.

If so, are they working to capacity?

Very few.

Is any of the work for national defense purposes?

Yes.

How many young men have been called in the draft?

67, including volunteers.

How many skilled workers have left to work on defense projects in other communities?

About 100.

What is your increase, or decrease, in population due to the above reasons?

Very little.

What is the general outlook for the future of your community?

Good.

Strip mine—approximate capacity 65 percent, will probably be increased 50 percent the coming year. Pit mines and drift mines, approximate capacity 50 percent, could be increased 100 percent with a little more development.

Creamery—manufactures butter, ice, and ice cream, approximately one-third capacity being used.

Grain elevator—approximately one-half capacity being used.

Chicken hatcheries—approximately 50 percent. This is a seasonal business, but could do more.

Laundry—full capacity, could use several more experienced employees.

Poultry houses, and farmer's exchanges, approximately 50 percent capacity. These businesses do very little processing of poultry products, mostly shipped out.

The coal business is the main defense project in this community.

Macon is located at the crossing of the St. Louis-Des Moines line of the Wabash Railway and the Kansas City-Chicago line of the Burlington Railway. Also on the junction of U. S. Highways 36 and 63 making it available and of easy access to all kinds of travel and shipping, both heavy and light.

There is opportunity for development in the processing of agriculture products in this community far beyond the point already reached, and also there is some labor—non skilled labor—available.

Anthony, Kans., E. Underwood, Mayor.

Do you have industries in your town?

Two machine shops.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Twenty.

How many skilled workers have left to work on defense projects in other communities?

Fifty.

What is your increase, or decrease, in population due to the above reasons?

Two hundred.

What is the general outlook for the future of your community?

Very gloomy outlook for future due to the fact that population is moving to industrial centers, farm territory is getting smaller due to population thinning out and what small industries the smaller communities have are moving to the larger population centers.

What can we do to help?

Farm out national defense contracts to smaller communities equipped to handle them and decentralize industries more.

Paola, Kans., A. A. Bryan, Mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Two hundred and eight, including Battery F.

How many skilled workers have left to work on defense projects in other communities?

Estimated 25.

What is your increase, or decrease, in population due to the above reasons?

About 300.

What is the general outlook for the future of your community?

Poor.

What can we do to help the situation in your locality?

Get factories.

We have application for shell-loading plant which would aid for area of 40 miles around.

We have a coat factory which could make uniforms and would have done so but for organized labor friction.

We have a good machine shop, could make small tools.

We have three main-line railroads and in good watershed, Bull Creek, Wea Creek, and Marais Des Cygus River.

We could use an airport and have good locations at reasonable price.

We need labor for farms as farm labor has been depleted, no young men left in vicinity.

We have State home guard unit to prevent strikes and sabotage.

We have two good mills, for flour and feed; 50 acres of lake 2 miles or town.

We could house people at reasonable and nonwartime rates.

We are on U. S. Highway 169 and 1 mile of Kansas 68; very few dirt roads in county and practically none in our city.

We are the county seat of Miami County.

Fort Scott, Kans., Harry C. Brooks, Mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

One.

How many young men have been called in the draft?

Thirty-nine and eighty-one in battery.

How many skilled workers have left to work on defense projects in other communities?

One hundred and fifty.

What is your decrease, in population due to the above reasons?

Four hundred.

What is the general outlook for the future of your community?

Average.

What can we do to help?

We are losing our skilled labor and young men to cities having defense orders. We need factories and defense orders for our small shops.

Osawatimie, Kans., W. H. Weber, Mayor.

Do you have industries in your town?

Several small machine shops.

If so, are they working to capacity?

Nearly.

Is any of the work for national defense purposes?

No.

How many skilled workers have left to work on defense projects in other communities?

Perhaps as many as 20. A number have returned since to resume work as machinists, etc., in the Missouri-Pacific shops in Osawatomic.

What is the general outlook for the future of your community?

Increased railroad business.

What can we do to help the situation in your locality?

You can get in touch with R. F. Colbert, E. A. Vest, H. E. Newhouse, all owners of small machine shops in this city, Stith-Cassida Motor Co., Nichols Motor Co., and the McQueary Motor Co., of this city. All of these shops are equipped to do certain types of machine work. The motor companies, could, with the necessary special machinery, recondition plane and auto engines.

Osawatomic has a large number of advantages favoring the location of defense industries here: (1) An almost unlimited water supply (two rivers and a lake); (2) a municipally owned water and light plant, in a position to supply electricity at lowest rates; (3) the center of rich oil and gas fields, with production which might be used in the manufacture of munitions; (4) as the division point for the Missouri Pacific Railroad, it is excellent transportation facilities; (5) a good supply of skilled workers, including machinists, locomotive mechanics, etc.

Warsaw, Mo., G. R. Bresce, Mayor.

Do you have industries in your town?

Have small gun stock factory.

If so, are they working to capacity?

Yes.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Six.

How many skilled workers have left to work on defense projects in other communities?

None, except carpenters.

What is your increase, or decrease, in population due to the above reasons?

None.

What is the general outlook for the future of your community?

There is nothing especially encouraging in the outlook so far as this community is concerned. We have no industries of any consequence. The main business is farming and considerable tourist and week-end fishing, with nothing to indicate that it will be much different to what it has been in the past.

What can we do to help?

The thing that would help this community more than anything else would be to have some small factories located here to provide a pay roll. The city of Warsaw has water and sewer facilities, electric lights and is located on the Lake of the Ozarks on good concrete road and other good State highways so that it is easily accessible from any direction and is also located on branch of Missouri Pacific Railroad and is, we think, well located to be convenient for any kind of small factory. The Bishop Mill here is equipped to make all kinds of rifle stocks and does make a large number of them that are sold to private buyers, and their plant could be enlarged to make larger numbers and different varieties.

Hamilton, Mo., Roy A. McCoy, Mayor.

Do you have industries in your town?

Two large mills and two hatcheries.

If so, are they working to capacity?

Yes.

Is any of the work for national defense purposes?

Not directly.

How many young men have been called in the draft?

Estimated 12.

How many skilled workers have left to work on defense projects in other communities?

Possibly a half dozen.

What is your increase, or decrease, in population due to the above reasons?

None, as families remain here.

What is the general outlook for the future of your community?

Good from an agricultural and stock raising standpoint. (The J. C. Penney farms are located here, which is his home town). We need, however, factories and industries which will give us a pay roll. We have considerable unskilled and some skilled labor in our community.

What can we do to help?

As noted above, we need factories and industries, to put our people to work. Our location is excellent, being on the main line of the Burlington Railroad, with National Highway 36 and State Highway 13 running through the town. We are 45 miles east of St. Joseph and 70 miles northeast of Kansas City.

The city administration and chamber of commerce will be glad to cooperate with anyone looking for a location of any kind.

Hamilton has a population of only 1,700, but we think it one of the best towns of its size in the State and we surely would appreciate some help in getting lined up for a defense industry.

Harrisonville, Mo., James D. Idol, Mayor.

Do you have industries in your town?

Foundry and brick plant.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Fifteen.

How many skilled workers have left to work on defense projects in other communities?

Not over 25.

What is your increase, or decrease, in population due to the above reasons?

Very little.

What is the general outlook for the future of your community?

Since this is an agricultural community the future of course depends on crop production and the price.

What can we do to help?

It is not possible to help get full production at the Gwathmey Foundry and the United Brick & Tile Co. plant here it would mean a great deal. The brick plant has just reopened this month but its continued operation is doubtful and hinges entirely on future orders. Our community is naturally interested in any industry we are capable of handling. However I believe it would be far better to bring our present resources to full production before we attempt to move in additional industry, unless the labor available could be used in the new industry.

Grandview, Mo., Garad Murray, Mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Sixteen.

How many skilled workers have left to work on defense projects in other communities?

Twenty-one.

What is your increase, or decrease, in population due to the above reasons?

Decrease of 27.

What is the general outlook for the future of your community?

It is feared that our laborers will be attracted to localities where defense projects are in operation and locate their families there and that the established businesses of the town will suffer from this loss.

We also understand that the new clause or article pertaining to defense housing via Federal Housing Administration does not include our community and we believe that this will hinder this as a further development for homes.

What can we do to help?

Quite some time back we submitted a site for a proposed auxiliary airport and factory site. After due consideration of other sites to our knowledge submitted to date, we contend that the one submitted by us is far the most practical and has more possibilities for the mutual benefit of all concerned.

We feel that a concentrated effort in behalf of the above proposition would result in its early realization and a proven benefit to Kansas City, our town and community, and a material link in the defense program.

Neosho, Mo., Glen Woods, Mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

I have sold small orders.

How many young men have been called in the draft?

Forty-five.

How many skilled workers have left to work on defense projects in other communities?

Forty.

What is your increase, or decrease, in population due to the above reasons?

Five-percent decrease.

What is the general outlook for the future of your community?

We consider the future outlook, with some outside assistance, to be favorable.

What can we do to help?

We have several small industries, such as foundry and machine shops, wood-working plant, garment factory, all active but in need of more business, together with several hundred available laborers looking for some profitable employment; this would be of material assistance to our city and community.

Trenton, Mo., M. L. Elledge, Mayor.

Are the industries of your town working to capacity?

No.

Is any of the work for national defense purposes?

No.

How many young men have been called in the draft?

Sixty.

How many skilled workers have left to work on defense projects in other communities?

One hundred and fifty.

What is your increase, or decrease, in population due to the above reasons?

Two hundred and fifty decrease.

What is the general outlook for the future in your community?

Insufficient industries to furnish necessary employment.

What can we do to help the situation in your locality?

Subcontract defense work.

Several industries here not working to capacity that could get in position to handle subcontract work in connection with defense program.

Traction Parts & Service Co. do welding and machine work of all kinds; also the Trenton Machine Works.

Swift & Co. maintains a plant here, and we have good rail and truck service.

The Trenton Mining Co. operates a coal mine here during the winter months.

Have a municipal light and water plant equipped to furnish an abundance of both power and water at very reasonable rates.

Joplin, Mo., Dr. V. E. Kenney, Mayor.

Do you have industries in your town?

Yes.

If so, are they working to capacity?

No.

Is any of the work for national defense purposes?

Yes; small orders at Rogers Iron Works, Miller Manufacturing Co., and McNeal Machinery Co.

How many young men have been called in the draft?

Eighty-one.

How many skilled workers have left to work on defense projects in other communities?

Approximately 1,400 from Jasper County.

What is your increase, or decrease, in population due to the above reasons?

Approximately 1,500.

What is the general outlook for the future of your community?

The general outlook for the future of our community is extremely discouraging at the present time for this reason: Joplin is faced with an acute unemployment problem, due to the fact that Joplin is largely a mining town and our mines are not operating at full capacity now.

What can we do to help?

To relieve this situation we need defense projects in our area. Joplin is justified in requesting that we do have some sort of national defense project here, as we are fully equipped, both from the standpoint of natural resources and manual labor, to handle this type project. Also, we have access to 7 railroads in our city, which is a decided advantage for the location of any defense project.

TESTIMONY OF LOU E. HOLLAND—Resumed

Mr. CURTIS. Will you describe for the committee the functions of the Mid-Central Associated Defense Industries, Inc.?

Mr. HOLLAND. It is an outgrowth of the Mid-Central War Resources Board, of which I am president. That board was a fact-finding organization. We made a survey of the State of Kansas and western Missouri. We have the records of 142 cities and towns in there and we know the type of work that those towns can do. After an intensive study and after repeated trips to Washington I became firmly convinced that these small communities had no place in the defense picture under the present set-up. The Mid-Central Associated Defense Industries, Inc., is an organization which I set up, composed of 30 small concerns that could handle a contract in its entirety if given an opportunity.

Mr. CURTIS. Mr. Holland, will you tell us a little about your background and experience?

Mr. HOLLAND. I started in as a boy and learned the machinist's trade in a bicycle factory back in Rochester, N. Y. I worked at it for 5 years and 3 months. I later took up photoengraving. At the present time I am president of the Holland Engraving Co. in Kansas City, and the Holland Corporation and the Double Rotary Sprinkler Co. The Holland Corporation has been put out of business by priorities.

Mr. CURTIS. What did you make?

Mr. HOLLAND. Electric etching machines for the photoengraving industry.

Mr. CURTIS. What materials did you need that were shut off?

Mr. HOLLAND. Electric generators.

Mr. CURTIS. You have been a resident of Kansas City, Mo., for some time?

Mr. HOLLAND. Since 1902.

Mr. CURTIS. You have also been active in the civic life of the city?

Mr. HOLLAND. I served 2 years as president of the chamber of commerce and 3 years as president of the Associated Advertising Clubs of the World. I acted for 3 years as managing director of the chamber of commerce of Kansas City—from 1928 to 1931.

Mr. CURTIS. In reference to the Mid-Central Associated Defense Industries, Inc., where are your articles of incorporation filed?

Mr. HOLLAND. In the State of Missouri.

Mr. CURTIS. What is the number of shares?

Mr. HOLLAND. I think there are 2,500 shares.

Mr. CURTIS. And what is the value per share?

Mr. HOLLAND. I don't know whether there is a par value on them or not. There is room in the corporation for 250 concerns if we care to take them in. There are 30 in the corporation now. Each concern owns 10 shares of stock and each concern has 1 vote, so a large concern has the same voice as a small concern.

Mr. CURTIS. Does the concern making some profit distribute it to them or is it a profit corporation as much as an organization for mutual help?

SMALL BUSINESS POOL

Mr. HOLLAND. It is a mutual-help organization more than a profit corporation. It was organized when I saw priorities coming and I saw that these little concerns were going to be unable to carry on and that as individual shops they couldn't take a job in its entirety. Subcontracting has not been any too successful and the thought occurred to me that if I put a combination of shops together and pooled their resources and got every type of machine in this pool, they could then bid on and handle prime contracts.

Mr. CURTIS. Have you received any contracts yet?

Mr. HOLLAND. Yes; we have received a contract from the Navy for bore sights to the extent of \$268,000, and I have spread it out among 16 of the member shops.

The CHAIRMAN. Do you know whether your plan has been adopted in any other plants in the United States?

Mr. HOLLAND. I don't think it has been adopted by other plants in exactly the same way. There is, of course, the York plan. And there are some others where they have a big corporation that acts as a mother hen, we might say, and takes in some smaller ones to do some of the work that they didn't do in their own organization; but insofar as I know, this is the first pool that is made up of small industries.

Mr. CURTIS. What, generally speaking, do you classify as a small industry?

Mr. HOLLAND. Well, of course, the entire Middle West is made up of small industries. Even our largest industries are comparatively small.

Mr. CURTIS. What is the largest one in your corporation?

Mr. HOLLAND. The largest that we have in our corporation are the Locomotive Materials Co. of Atchison, Kans., and the Butler Manufacturing Co. of Kansas City, Mo.

Mr. CURTIS. How many men will they employ?

Mr. HOLLAND. I presume that they will employ from 400 to 600 men each.

Mr. CURTIS. Will you be able to meet the delivery schedule under your contract with the Navy?

Mr. HOLLAND. We will more than be able to meet it if we can obtain the materials. We are just now getting materials, though we have had the contract since September 2.

Mr. CURTIS. Does the delay occur in securing priorities or in getting delivery after you get a rating?

DELAYS IN MATERIAL DELIVERY

Mr. HOLLAND. We got a priority rating A-1-B which came with the order. Just last week, we obtained the aluminum on the order. Some 2 weeks ago we got some of the steel. We have not secured the brass yet.

Mr. CURTIS. When did you make this contract with the Navy?

Mr. HOLLAND. Bids opened on August 13, as I remember it, and we were notified on September 2 that we had been awarded the contract.

Mr. CURTIS. Are the prices you paid for these materials, which are being delivered to you at this belated time, the same you would have paid if you had gotten them when you made your bid?

Mr. HOLLAND. We haven't run into any serious difficulty there. I believe in one instance we did find that the price was a little higher than it was when we made our bid.

Mr. CURTIS. What has been your experience in relation to your ability to bid on items offered by the Procurement Divisions of the Army and the Navy? Have you found a variety of items within the range of your resources?

BIDDING RESTRICTED BY TIME LIMITATIONS

Mr. HOLLAND. I might explain that this way. If you would study the Government Advertiser that comes out every Thursday—I receive it on Thursday, because I pay for it to come air mail—and you look down the list, you will find invitations to bid, numbers of them in every issue. The bids are to be opened in 4 to 10 days from the time you receive those advertisements. It is impossible to send to Washington and get the blueprints and to bid intelligently on a job and have it there in the time allotted.

Mr. CURTIS. That has been the story that we have heard throughout the entire Middle West.

Mr. HOLLAND. It can't be done. I might elaborate on that just a moment, if you care to hear it. Shortly after this corporation was formed I received notice from the Bureau of Supplies and Accounts that they were going to ask for bids for bore sights. I didn't know what a bore sight was, but I sent for the blueprints and after looking the blueprints over I saw that it was something that our combination of industries could make just as well as anybody could. However, I don't think there is a single plant west of the Mississippi River that could have handled this particular job. Not one plant. We had about 8 days on that, 9 days, before the bids were to be opened. We worked solidly for 8 days and on Sunday I had 8 men at my house who worked from 10 o'clock in the morning until 5:30 in the afternoon, and on Monday night, I took a plane for Washington, because the bids opened at 10 o'clock Tuesday morning. That shows how closely we are working on that particular job to get it in.

Mr. CURTIS. If you had broken the proverbial shoestring you would never have made it.

Mr. HOLLAND. Never in the world.

Mr. CURTIS. Comment has been made frequently in the hearings of this committee that small machine shops find it difficult to meet the close machine specifications for ordnance work. Have you any observation in regard to that question?

Mr. HOLLAND. I have a lot of observations. One of the parts used on this job for the Navy calls for 5,625/10,000ths of an inch plus nothing, minus 2/10,000ths. That is pretty close measurements. Now, we put that particular part into the shop of the Brunson Instrument Co., who manufacture surveying instruments, and are accustomed to precise work. They don't need the 2/10,000ths leeway. They can make it exact if necessary, but I wouldn't dare to put it into some of the other shops. That is why I think that in a pool such as we have, where you have every type of industry, you can put into the particular shop, the thing they are best qualified to do.

SHORTAGE OF GAGES

Mr. CURTIS. Another statement frequently heard is that a shortage of gages of all types prevents many prime contractors from subcontracting their work. Can you furnish the committee with any information along this line in terms of your own experience?

Mr. HOLLAND. I am glad you brought that question up, because, in this particular Navy job, some of the tolerances are very close. I am particularly anxious that this be as good a job as they can make for the Navy, and it is going to be. We have to have micrometers up to 13 inches in size to measure accurately some of the parts that we are making. We needed about \$400 worth of micrometers in our own office for final inspection and for the Navy inspector to use on these things, and some of the plants needed micrometers. So I ordered about \$400 worth of precision instruments from the Elfelt Hardware Co. in Kansas City. They placed the order, I think, with the L. S. Starrett Co. of Athol, Mass., who have been making precision instruments since 1880. The next day the Elfelt Hardware Co. called me on the telephone and quoted from a bulletin that they had just received. It said, "a new list of discontinued items in certain sizes in the interest of the national emergency." Now the metal involved in the making of a micrometer is nil. It doesn't amount to anything. It is a precision instrument, and if there was ever a need for precision gages, it is at this time when we are making so many precision items. He went on to say, "We request you not to call for any of these discontinued items. However, if you do, the orders will be canceled by us." Now, I don't care how close a small manufacturer could work; if he received a subcontract, or if he is working on a prime contract and cannot obtain gages, he wouldn't dare put a tool on a piece of metal, and the small business would be wiped out entirely. To offset this I had made a request of the Navy that they send us a complete set of the items that we are to manufacture, and we will have one firm make a gage for every one of those items and use that gage because we cannot obtain precision instruments to measure them by.

Mr. CURTIS. Would you care to state the degree to which your corporation or pool plan can be adapted to the needs of other communities?

Mr. HOLLAND. I think it will work in practically every community in the United States. I think it is the practical way for small business

to handle defense contracts. I will tell you why. It is because, in effect, every man who takes part in a contract really becomes a prime contractor. He is not a subcontractor. In this little pool that we have with 16 concerns working now, each one of those concerns is watching to see that the other fellow doesn't slip in any way, because the job is going to be judged in its entirety, and any one man can spoil the work for everybody connected with it. I think the plan is thoroughly practical.

Mr. CURTIS. Coming back to the question of the control of your corporation—I believe you said all firms have the same number of shares of stock; that means equal voting strength, regardless of whether they are a firm that employs 100 people or 500.

Mr. HOLLAND. Yes, sir.

Mr. CURTIS. And you think that is probably the best solution?

Mr. HOLLAND. I think it is.

Mr. CURTIS. I want to ask you this question. How would small manufacturers, who have been making products that did not require precision instruments and did not call for processes of fine tolerances, fit into this sort of picture?

SMALL PLANTS COULD FOLLOW A TOLERANCE

Mr. HOLLAND. They might fit in very well. I think England has gone through that. About a month ago I had the pleasure of lunching with George Thompson who is one of the heads of the British Labor movement. I lunched with him and William Green in Washington, and I asked Mr. Thompson that very question. He said, "It has been our experience in the first place that we didn't need the tolerances that our engineers were calling for. But we have been surprised at the way these small plants could follow a tolerance if given an opportunity." I think the best answer to that is that the boys in the Midwest have been repairing tractors and old Ford cars and that sort of stuff, and they have not been compelled to come down to 2/10,000ths, but if given a gage they soon get the feel and they can do it.

Mr. CURTIS. As you may know, this committee has taken the position that it is absolutely necessary to bring the small machine plants into the defense program to get the production which this country needs for defense work. The committee likewise wishes to see labor dislocations and unnecessary migration held to a minimum. Have you specific recommendation to help accomplish these objectives?

Mr. HOLLAND. Yes, I made a suggestion to the Defense Commission on December 17th of last year. At about Christmas time they came out with the announcement of the contract service. I had a long talk with Mr. Mehorney at that time, and I begged him to set up a plan that would use the men and their machines in the communities where they were, and not disturb the economic condition of those communities. I talked with Dr. Lubin about it. Dr. Lubin said that my plan was very sound. I talked with Morris Cooke and he said it was very sound. I talked with the Army and Navy about it, and I was told by them that the regulations would not allow them to use an organization like that. And one "brass hat" in the Army informed me that "those farmers out there couldn't work to our tolerances." I think it is thoroughly practical to distribute this work out among these shops. I think that they already have the organization that

could handle it. I think Mr. Odum should be given the power through his Contract Distribution Offices to place the whole contract instead of begging these fellows to subcontract. As it now is, the small manufacturer bids on something he has never seen before; there is no time allowance for educational work; the low bidder gets the contract and stands a good chance of losing money on the job. I don't care how complicated the machine is, if you take it apart and you put one piece in this room and one piece in that room and scatter it all over and look at the pieces individually, it ceases to be a complicated piece of machinery. It is only complicated when all these parts are put together and the machine functions as an integral whole. Many of these fellows can make these parts just as well as anybody can, and I suggested that to Mr. Mehorney.

Mr. CURTIS. You mean to carry this out along the line of authorizing someone to go to these places and negotiate a contract fitted to the plant and the equipment and the labor supply that they have there?

Mr. HOLLAND. Yes, sir. For instance, the Ordnance Department of the Army has had men in the field for years making surveys of plants. The Contract Service has made a survey. The Navy has made a survey. All they could do until now is to go in and ask to see that man's equipment and list it, and catalog it. They could advise him that Pontiac or somebody else has a job and that he should write to them to see if they want to farm out part of it to him. We would save a lot of time and effort and get some place if what I suggest were done. Most of the ordnance men know their business and what is required. He could walk into a plant and say, "Can you make that?" and they would say, "I don't know, I think I can," and he would say, "We will find out what you can do. Let us see you make 1 or 2 and find out your costs and I will be back here. We need 10,000 units of this part."

EFFECT OF WIDER CONTRACT DISTRIBUTION

Mr. CURTIS. In so doing you would eliminate the cost of plant expansion a great deal.

Mr. HOLLAND. Yes.

Mr. CURTIS. And congestion with its needs for further housing and schools and sanitary facilities.

Mr. HOLLAND. Yes, sir. We are congesting these communities like the city of Detroit and some of the cities on the east and the west coasts. We are putting men in there by the thousands and giving them mass instructions on how to upset America. You can't do that with these boys in the Midwest. Distribute your work and you will solve many of these problems.

Mr. CURTIS. In distributing these contracts to fit what the firm is able to do, would you give leeway to local wage levels and freight rates?

Mr. HOLLAND. I would.

Mr. CURTIS. One other thing about your organization. How many full-time employees do you have in your corporation?

Mr. HOLLAND. So far I have devoted all of my time for 15 months with no pay whatever. I have a young lady whom I pay \$25 a week, who looks after my correspondence for the Mid-Central War Resources Board—that is our original organization. The office of the Mid-Central Associated Industries, Inc., is in the same office on the

Twenty-sixth floor of the city hall, and up to now I have had one man on my pay roll whom I am paying \$300 a month.

Mr. CURTIS. Mr. Holland, we are most grateful to you for your testimony here, and as I have just come from two hearings held in areas where there are many small businesses I would say that you have expressed the hopes of the small businessman in your recommendation for more time in which to get bids in, and your recommendation that contracts be negotiated to fit whatever the manufacturer can do.

The CHAIRMAN. Of course, Mr. Holland, we have to keep our minds on the thought about our own committee. We are a Committee on Defense Migration. We are trying to help in the solution of that problem. I think the statement you made is the most interesting thing I have heard. The more people that leave their homes and go to Detroit and Concord or Trenton, N. J., and these other places, the greater the problem is going to be of the migration in post-war years.

Mr. HOLLAND. Yes, sir.

The CHAIRMAN. As to the corporation you speak of, I am no mechanic but I can readily see how small plants which probably couldn't do a job alone, by uniting and getting together can do an excellent job.

Mr. HOLLAND. That is right.

The CHAIRMAN. I wonder if it is possible for us to have a copy of your articles of incorporation and bylaws.

Mr. HOLLAND. I have them here.

The CHAIRMAN. Could you give us a copy? I will have them incorporated in the record as an exhibit.¹

Mr. HOLLAND. Yes, sir; I can.

The CHAIRMAN. Speaking for myself only, I think it is the most entrancing suggestion I have heard throughout the United States.

Mr. HOLLAND. Mr. Tolan, we need capacity production by both the large and the small plants if we are going to win this war, with strikes outlawed. We have got to have that, and I think we have got to take control immediately. I say "we." I am thinking of you gentlemen in Congress. We must not allow the favored few to take all of the business of this Government because if we do that we are going to handicap ourselves and we are going to delay our output of much-needed items.

UNEVEN DISTRIBUTION OF CONTRACTS

The CHAIRMAN. Before I left Washington on Monday I received the following information from different offices in Washington: In August of this year 48.4 percent of the Army orders went to 10 States. In September the percentage rose to 70.8. In October it rose to 85.4 percent. With the Navy, 56 companies in the United States held 75 percent of the contracts. Now, Mr. Odium of the O. P. M. is in favor of taking care of the small plant for at least a period of 6 months to give them a chance to adjust themselves. Mr. Nelson of S. P. A. B. doesn't agree with him, but you will agree with me when I say this: We in Washington have got to get into our heads that after all is said and done, civilian morale is just as important as Army and Navy morale. You can't separate them.

¹ See p. 8914 et. seq.

Mr. HOLLAND. Yes, sir.

The CHAIRMAN. And so as we go into this defense program full speed ahead we must think a little bit about our folks at home, and when these small businesses go down you are just hurting the morale of the American people.

Mr. HOLLAND. I feel the strength of our liberty lies in the independent small community, in the independent merchant and the independent small manufacturer, and we are trying to preserve our liberty. If we are, then we must preserve these smaller communities and small businesses.

Coming on the train I read a statement in News Week that Donald Nelson made, and I can get Donald Nelson's viewpoint because he is the head of a big corporation—Sears, Roebuck. But I think if you get out in these small communities and get out among small businessmen and ask them what Sears, Roebuck ever did for them you will get none too favorable an answer. Yet they are outlining the program for small business and big business alike. He made this statement last Thursday in Boston: That employees of a big company thrown out of a job get just as hungry as the worker in a 1-man plant. That statement was in answer to Mr. Odium's plea for the small plants. Possibly that is so, but there is this difference. You take these plants that employ 18,000 and 20,000 people, and if you lay off 2,000 or 3,000 men no doubt it will affect the economic life of that community. But supposing you are laying off 2,000 or 3,000 men in these smaller communities. You are destroying a hundred small communities that are the backbone of America, and that is what we are doing in that program right now.

Mr. OSMERS. Among other proposals, Mr. Holland, you made the proposal that we outlaw strikes, and however worthwhile the objective sought might be, don't you believe that we must take into consideration the rising cost of living that is affecting all of us, and that we cannot settle one question without settling the others? We cannot arbitrarily say to labor: You are forbidden from seeking wage increases, but we as a Nation reserve the right to increase your cost of living without any regard to what you are earning.

Mr. HOLLAND. I am glad you brought that question up because I am heartily in favor of union labor. I have employed it for 30 years and have a card in the photoengravers' union myself. What I say about union labor I say about myself. I have nothing against union labor but I am thinking in terms of America's being on an all-out production schedule. We must not tie up our production by allowing these strikes to shut up airplane factories or steel works, because that throws everybody out of gear all the way down the line. I hope we can do something like the President suggests or that you men can get up a way to keep these men at work and settle disputes by arbitration.

Mr. OSMERS. I wanted to get your views particularly with respect to price control and controlling the cost of living. I know you are familiar enough with defense centers in the United States to know that we are requiring some of our defense workers to live in inhuman conditions and pay excessive rents and other costs, and those things have to be taken into consideration.

Mr. HOLLAND. Yes; you bet they should, but a lot of that is very unnecessary because we have idle buildings all over the nation that could have been used and saved the construction of new plants.

And we have thousands of idle machines that could have been used where they are instead of taking these men and congesting them in certain areas and making it necessary for them to live in places not fit for human beings to live in.

Mr. OSMERS. I agree with you.

MACHINE-TOOL PRODUCTION

Mr. HOLLAND. I talked with Mason Britton, Chief of the Machine Tool Department of O. P. M. Mason told me that 5 years ago the volume of machine tools manufactured in this country was worth \$29,000,000; that last year there were \$500,000,000 worth; and this year it will be \$800,000,000 worth. And I asked why. He said: "We have got to have them." I said: "We have thousands of machine tools that are idle. Why not use them?" He answered: "They are old machine tools. We have to have new machines." Now they found in England that they didn't have to have new machines. They used these plants where they were, and the small plant in England is indispensable. First they tried lifting the machines from the plants and putting them in one big plant, and they found they were building targets for Hitler, so they devised a plan of using the machines where they were and having a truck go around and pick up the parts, to be delivered to the central base. I was in the plant of one of the leading machine tool manufacturers in this country. He has orders on his books that will carry him for years, and I spent about 4 hours there. I asked this man how many of his orders were for general-purpose machines and what percent were for single-purpose machines. By a single-purpose machine I mean for instance a huge machine built for drilling an airplane crankcase. By an all-purpose machine I mean one like a lathe or a drill press or a gear cutter or something like that. So I said: "How many of your orders are for single-purpose machines?" He said: "Less than 5 percent." So I said: "Then over 95 percent of your orders are for all-purpose machines?" He said: "That is correct." So it appears that we have tied up these machine-tool industries and we are tying up our steel and we are making new machines to replace machines that are already in existence.

The CHAIRMAN. Thank you very much, Mr. Holland.

Will Mr. Peter R. Nehemkis, Jr., please come forward?

TESTIMONY OF PETER R. NEHEMKIS, JR., SPECIAL ASSISTANT IN THE DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT

Mr. OSMERS. We are very sorry that Mr. Odlum has been ill and cannot appear before us today. I have gone over your statement as well as time permitted. I must say that it is a very important statement for the committee to have.

(The statement referred to above is as follows:)

STATEMENT BY PETER R. NEHEMKIS, JR., SPECIAL ASSISTANT, DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT, WASHINGTON, D. C.

This statement is submitted to the Committee Investigating National Defense Migration in pursuance of its request. I appear for Mr. Floyd B. Odlum, Director

of the Division of Contract Distribution, who is unable to respond to the committee's invitation because of illness.

Before beginning my testimony, may I say that the Division of Contract Distribution welcomes this opportunity to acquaint the committee with its work and the progress which it is making since its establishment last September. Congressional inquiries such as this committee is conducting are inherent in our democratic processes. The scholarly and objective studies which this committee has undertaken have sharpened our understanding of the defense effort. British experience as well as the dictates of common sense make it plain that avoidable migration of workers is inimical to national defense.

I

The Division of Contract Distribution was established pursuant to an Executive order of the President issued on September 4, 1941. (See exhibit A.) It superseded the Defense Contract Service, a bureau of the Office of Production Management.

The underlying reason for the promulgation of the Executive order was stated succinctly in the White House statement accompanying the issuance of the order: " * * * The Executive order was issued in furtherance of a determined move on the part of the Administration to help the smaller business units of the country obtain a fair share of the defense orders, and to prevent, so far as possible, dislocation of industry and unemployment of workers in plants where production has been curtailed by priorities and material shortages." (See exhibit B.)

The major steps by which the foregoing objectives were to be achieved were also set forth in the White House statement. They are:

1. The breaking down of larger orders of supplies into smaller units, and spreading the purchases among more firms and in all localities possible.
2. Providing assistance through the Labor Division of Office of Production Management in retraining and obtaining reemployment for workers who are unemployed as a result of the shutting down of some plants or reduction of their output.
3. The effective distribution of defense contracts to the smaller business enterprises, as yet largely unused, through an expanded use of subcontracting, contract distribution, and the pooling of plant facilities.
4. By providing a staff of industrial and production engineers to formulate and execute specific plans for the conversion of nondefense industries and plants to defense production.

ORGANIZATION OF THE DIVISION OF CONTRACT DISTRIBUTION

The operating sections of the Division have been divided into the following departments:

1. *Procurement Branch.*

The functions of this unit are:

(a) To assist the procurement agencies in preparing their bids and specifications at their source in such a manner as will permit the taking of prime contracts by smaller manufacturers, and pools of such manufacturers.

(b) To secure from the procurement agencies as much advance information as possible as to their requirements, so that the field organization may be advised in ample time to bring such information to the attention of all potential sources of supply.

(c) To find special facilities required by the procurement agencies. In this connection the Procurement Branch will work closely with the Facilities Section described later.

(d) To assist the procurement agencies in finding available facilities for subcontracting work for pending prime contracts so as to enable the procurement agencies to negotiate prime contracts requiring a high percentage of subcontracting in lieu of plant expansion.

(e) To assist the procurement agencies in speeding the defense program by encouraging more subcontracting of existing prime contracts.

(f) To have investigated for the procurement agencies, where requested, causes of delay, special engineering difficulties, etc.

(g) To assist in the maintenance of national morale by bringing to the attention of the procurement agencies industries which have been forced to release employees due to lack of materials.

In carrying out the foregoing work, arrangements have been completed with the armed services for competent and qualified technicians of the Division to be

represented in the various procurement establishments. This will enable the Division to participate directly at the source of defense procurement.

2. *Conversion Section.*

The work of Conversion Section relates to:

(a) Plants and industries in areas where sufficient distress has arisen to warrant "certification" to the armed services and the recommendation of specific remedial programs with respect thereto. (In a subsequent section there will be presented the manner in which distressed areas are "certified" together with a statement showing the communities which have been certified to date and the number of distressed communities now under study.)

(b) The early conversion of plants and industries from civilian to defense production.

3. *Engineering and Planning Branch.*

Engineering and Planning were grouped together in one branch since the functions of each are closely correlated. This branch is a service unit rather than an executive unit. It includes a corps of skilled production, management, and industrial engineers (whose number is being increased daily) to be drawn upon for advice and help by any other of the various branches, sections, and units as the occasion arises.

4. *Operations Branch.*

Operating directly under the Deputy Director is the Chief of Operations. Under this branch there are the following operating sections:

(a) *Field Management Section.*

This section deals with all administrative matters relating to field operations, including budgets, personnel, information, progress reports, and general supervision.

(b) *Training Section.*

This section deals with the training of new personnel. It will conduct training schools in various parts of the country in order to equip new personnel to serve effectively in the work and activities of the Division.

(c) *Finance Section.*

This section furnishes to the field offices all information relating to financial questions and procedures. It also assists the field organization in solving specific financial problems affecting business enterprises, especially the smaller business units. It furnishes financial advice to other Divisions of Office of Production Management as well as to the other sections and units of the Division of Contract Distribution. The section undertakes studies of the capital and credit needs of subcontractors and the smaller business enterprises generally in order to formulate appropriate remedial recommendations for presentation by the Director General and Associate Director General of Office of Production Management.

(d) *Educational Section.*

This section directs and advises the field organization on matters relative to exhibits, clinics, etc., and specifically formulates and executes Nation-wide programs relative to exhibits of "bits and pieces" in pursuance of the directive of the Executive order.

(e) *Certification Section.*

This section deals in the field investigation of areas reported as distressed by the Labor Division of Office of Production Management or which in any other manner comes to its attention.

(f) *Contract Placement Section.*

The Contract Placement Section carries the burden of the Division's traffic. The bulk of the inquiries from the field offices and from individual concerns and organizations are directed to this section. Under the Contract Placement Section there are the following units: Pooling, Prime Contracting, Subcontracting; and Procedure. Each unit is charged with the responsibility of furnishing to the field organization all information helpful to the field under these several headings. They also advise and counsel the field organization as to the handling of specific cases.

(g) *Facilities Section.*

The Facilities Section locates by bulletin and correspondence to the field, special facilities which the procurement agencies may require, as reported by the

various sections of the Procurement Branch of the Division. This section also locates facilities required by prime contractors, such requests originating either in Washington or in the field. This section also supervises the maintenance of facility cards in the field offices. It endeavors to coordinate all information relating to facilities which has been compiled by other agencies and departments of the Government.

(h) *Program and Procedure Section.*

The Program and Procedure Section edits, indexes, correlates, and prepares all information which is helpful to the functioning of the field organization.

(i) *Progress and Reports Section.*

The Progress and Reports Section secures from the field semimonthly reports and statistics as to progress.

5. *Field offices.*

Prior to the establishment of the Division of Contract Distribution, the predecessor organization—the Defense Contract Service—had 39 field offices. These offices were set up along Federal Reserve district lines—a principal field office being located in each Federal Reserve district and physically housed in the Federal Reserve banks and their branches.

Under the Executive order creating the new division, the field organization was required to be established along State lines. By establishing the State as the unit of operation it was believed that the field organization would be drawn closer to the industrial areas and to the sources of production—both actual and potential. The division now has 67 field offices located in 39 States. (Exhibit C contains a list of the principal offices and branch offices of the Division of Contract Distribution.)

Additional offices and branch offices will be opened in other cities as rapidly as a competent personnel can be trained.

As of November 15, 1941, the total personnel of the Washington office was 279. The field personnel constituted 734.

It is contemplated that in order to carry out effectively the functions and duties of the division, a staff of approximately 3,800 persons—largely engineers—will be required. To this end, the director has submitted to the Bureau of the Budget a request for \$23,470,725 to cover the cost of operating the division for a 12 month period.

6. *Advisory committees.*

The Executive order provides for two advisory committees—one, a Small Business Advisory Committee; the other, an Engineering Advisory Committee. The Executive order states that “the committees shall, from time to time, upon request by the director, make findings and submit recommendations to the Director with respect to procurement practices and procedures; contract placements and distribution; industry conversion problems; formation of local production associations; subcontracting; and for such other matters as the Director may require advice and assistance.”

Both advisory committees have been established and are functioning. The Small Business Committee consists of manufacturers representing every region of the Nation. Its chairman is Mr. Walter Finke, president of the United States Junior Chamber of Commerce. The Engineering Committee includes among its members some of the country's outstanding industrial, management, and production engineers. Its chairman is Mr. George Armstrong, president of the Association of Consulting Management Engineers, Inc.

II

The committee has requested an expression of opinion with respect to the technical and financial facilities and resources of the small, medium- and large-sized companies. An adequate response to this question is not possible within the time available for the presentation of this statement. Data are available in the hearings, reports, and special monographs of the Temporary National Economic Committee and are, no doubt, familiar to the committee's staff. However, certain general observations may be made at this time insofar as they bear on the work of the Division.

NUMBER OF SMALL ENTERPRISES

The smaller units of business enterprise are, numerically overwhelmingly preponderant. In its study, the Problems of Small Business,¹ the Temporary National Economic Committee stated: "Of the 2,400,000 business units in the Nation, more than 92.5 percent are small (with less than \$250,000 in total assets) and about 6.5 percent are intermediate (with \$250,000 to \$5,000,000 in total assets). Only about 1 percent of the business population, by almost any system of measure, is large business."

CHARACTERISTICS OF THE SMALLER ENTERPRISES

While small business enterprises constitute the vast majority of all business units, they do not appear in equal numerical preponderance in all groups or subgroups of industry. Small business is to be found, in the main, wherever the capital requirements for adequate operation are small. The smaller units will be found "wherever small-unit machinery or other equipment is as efficient for the given purpose as the large and costly plant. Also, the personally operated type of enterprise is prevailing to be found wherever the preference of consumers favors a product marked by some distinct individuality, a service involving personal contact, or an especially intimate response in other respects to the varieties of consumer demands. It is further found wherever the administrative advantages of largeness are not conclusive in determining survival."²

The trade (retail and wholesale) and service areas are by far the largest strongholds of the smaller enterprises. Although construction and manufacturing are the focal point for the larger business units, they, nevertheless, each contain numerous and important smaller business units. To quote again from the report of the Temporary National Economic Committee:

"While the building supply industries, classed as manufacturing, include certain heavy concentrations, the construction industry itself is the least concentrated of business categories. Even among the 14,574 incorporated units, there were in 1936 but 31 construction corporations in the large business group (using total assets as a measure of size). These were 0.2 percent of all the corporations in this field, but they accounted for 10.5 percent of the gross receipts. The intermediate size group, with 1,066, or 7.3 percent of the 14,574 construction corporations in this field, accounted for 25.4 percent of the gross business.

"Of the 14,574 construction corporations, 13,477, or 92.5 percent, were small units, each having less than \$250,000 in total assets. These reported 64.1 percent of the total sales in this field. In 1938 the Social Security Board found that there were 98,831 employing units in this industry, which, when compared with the 14,574 corporations, indicates an overwhelming preponderance of unincorporated units in construction.

* * * * *

"This industrial division is obviously the focal point for many of the greatest business corporations. Yet small manufacturing units are numerous and important. For manufacturing establishments, complete data for units with \$5,000 or more in annual value of product are available from the Census of Manufactures. Using the value of the annual product as the measure of size, and assuming \$250,000 and \$5,000,000 in product value to be the dividing lines of our size groups, it is found that, of the total of 166,794 manufacturing establishments both incorporated and unincorporated, in 1937, with a minimum product value of \$5,000, only 1,653, or 1 percent, were large, in that the product of each was valued at \$5,000,000 or more for the year. These few large establishments, however, accounted for 42.8 percent of the total product value of all manufacturing included in the Census of Manufactures. The intermediate size group comprised 29,899 establishments, or 17.9 percent, and turned out 45.3 percent of the total value of product. Small manufacturing, with 135,242 establishments, or 81.1 percent of the total, each producing less than \$250,000 in product value, accounted for 11.9 percent of the total product value of manufacturing tabulated. How much the inclusion of the smallest manufacturing concerns (with less than \$5,000 annual production) would affect these percentages, is unknown."

From the foregoing discussion it is apparent that, although we know the general business area in which our clients, so to speak, are to be found, we do not know

¹ Monograph No. 17, Temporary National Economic Committee, 76th Cong., 3d sess., p. 248 et seq.

² *Ibid.*, at 251.

with any degree of particularity who they are. In the next few months we shall in large part have the answer to this question through the operation of our facilities inventory.

FINANCIAL RESOURCES OF THE SMALLER ENTERPRISES

With respect to the capital and credit needs of the smaller business enterprises, considerable data are available, including the hearings of the Senate Banking and Currency Committee (76th Cong., 1st sess., on S. 1482 and S. 2313), and the hearings of the Temporary National Economic Committee. The summary of the findings of the Temporary National Economic Committee¹ shows:

“With respect to equity capital.—Small business by and large lacks adequate equity capital with which to finance its operations. In default of adequate equity capital, small business is compelled to rely largely upon mortgage and short-term credit. One reason for the inability of small business to obtain equity capital lies in the fact that it does not have the same access to the capital markets as does large business, since that machinery is adapted largely to the needs of big business.

“One difficulty which must be taken into consideration in supplying equity capital to small business is its resistance to impairing its control or sharing its equity.

“With respect to credit.—(a) Long term: Small business faces the same difficulties in obtaining long-term credit as it does in obtaining equity capital, since the existing credit facilities are not geared to deal with the special and peculiar needs of the smaller enterprise.

“(b) Short term: Although short-term credit appears to be more available than either equity capital or long-term credit, nevertheless, small business experiences difficulties in obtaining short-term credit from the regular commercial banking sources. Short-term credit is, however, obtained through intermediary credit agencies, and from trade creditors, at charges which are frequently high and upon terms which tend to be onerous.

“The difficulties experienced by small business in obtaining adequate financing result from two sets of circumstances: (1) the intrinsic operative characteristics of small business which have been previously noted; (2) the risk involved in individual transactions.”

The impact of national defense upon the smaller business enterprises has not served materially to ease their credit and capital problems. Some months ago the Financial Section of the Division of Contract Distribution made a study of the financial position of several hundred subcontractors participating in various phases of defense production. It was found that 40 percent of the subcontractors had a submarginal credit rating, and would, therefore, experience difficulties in obtaining credit from the normal banking channels. It has subsequently been found that a considerable proportion of these subcontractors have, in fact, been inadequately financed.

The Executive order states that the Division is to provide through the regular commercial banking channels, the Reconstruction Finance Corporation and the Federal Reserve Banks and their branches, the necessary financing facilities for prime contractors, subcontractors and local industrial defense production associations as well as to “recommend from time to time such additional financial procedures or machinery as shall be required to ensure maximum utilization of existing plant and tool facilities for defense purposes.”

This policy is being carried out by the Financial Section of the Division. Between 400 and 500 inquiries are being received in the Washington and field offices each month regarding the availability of working capital alone.

The maximum of cooperation has prevailed between the Division and the private and governmental agencies of finance. The policy of the Division has been to direct all possible credit inquiries to the commercial banks in the first instance. When these channels have been unable to meet the needs, recourse was had to the Reconstruction Finance Corporation or the Federal Reserve banks or to the 30 percent advance payments made to prime contractors by the armed services.

A summary of the Division's experience with respect to the adequacy of the existing sources of financing follows:

1. Both governmental and private banking channels would appear to have exercised to the limit of their authority and responsibility financing to the smaller enterprises as prime contractors and subcontractors. However, neither the public nor private agencies are able to justify the risking of the funds of their depositors,

¹ *Ibid.*, at pp. 261-262.

noteholders, or appropriations by the Congress in the case of the submarginal contractor.

With a vastly augmented production load scheduled for the coming year, the financing of the submarginal enterprise whose facilities are required will present a serious problem.

2. The 30 percent advances to prime contractors by the fighting services are customarily made promptly and without undue delay. However, experience has shown that it is extremely difficult to induce the prime contractor to permit these moneys to percolate down to the subcontractor, where there is generally a pressing need for working capital. It is the considered opinion of the financial section of the Division of Contract Distribution that this indirect method of financing subcontractors by making advances through the prime contractor is not only cumbersome but inadequate for existing needs.

The Division is now preparing a comprehensive report on the entire problem of financing and conversations are now taking place between representatives of the Division and governmental officials and private banking executives to the end that a practical, remedial program may be evolved.

LEGISLATIVE PROPOSALS

In order to overcome certain of the disadvantages which confronted the smaller business enterprises in their desire to participate in the defense effort, Mr. Odlum was early of the opinion that legislation was essential to overcome certain legal impediments which stood in the way of the armed services carrying out the terms of the Executive order. Experience has amply demonstrated that the average business concern—especially the smaller unit—is generally unable to estimate the cost of production for military items on the basis of competitive bidding. Existing legislation, for example, makes it impossible for the Navy to award a regional contract if there is a responsible low bid from outside the region. Further, bonding requirements have also served as a deterrent to the participation of the smaller enterprises despite the fact that the armed services have endeavored to the fullest extent possible to liberalize their requirements.

These and similar procurement practices it was believed, if eliminated, would aid materially not only the smaller enterprises but the armed services as well. Accordingly, Mr. Odlum requested counsel to the Division to prepare a draft of appropriate legislation. Several weeks have been spent in conferring with counsel to the armed services and other interested governmental departments and agencies. The draft bill is now before the Bureau of the Budget for approval prior to its submission to the Congress.

FURTHER AIDS TO THE SMALLER ENTERPRISES

Shortly after Mr. Odlum assumed his office he requested each of the 56 companies which hold 75 percent of the defense orders to adopt as their individual policy the President's policy of spreading defense work widely through subcontracting. To the extent that these 56 concerns had not already adopted adequate arrangements for subcontracting, Mr. Odlum has requested them to do so. Moreover, each company was requested to designate a top executive who would become the liaison officer of his company to our Division, just as the Army, the Navy, the Maritime Commission have delegated ranking officers for this purpose. Excellent response from the 56 corporation has been received. Most of them have declared their adherence to the policy of spreading defense work widely. Conferences have been had during the past week with specific companies on the need for wider subcontracting. When the contract placement section of the Division completes its organization and is adequately staffed, all phases of existing subcontracting, or the absence thereof, by the large holders of defense contracts can be explored adequately and programs effected to the end that defense production will be accelerated and orders spread widely.

The armed services have cooperated with the Division in the carrying out of the Executive order. Both the Army and Navy have established contract distribution divisions paralleling our own organization. Each of the services has caused to be issued the necessary directives to their procurement establishments for the implementation of the policy enunciated in the Executive order. As an example of the manner in which the armed services have endeavored to cooperate in the policy of spreading defense orders, the following experience of the Corps of Engineers may be cited. In July 1941, to procure a small lot of trailers, the Corps of Engineers solicited bids from only four manufacturers. Following the promulgation of the Executive order, in November 1941, to procure a small number of trailers,

the Corps of Engineers submitted invitations to 86 possible sources of supply, all field offices of the Division of Contract Distribution and the 6 engineer procurement districts. Each of the invitations were accompanied by a copy of the specifications and drawings. Under a directive from the Chief of Engineers, dated October 20, 1941, all division engineers, the 51 district engineers, and the 6 engineer procurement districts were instructed, in conformity with the policy of the Executive order, among other things, to discourage "all or none" bids; wherever feasible, proposals issued or negotiations started were to contain an optional clause stating the maximum award to any one bidder; awards were to be made on a regional basis and to as many producers within a region as was practicable.

This is but one of many similar instances where the services have endeavored to carry out the new policy of spreading defense work.

ENGINEERING AND OTHER ASSISTANCE

We are endeavoring to staff our new field offices and add to the staffs of existing offices practical businessmen and competent engineers so that any manufacturer or shop owner will be enabled to obtain at first hand—without the necessity of coming to Washington—every type of technical assistance—assistance with respect to subcontracting, production problems, conversion, procurement practices, financial aid, etc. In short, no businessman should feel the need of coming to Washington for assistance.

To overcome a frequent criticism by manufacturers that specifications frequently require too close tolerances for certain types of work, Mr. Odum has appointed an engineering committee which is now exploring this problem with the armed services.

THE PLACING OF PRIME CONTRACTS AND SUBCONTRACTS

It is sometimes assumed or inferred that the Division of Contract Distribution exercises authority with respect to contract letting. This is not the case. Contracts for defense items are let solely by the armed services. The following paragraphs of section 1 of the Executive order determine the scope of authority of the Division with respect to procurement:

"(a) Formulate and promote specific programs for the purchase of supplies for the Army and Navy in smaller units but among a greater number of firms and in as many different localities as possible.

"(b) Formulate and promote modifications in Federal procurement practices and procedures relating to negotiating contracts, bidding practice, performance and bid bonds, and other practices and procedures, to the end that there shall be a wider distribution of defense contracts and purchases."

"(c) Promote and stimulate subcontracting wherever feasible."

Section 2 of the Executive order is also relevant. It reads:

"2. To insure unity of policy and coordinated consideration of all relevant factors involved in the formulation and execution of industry conversion programs, and contract distribution and subcontracting procedures, all such programs or procedures shall clear through the Division of Contract Distribution."

Many persons, who have given careful study to the problem of subcontracting, are of the opinion that subcontracting has not proved to be a success because, among other factors, it has not been dealt with at the source. To state the matter somewhat differently: The starting point for a subcontracting program is in the planning stage rather than after a contract has been negotiated. Previous efforts to stimulate subcontracting have resulted in inadequate results largely because the problem was not attacked sufficiently early in the procurement planning stage. Accordingly, to remedy this basic defect, Mr. Odum has arranged for technical members of the staff to be represented in the various procurement branches of the services. In this way it is believed that subcontracting programs can be worked out at the time of procurement initiation and thereafter become consummated in the subsequent contract negotiations.

For the month of October the Division's branch offices were able to arrange a total of 538 prime contracts and 1,615 subcontracts, totaling \$178,658,529, as compared with \$139,700,000 for the month of September and \$97,000,000 for August.

SUBCONTRACTING AND PLANT EXPANSION

The committee has inquired with respect to the authority of the Division of Contract Distribution in connection with the construction of new plants or additions to existing plants. As the committee is aware, all such applications are presented to, and approved by, the Plant Site Board of the Office of Production

Management. The Division is represented on the Board. In addition, all applications for plant expansion are submitted to the Division for recommendations with respect to the availability of existing facilities. Upon receipt of such applications, the Division, through its Subcontracting Section, endeavors to ascertain through the Division's Engineering Section or the nearest branch office or offices to the applicant whether or not there are existing but unused facilities capable of producing the item for which new or additional plant expansion is requested. In the event such available facilities are discovered, the potential sources of supply and the applicant for expansion are brought together and an effort made to have the applicant utilize such facilities in lieu of its program for new construction.

The foregoing procedure illustrates the disadvantage of initiating subcontracting after the planning for a project has been completed. For one thing, there is present an unfavorable time element; weeks and months of planning may have entered into the conception of the particular project. Nevertheless, a decision on the feasibility of a particular expansion program and the possibilities of substituting existing facilities must be reached in a matter of hours. Plainly, the place for a determination of the feasibility of subcontracting is not at the Plant Site Board but at the planning center of the particular procurement establishment which requires the additional source of supply.

CERTIFICATION PROCEDURE

Recognizing that the impact of priorities and raw material shortages would cause serious dislocations to labor and industry, Mr. Sidney Hillman early last summer appointed a committee of staff members of Office of Production Management to prepare recommendations for dealing with the problem of "priorities-unemployment." Among the recommendations of this committee was the program of certification adopted by the Council of the Office of Production Management on August 19 (and embodied in the directive of the Under Secretary of War to the Chiefs of the Supply Arms and Services under date of September 5, 1941, a copy of which has been spread in the records of the committee), by which communities threatened with priority unemployment may be certified by the Division of Contract Distribution to the armed services for special consideration in the award of contracts.

The certification of communities or industries is the joint undertaking of the Priorities Branch of the Labor Division (Office of Production Management) and the Division of Contract Distribution. At the request of the Priorities Branch of the Labor Division or upon its own initiative, community surveys are made by the Bureau of Employment Security. The completed surveys are transmitted to the Priorities Branch. If the community is certified, the Priorities Branch transmits copies of the community survey to the Division of Contract Distribution together with a letter of certification. Through its engineering and technical staff, the Division of Contract Distribution analyzes the defense potential of the plants or industries involved and recommends a remedial program to the armed services.

Ten areas, including more than 75 plants, have been certified by the Division to the armed services. The total of such contracts amounts to \$28,337,099.91. (See exhibit D.)

Under study at the present time are some 100 areas which face potential distress from priorities unemployment.

III

CONVERSION

The several functions of the Division are set forth in the Executive order. Paramount among the Division's responsibilities is "the development of programs for the conversion of plants and industries from civilian to defense production, with the assistance of the Government if necessary."

Here, indeed, our American engineers may expect to find the greatest challenge which has ever confronted their profession. If they do their job with dispatch and intelligence the greatest industrial plant in the world will out-produce the Axis powers. If they succeed in effecting an orderly transition from a peacetime economy to a wartime economy, Hitler will be defeated. If they fail democracy, too, fails.

While the committee has heard testimony recently on the shifting of peacetime facilities to wartime production, and is, therefore, familiar with the underlying problems incident to conversion, it may not, perhaps, be amiss to restate by way of preliminary discussion certain aspects of the larger problem.

American industry is not unfamiliar with the complexities of conversion. Indeed, the greatest tribute to the ability of American industry to shift its productive facilities from civilian to war production was paid us by Field Marshal Von Hindenburg when he said at the end of the other war that it was our industrial mobilization which caused Germany's downfall.

Grosvenor Clarkson, author of the authoritative *Industrial America in the World War*, has written of this earlier war effort by American industry as follows: "The carpet manufacturer could not make shells, but he could make blankets and ducks. The dredging contractor who was ambitious to make airplanes, but could not, could excavate berths in shipyards. The makers of refrigerators could turn to hospital tables. Horseshoe makers could not make automobile tires, but overnight they could take to making trench picks. The toy manufacturer thought he could make surgical instruments, but came into his own in packing cases. When curtailment hit the stove business, it was found that the idle plants could be turned to making grenades and trench-mortar bombs, which are largely casting jobs. The corset maker found that he could easily master belts for the Medical Corps. The piano factories and furniture men got their chance in the fuselages and wings of airplanes. The makers of automobile motors took to the Liberty engine like a duck to water. Even the talking-machine people landed right side up with facilities adaptable for the making of seaplanes."

Today, I believe it can be said that American industry is doing an even more remarkable job of adapting its facilities to wartime production. For one thing, the strategy and tactics of the war of maneuver involving essentially a motorized and mechanized army has confronted industry with technical problems which it was not called upon to meet during the other war. For another thing, as I have had occasion to say elsewhere: "The modern mechanized and motorized army is impotent unless it has adequately harnessed to it the workshops of a nation's industry. For behind the highly mechanized fighting equipment and material of the modern army lie the forges, the lathes, the drill presses, the machine tools, the jigs, dies, and patterns, and the assembly lines of industrial production. The technique of the war of movement requires not only a superb organization of fighting men and material, but also the highest degree of coordination between industry and the armed services. Indeed, the modern theater of war lies as much along the transmission belts of industry as it does in the actual areas of combat. Today, the fighting forces are but the cutting edge of a gigantic machine tool."

When you stop to consider the almost insuperable obstacles and difficulties which have confronted the majority of American businessmen during the past 18 months in their endeavor to obtain defense work, in attempting to ascertain what was wanted and whom to see, it has been a heartening and encouraging spectacle to observe industry's response to the call for mobilization.

Some confusion, however, appears to exist with respect to what is actually involved in the processes of conversion.

I would not say that a conversion had taken place when a shoe manufacturer, for example, enters into a contract for the supply of army shoes and in fulfilling the contract shifts a part or all of his working force and equipment.

Nor would I say that a conversion had occurred when a shop, which normally depends upon miscellaneous screw-machine contracts for automotive plants, takes on a subcontract for some fuse components and produces them by resetting a few of its automatics.

These two illustrations of adaption to wartime production are in reality merely shifts of market, involving (it is true) appreciable, but relatively incidental, changes in design of products.

Again, I should not say that we were talking about conversion when a manufacturer of oil well pumps builds an entirely new plant and equips it with new machinery for making a defense item which is altogether foreign to his commercial experience, as for example, anti-aircraft guns.

Similarly, we are not describing the process of conversion in the case of a manufacturer of soft drinks who enters into a contract with the Government for the management of an ammunition-loading plant.

These processes—although they are of the utmost importance—are to be considered as the creation of additional plant capacity to be used exclusively for defense production.

What, then, is conversion?

I regard conversion as a more narrow and inclusive process. Conversion, as I see it, is the process of shifting existing tools, equipment, facilities, man hours, and floor space, to munitions, armament, and other defense production.

For example: Where the shop which has been repairing flour-mill equipment turns to machining parts for naval anti-aircraft guns, we have a case of conversion in the true sense of the word.

Or where the plant which has manufactured knitting goods machinery turns to the production of recoil mechanisms for machine guns, we have an illustration of conversion.

Or where the maker of internal gear-rotating pumps takes on an order for fire-control instruments, we have a conversion.

In each of these illustrations, conversion has taken place because existing equipment and facilities have been put to work on jobs which were foreign to their original design and purpose.

Aside from the inherent engineering difficulties attendant upon the conversion of civilian industries to war production, we are now faced with an additional complicating factor. In his testimony before the House Banking and Currency Committee recently, Mr. Bernard M. Baruch had occasion to say: "Because the conversion of facilities from peace to war production was not begun soon enough, we now face virtually overnight, widespread dislocations, temporary unemployment, and possible business failures. What this postponement has cost the country it is impossible to reckon."

The problem is, indeed, serious. Today, virtually the entire consumer durable goods industry faces a critical shortage of raw materials. A list of the industries already subject to priorities and curtailment orders indicates the extent to which American industry has already been affected or is likely to be affected in the near future: Automobiles, silk manufacturers, refrigerators, vacuum cleaners, furniture manufacturers, office appliances, cooking utensils, sewing machines, radios, metal fasteners, iron and steel foundries, brass foundries, cleaning establishments, producers of various textile products using silk, rayon, nylon, and various scarce chemicals, building construction, rubber tires, other rubber goods, washing machines, coin machines, jewelry and ornaments, electrical household appliances, stoves, tableware, incandescent lighting, manufacturers using cork, electroplating establishments, die casting establishments, and agricultural implements.

It is in this sector of the economy, moreover, that the smaller business enterprises—those which are less able to withstand any prolonged shrinkage in business activity—are largely to be found. As Mr. Baruch has so well said: "The huge industrial concerns have the technical skill, the management, the capital resources to withstand shocks and to make necessary adjustments, even if given short notice. The average small businessman has no such margin of safety and may be forced into bankruptcy before he awakens to what has hit him. Such bankruptcies impair production and have an adverse effect upon morale. Under total defense civilian morale becomes as important as military morale."

I say our problem is serious because material shortages have already occurred; plants have already been compelled to shut down; and workers have already been thrown out of jobs.

No one can predict with any degree of accuracy the trend of "priorities unemployment." Some estimates indicate an unemployment of 2,000,000; others believe the figure will run even larger.

For a considerable sector of business there would appear to be no other alternative except to convert or perish.

Moreover, because we have been late in drawing our blueprints for the large-scale conversion of heavy and light industry, there is bound to be a certain amount of suffering. What must be done will now have to be undertaken under far more adverse conditions and with greater hardships than if we had our master blueprints ready.

Conversion cannot be undertaken in a vacuum. Whole industries cannot be shifted over in the absence of a knowledge of (a) resources (what we have) and (b) requirements (what we need). The preparation of a conversion program is, therefore, in reality an end product. It is the meshing and gearing of the data with respect to the available plant facilities and tools of every part of the Nation (resources) with the material requirements of the Army, the Navy, the Maritime Commission, and the Lend-Lease Administration (requirements).

We are only now beginning to undertake the enormous job of finding out what our physical resources are and breaking down the vast material requirements of the armed services. I shall have more to say on this subject in a subsequent section.

It must also be borne in mind that we are compelled to approach our task under a time handicap: To set up a program for the conversion of an industry takes time—time, to make an organized study of the facilities; time, to ascertain where a particular industry can fit into the over-all procurement needs of the fighting services; time, for the industry to make the necessary production and cost studies; time, for retooling; and finally, time, before a contract is ultimately placed and full employment resumed.

It is this interim period which is the critical one. For during this period plants must be "fed" raw materials or cease their operations. It is during this critical period that there must prevail complete synchronization of effort between the application of priorities, the allocation of supplies, and the drawing of the engineering blueprints looking to ultimate conversion. Each must mesh and gear into the other if an orderly and intelligent transition is to be effected.

I indicated previously that we have just begun the enormous task of ascertaining what our physical plant resources are as well as the material needs of the Military Establishment. Each of these aspects of the problem of conversion merits discussion.

FACILITIES

The so-called allocated facility lists of the armed services under the industrial mobilization plan disclose as of August 1941 a survey of 25,000 plants. Of this number 11,998 have been selected by the Army-Navy Munitions Board for defense production and 6,662 have received either a prime contract or a subcontract. These selected plants have been allocated to "problem items" in the procurement schedules. Of the 184,000 establishments reported in the Census of Manufactures of 1939, the 6,662 concerns which have received either prime or subcontracts represent only 3 percent of this category of potential manufacturing capacity.

In addition to the foregoing data, there is available in the field offices of the Division facility records with respect to some 40,000 plants. It is probable that these data to some extent duplicate the allocated facilities listing of the Army-Navy Munitions Board. Even if it be assumed that in this figure there is no duplication, it would at best represent only a fraction of the vast sea of available but unused plant and tool capacity of America. We have yet to learn the extent of our potential producing power.

Accordingly, we are undertaking in every part of the Nation an inventory of facilities not being used for defense work. This inventory will include the facilities and equipment of plants which are now idle or partially idle as well as those which are being employed on nondefense production. Such a census to be of genuine significance must be dynamic, that is to say, it must be kept current. In this respect we can profitably borrow from the experience of the British "area boards" concerning whose functions and operations Mr. Morris L. Cooke has testified.

As a corollary step to the foregoing, we are undertaking a systematic examination of the allocated facility lists of the armed services, making current corrections to such lists so that we may know at any given interval of time what proportion of the allocated capacity is being used on munitions production and what proportion is still available for an expanded munitions program.

Finally, we are also undertaking to catalog the machine and tool complements now being used in the production of the various munitions, ordnance, air and naval equipment, with sufficient break-down to show the machine complements being used on the various components of these items. Only through such a catalog will we know with clarity what we are looking for as we approach the problem of finding additional capacity for a greatly augmented "victory program."

REQUIREMENTS

Until we have available and readily accessible "shopping lists" for all of the military items required but not yet ordered, no large-scale conversion program can leave the paper stage and move over into reality. Until the requirements of the Military Establishment are broken down into "bits and pieces" subcontracting must operate on a "hit or miss" basis; and industrial pools must continue to exist as mere paper pools. Such lists are now in the course of preparation.

It cannot be reiterated too often that conversion is nothing more than a kit of tools: On the one hand, a current facilities inventory and a catalog of machine and tool complements; on the other hand, shopping lists of military requirements; and "market place" exhibits of "bits and pieces."

Each of these tools, so to speak, must be built up around the other. It is futile to talk about converting the manufacturers of refrigerators, for example, until and unless you know what defense items are needed; what tools and machine equipment is required for the particular production; and, finally, whether the refrigerator industry possesses the necessary complement of equipment to undertake the job.

Again, it cannot be emphasized too strongly that it is essential for the small machine shop owner and manufacturer to see with his own eyes, to feel with his

own hands—to bite with his teeth, if necessary—the part or component, the production of which is desired.

A machine gun, or an antiaircraft gun in its entirety is a complicated piece of mechanism. So is a washing machine. But once you “explode” any of these machines into their parts and components, the average shop mechanic will find any number of “bits and pieces” which are no different from the type of work he normally turns out.

We are prone to forget that an automobile is not produced by Ford or Chrysler alone. It is the assembled product of hundreds of “feeder” plants—small, medium and large—situated in every part of the country, feeding South Bend, Flint, and Detroit, and other motor centers with a steady stream of parts ranging from clutch springs to crankshafts and from grinding wheels to headlamp sockets. A score of industries help keep the assembly lines of the automotive industry moving. The same principle must also be applied in defense production.

The mechanics of little industry whose accumulated skills turned out refrigerators, washing machines, vacuum cleaners, radio tubes, automotive parts, gas ranges, stoves and the like, can and will apply those same skills to the production of tanks, guns, and planes.

Defense production is by no means exclusively a “close tolerance” program.

The first step in making available “shopping lists” of defense items has been taken by the Division. On November 10, three special exhibit trains—each loaded with five cars of “bits and pieces” and a full complement of officer personnel from the armed services and the Maritime Commission, together with representatives of the Division and other departments of Office of Production Management—departed one for the industrial Northeast, one to the Midwest, and one to the far West and South.

A summary of the results of the first 5 days of operations—November 11 to November 15—during which period 9 cities were covered, shows that 7,490 manufacturers availed themselves of the opportunity to inspect the various military items. During these first 5 days of operations, the Navy discovered sources of supply which were assuming critical proportions. At Wilmington, Del., for example, the Navy Bureau of Aeronautics found 17 sources of supplies for which difficulties had developed. As a result of the visit to Providence, R. I., it appeared likely that from 4,000 to 6,000 jewelry workers’ jobs might be saved by employment on the fabrication of heavy needles and aircraft tie rods for the Navy.

In addition to the foregoing, the Division has sponsored defense clinics for the exhibition of “bits and pieces” in New York, Chicago, Kansas City, and Los Angeles. Additional clinics are being planned for other cities.

Plans are now under way to establish permanent exhibits of “bits and pieces” in the various field offices. The first two such exhibits will be opened in St. Louis and in Chicago.

In this connection, our technicians have already “exploded” a tank into its component parts for the purpose of ascertaining which parts are susceptible to farming out. Similarly, other items such as planes, antitank guns, antiaircraft guns will be broken down, their parts labeled as to the quantities needed and the machine tools and operations required for their production and placed on exhibit where the small shop owner can determine if he is capable of producing a part or component. As the “victory program” develops, the Division will endeavor to anticipate urgently required items through providing, on the one hand, marketplace exhibits and shopping lists, and, on the other hand, potential facilities capable of entering into their production.

TECHNIQUES FOR EFFECTUATING CONVERSION PROGRAM

For effectuating the conversion program the Division is utilizing three broad basic techniques: (a) An expanded system of subcontracting; (b) the breaking down of large orders of supplies into smaller units, and spreading such orders among the smaller enterprises (still largely unused) as new prime contractors and subcontractors; and (c) the pooling into single units, under unified managerial direction, of scattered machine and tool shops, or units of an industry shut down as a result of material shortages. Implementing these techniques there must also prevail a constant search for new substitutes; conservation of existing materials; and the standardization and simplification of design.

With the enormous requirements which have been imposed upon the nation’s production facilities by the hemisphere defense and lend-lease requirements, we shall shortly be confronted with a battle on a front other than production—the battle for capacity. The pooling of scattered machine shops and units of an industry into a single aggregate under unified managerial direction is, therefore, the

only practical answer. Moreover, as a result of the widespread dislocations of industry and labor resulting from material shortages, there is no other way of aggregating individual plants and shops lacking the necessary complement of machine tools and equipment than through a widespread system of regional and locality pools or cooperative production associations.

Accordingly the following devices contemplating some form of regional organization are being employed by the Division to discover heretofore untapped sources of supply and plants for conversion to defense production:

1. All plants on the "allocated facility list" of the armed services which are not now employed at estimated capacity are being analyzed in order to ascertain how they may be brought into defense production.

2. A search is being made of plants now engaged in civilian production whose complement of machinery is comparable to those now employed on defense production and who are, therefore, potentially equipped to produce defense items.

3. A careful scrutiny is being made of plants which, although they lack complements of machine tools and equipment matching those now utilized in armament production, nevertheless, do possess a working nucleus of comparable equipment. Wherever feasible, these plants are being brought together into pools.

By approaching the problem of conversion on an industry and regional basis, we can, I believe, implement total industrial mobilization far more effectively than on an individual plant basis, although the latter may be desirable in special circumstances.

The industry or regional approach to conversion means, among other things, that the better-established concerns can complement the tools and equipment of the smaller concerns. They are also in a better position to finance the preliminary engineering, production, and cost studies than are the smaller concerns. Moreover, by dealing with the problem of conversion on an industry-wide basis we embrace all of the communities which may be affected by individual plant shut-downs as well as the entire labor supply of the industry. Again, the industry approach presents a composite picture of the available man-hours, machinery, tools, floor space, and related facilities of an entire industry. You have before you, in short, the potential of a vast factory-in-space, the walls and ceiling of which may extend over many States and embrace a large number of communities. Finally, through pooling the individual units of an industry into a single aggregate, procurement problems are simplified both for the industry and the armed services.

CONVERSION OF THE HOUSEHOLD WASHER AND IRONER INDUSTRY

The first instance of the conversion of an entire industry from civilian to defense production undertaken by the Division is the household washer and ironer industry. The patterns established in this conversion illustrate the various techniques which have been heretofore discussed.

A committee representing the industry met with a representative of the Division on August 1, 1941, for a preliminary exploration of its problems resulting from a shortage of raw materials due to priority applications and a curtailment order as announced by the then Office of Price Administration and Civilian Supply. The industry is composed of relatively small manufacturing units, no one unit employing as much as 10 percent of the total pay roll of the industry. Units of the industry are located in 20 cities and in 11 States, principally in small Middle West communities where the particular plant is in the main the principal source of employment. Following this first exploratory meeting, the industry was requested to appoint a technical committee of three of its most competent engineers to begin the necessary engineering studies in cooperation with an engineer assigned to the case from the Division of Contract Distribution.

This joint committee undertook a detailed analysis of the machinery, facilities, manpower, engineering and tooling facilities of each of the plants in the industry. A "shopping list" of defense items capable of being produced by the industry's facilities was then prepared. The list consisted of 17 items, ranging from bomb fuse assemblies to antiaircraft gun mounts.

In selecting these 17 military items careful consideration was given to striking a balance between machine man-hours and assembly man-hours, so as to conform as nearly as possible with the civilian manufacturing practices of the industry. The items on the list ranged from 10 to 500 components.

Having ascertained from the "shopping list" the possible range of items which could be produced with the existing facilities and equipment of the industry, the next step was to organize these facilities into a pool around one particular item—an antiaircraft machine-gun mount.

The next step was to obtain specifications and drawings of the item for analysis as well as an actual gun mount for inspection. Through the cooperation of the Chicago Ordnance District a typical mount was made available from the Rock Island Arsenal. The mount was then "exploded" into its constituent parts and components, and the engineering and production staffs of the entire industry were invited to be present for an inspection. After a careful scrutiny of the blueprints, as well as the parts and components of the sample mount, it was the consensus of opinion of the assembled engineering staffs that the job presented no particular production or technical difficulties.

Three of the units of the industry agreed to aid as prime contractors and the industry indicated its agreement to their serving in such capacity on any awards which might be made by the War Department. A schedule was then prepared of the man-hours which the three prime contractors agreed to subcontract parts, components, and subassemblies to each plant in the industry.

Pursuant to an understanding between OPM and the War and Navy Departments, the industry was "certified" to the Secretary of War by Mr. Odum on September 29, and it was recommended that a contract be negotiated with the three prime contractors acting in behalf of the industry. On October 21, the War Department announced the award to the industry pool of a \$12,500,000 contract.

In undertaking the production of this military item, the industry determined that its pooled production operators would be aided materially by having each of the prime contractors assume certain responsibilities in behalf of the entire pool. Thus, one prime contractor will be in charge of all phases of tooling; another will handle all aspects of production and inspection; and the third will be in charge of the purchase of raw materials. Each of the three prime contractors will supply to the industry pool a complete staff to handle the respective operations assigned to it. In addition, the pool has engaged an engineer from outside the industry to serve as a coordinator who will be in charge of the entire administration, and as such will make all decisions with respect to allocation of work, tooling, purchasing of materials, inspection, and so on.

In addition to the washer and ironer industry pool, the Division has assisted in the organization of a pool of automotive suppliers located in the Toledo area. This pool consists of some 200 units. It is believed that this pool will shortly be in a position to undertake the production of tanks. In Michigan, the Division has assisted in the organization of a manufacturing pool consisting of 80 units. A pool of the units of the stove industry is also being organized.

Our field organization has reported 116 instances of offers by individuals or groups who desire to organize industrial pools. Our reports further indicate 100 cases where pools have been organized and 14 cases where pools have actually entered into defense production.

In the Middle West, pools are engaged in defense production at Peoria, Ill.; Sturgis, Mich., and Kansas City, Mo. The Mid-Central Associated Defense Industries, Inc. at Kansas City under the leadership of Mr. Lou E. Holland is the largest cooperative production pool in existence and is working on a \$288,000 contract for bore sights for the Navy.

With the recognition which has been accorded to the place of the industrial pool in defense production under the President's Executive order, we have the possibility of transforming our defense effort into a democratic defense. Indeed, that is the only type of defense which is worthwhile. Through the organization of cooperative pools and production associations, the creative energies of thousands of workers, small businessmen, technicians, labor leaders, the socially-minded men and women of every American community, can be harnessed to the job of forging the weapons for the defeat of Hitler and Nazi-ism. It is out of such cooperative efforts that the common men and women in every land throughout every great crisis in history have mobilized their morale and spirit for the preservation of their freedom.

EXHIBIT A.—EXECUTIVE ORDER ESTABLISHING THE DIVISION OF CONTRACT DISTRIBUTION IN THE OFFICE OF PRODUCTION MANAGEMENT AND DEFINING ITS FUNCTIONS AND DUTIES

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and in order to define further the functions and duties of the Office of Production Management with respect to the unlimited national emergency as declared by the President on May 27, 1941, and to provide for the more effective utilization of existing plant facilities for defense purposes; the conversion

into defense production of civilian industries affected by priorities and raw material shortages; the alleviation of unemployment caused by the effects of such priorities and shortages; the local pooling of facilities and equipment; subcontracting; and the wider diffusion of defense contracts among the smaller business enterprises in every part of the Nation, it is hereby ordered as follows:

1. There shall be within the Office of Production Management a Division of Contract Distribution, at the head of which shall be a director appointed by the Office of Production Management with the approval of the President. The Director shall discharge and perform the following responsibilities and duties under the direction and supervision of the Director General acting in association with the Associate Director General:

(a) Formulate and promote specific programs for the purchase of supplies for the Army and Navy in smaller units but among a greater number of firms and in as many different localities as possible.

(b) Formulate and promote modifications in Federal procurement practices and procedures relating to negotiating contracts, bidding practice, performance and bid bonds, and other practices and procedures, to the end that there shall be a wider distribution of defense contracts and purchases.

(c) Develop programs for the conversion of plants and industries from civilian to defense production, with the assistance of the Government if necessary.

(d) Stimulate the organization and use of local industrial defense production associations.

(e) Promote and stimulate subcontracting wherever feasible.

(f) In order to obtain maximum use of existing productive facilities and tools, advise manufacturers and business enterprises the specific ways in which their facilities and tools may be utilized in defense production; advise such manufacturers and businessmen with respect to the procedures and practices of the several Federal procurement agencies.

(g) Facilitate through the regular commercial banking channels, the Reconstruction Finance Corporation, and the Federal Reserve banks and their branches, the necessary financing facilities for prime contractors, subcontractors, and local industrial defense production associations, and recommend from time to time to the Director General such additional financial procedures or machinery as shall be required to ensure maximum utilization of existing plant and tool facilities for defense purposes.

(h) Provide engineering and technical assistance to such prime contractors, subcontractors, and local industrial defense production associations as may require such assistance in order to participate in defense production.

(i) Perform such other duties and responsibilities as the Office of Production Management may from time to time determine.

2. To ensure unity of policy and coordinated consideration of all relevant factors involved in the formulation and execution of industry conversion programs, and contract distribution and subcontracting procedures, all such programs or procedures shall clear through the Division of Contract Distribution.

3. To aid the Director in carrying out the aforesaid responsibilities, there shall be assigned to the Division one or more officers of the Departments of War and the Navy, respectively, and one or more representatives of the Maritime Commission, whose duty shall be to assist as liaison in the speedy and successful carrying out of the aforesaid program.

4. There shall be in the Division of Contract Distribution two advisory committees consisting of representatives to be designated by the Director of the Division with the approval of the Office of Production Management. One shall be representative of small-business organizations, and the other of industrial, management, and production engineers. The committees shall, from time to time, upon request by the Director, make findings and submit recommendations to the Director with respect to procurement practices and procedures; contract placements and distribution; industry conversion problems; formation of local production associations; subcontracting; and for such other matters as the Director may require advice and assistance.

5. Within the limits of such funds as may be made available to the Division of Contract Distribution, the Director may appoint industrial and production engineers, economists, statisticians, and such technical and other personnel as he shall deem necessary to carry out the duties assigned to the Division herein.

6. The Director may establish branch offices throughout the United States and its territories to carry out his duties. There shall be assigned to such branch offices such officer personnel or other representatives of the Army, Navy, United States Maritime Commission, and other Federal procurement agencies as may be required by the Director for liaison purposes.

7. There shall be assigned to the main office and to each field office of the Division a representative of the Labor Division of the Office of Production Management to cooperate with such offices in the Labor Division's efforts toward reemployment of employees of plants whose production has been curtailed by priorities and material shortages.

8. In the execution of the foregoing duties, the Director of the Division of Contract Distribution shall consult and collaborate with the War Department, the Navy Department, the United States Maritime Commission, and other Government procurement agencies, which are hereby directed to cooperate with and establish close liaison with such Division to accomplish the purposes of this order.

9. The Defense Contract Service, established pursuant to regulation No. 9, July 29, 1941, of the Office of Production Management, is hereby abolished. The duties and responsibilities of said Defense Contract Service are hereby assigned to the Division of Contract Distribution. All records, files, and equipment of the Defense Contract Service shall be transferred to the Division of Contract Distribution.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
September 4, 1941.

EXHIBIT B.—THE WHITE HOUSE STATEMENT ON ESTABLISHMENT OF THE
DIVISION OF CONTRACT DISTRIBUTION IN THE O. P. M.

SEPTEMBER 4, 1941.

The President today, after conferring with Under Secretary of War Patterson, Under Secretary of the Navy Forrestal, Mr. William S. Knudsen and Mr. Sidney Hillman, acting as the Council of the Office of Production Management, and with Rear Admiral Emory S. Land, Chairman of the United States Maritime Commission, issued an Executive order establishing a new division in the Office of Production Management.

This division is to be known as the Division of Contract Distribution and is to be coordinated with the existing Divisions—Procurement, Production, Priorities, Labor, and Civilian Supply.

Floyd B. Odum, of New York, has been appointed Director of the new division.

The conference was held and the Executive order was issued in furtherance of a determined move on the part of the administration to help the smaller business units of the country obtain a fair share of the defense orders, and to prevent, so far as possible, dislocation of industry and unemployment of workers in plants where production has been curtailed by priorities and material shortages.

The program devised was arrived at in consultation with representatives of the Army, Navy, Maritime Commission, and Office of Production Management and has the full support of these agencies.

The Labor Division and the Defense Contract Service of Office of Production Management have already done a great deal in starting the machinery of subcontracting and in retraining and obtaining reemployment for discharged workers. The program is now to be greatly expanded throughout each part of the United States, as one of the most important functions of Office of Production Management. The present personnel, records, etc., of the Defense Contract Service of Office of Production Management will be transferred to this new division.

Through this Division, the Office of Production Management will be enabled more effectively to adjust the dislocations and alleviate unemployment resulting from priorities and material shortages and bring about maximum use of the Nation's factories and industrial plants, especially the smaller ones throughout the Nation. This will be done through four major steps:

1. The breaking down of large orders of supplies into smaller units, and spreading the purchases among more firms and in all localities possible.

2. Providing assistance through the Labor Division of Office of Production Management in retraining and obtaining reemployment for workers who are unemployed as a result of the shutting down of some plants or reduction of their output.

3. The effective distribution of defense contracts to the smaller business enterprises, as yet largely unused, through an expanded use of subcontracting, contract distribution, and the pooling of plant facilities.

4. By providing a staff of industrial and production engineers to formulate and execute specific plans for the conversion of nondefense industries and plants to defense production.

The Division of Contract Distribution will have branch offices located in the various States.

The Division will formulate and promote plans and programs for the purchase of supplies for the Army and Navy in smaller units, but among a greater number of firms and in as many different localities as possible. It will also formulate and develop programs for the conversion of plants and industries from civilian to defense production—with the assistance of the Government wherever necessary. It will formulate the organization and use of local industrial defense production associations, and will promote and stimulate farming out of defense work and subcontracting, wherever feasible.

The Division of Contract Distribution will provide an industrial engineering staff whose responsibility it will be to obtain the maximum use of existing facilities and tools by assisting manufacturers and business enterprises in making the necessary changes in their tools and equipment for effective use in defense production.

The field offices of the Division of Contract Distribution will be adequately staffed to render needed assistance to businessmen. Procurement agencies of the Government will assign representatives to the main office and field offices, as required, for purposes of liaison.

In the various cities will be established exhibits or "market places" where there will be displayed specific parts, "bits and pieces", the components needed for defense production. These may be parts of a machine gun or an airplane or tank, or any one of a thousand other items which are needed. These "bits and pieces" will be labeled as to the quantities needed and the machine tools and operations required for their production so that any machine-shop owner or manufacturer can determine whether his facilities are capable of producing such items.

Subcontracting arrangements can then be entered into on the basis of what an individual sees he is capable of doing, receiving then and there the expert industrial and engineering judgment of those whose assistance he may desire.

The Division of Contract Distribution will also provide through the regular commercial banking channels, the Reconstruction Finance Corporation, including the Defense Supplies Corporation and the Defense Plant Corporation, and the Federal Reserve banks and their branches, the necessary financing facilities for local industrial production associations prime contractors and subcontractors, and will recommend whenever necessary such additional financial procedures and machinery as may be required to obtain the maximum utilization of existing plant and tool facilities for defense purposes.

The Director of the Division is to appoint two advisory committees, one to consist of representatives of small business organizations; the other, to consist of industrial, management and production engineers.

It is intended, on the one hand, to face the responsibility of alleviating the hardships which have resulted from the defense program and, on the other, to marshal our productive capacities to the objective that no plant or tool which can be used for defense shall be allowed to remain idle.

EXHIBIT C.—DIVISION OF CONTRACT DISTRIBUTION FIELD OFFICES

(November 19, 1941)

Alabama, Birmingham. ¹	New Jersey, Newark. ¹
Arizona, Phoenix. ¹	New Mexico. No offices.
Arkansas, Little Rock. ¹	New York, New York City, ¹ Albany, Brooklyn, Buffalo, Rochester, Syracuse.
California, San Francisco, ¹ Los Angeles (Independent).	North Carolina, Charlotte.
Colorado, Denver. ¹	North Dakota. No offices.
Connecticut, Hartford. ¹	Ohio, Cleveland, ¹ Cincinnati, Columbus, Dayton, Youngstown.
Delaware, Wilmington. ¹	Oklahoma, Oklahoma City. ¹
Florida, Jacksonville, ¹ Tampa.	Oregon, Portland. ¹
Georgia, Atlanta. ¹	Pennsylvania, Philadelphia, ¹ Chester, Lancaster, Pittsburgh, Scranton, Wilkes-Barre.
Idaho, no offices.	Rhode Island, Providence. ¹
Illinois, Chicago, ¹ Springfield.	South Carolina. No offices.
Indiana, Indianapolis. ¹	South Dakota. No offices.
Iowa, Des Moines. ¹	Tennessee, Memphis, ¹ Chattanooga, Knoxville, Nashville.
Kansas, Wichita. ¹	Texas, Dallas, ¹ El Paso, Houston, San Antonio.
Kentucky, Louisville. ¹	Utah, Salt Lake City. ¹
Louisiana, New Orleans. ¹	Vermont. No offices.
Maine, Portland. ¹	Virginia, Richmond. ¹
Maryland, Baltimore. ¹	Washington, Seattle, ¹ Spokane.
Massachusetts, Boston, ¹ Fall River, Springfield, Worcester.	West Virginia, Wheeling (will not be State office).
Michigan, Detroit. ¹	Wisconsin, Milwaukee. ¹
Minnesota, Minneapolis. ¹	Wyoming. No offices.
Mississippi, Jackson. ¹	
Missouri, St. Louis, ¹ Kansas City.	
Montana, Helena. ¹	
Nebraska, Omaha. ¹	
Nevada. No offices.	
New Hampshire. No offices.	

¹Indicates State offices

EXHIBIT D.—CERTIFICATIONS TO ARMED SERVICES BY DIVISION OF CONTRACT DISTRIBUTION

REPORT SUBMITTED BY PETER R. NEHEMKIS, JR.

Plants	Contracts awarded	Amount
Evansville, Ind., certified Oct. 7, 1941:		
Wm. R. Rootz Co.....	Navy Ordnance reports plac- ing award for bombs, ap- proximately.	\$557,000.00
Calvaleir Garment Co.....	Army.....	34,750.00
Sunbeam Electric Co.....	do.....	360,000.00
Servel Co.....	do.....	48,105.00
R. Boots Stove Co.....	do.....	148,395.00
American Fork & Hoe Co.....	do.....	560.70
Sledges.....	do.....	467.00
Kits.....	do.....	1,022.28
Crescent Stove Works.....	do.....	184,395.00
Greenville, Mich., certified Oct. 20, 1941: Gibson Electric Co.	do.....	539,818.00
Eatonton, Ga. (under negotiation) certified Oct. 20, 1941.....		
Mansfield, Ohio, certified Oct. 20, 1941:		
Westinghouse Electric Co.....	do.....	2,326,450.00
Do.....	do.....	3,673,543.00
Do.....	do.....	2,516.92
Ohio Brass Co.....	do.....	340,000.00
Do.....	do.....	120,000.00
Hughes Kennan Co.....	Subcontract by Navy.....	45,000.00
Subcontracts.....	Army.....	380,000.00
Barnes Manufacturing Co.....	do.....	13,442.22
Manitowoc, Wis., certified Sept. 29, 1941:		
Manitowoc Shipbuilding Co.....	Navy.....	140,000.00
Aluminum Goods Manufacturing Co.....	Army.....	4,800.00
Kaufman Manufacturing Co.....	do.....	4,923.00
Aluminum Specialty Co.....	do.....	446,750.00
Kenosha-Racine, Wis., certified Oct. 4, 1941:		
Allis-Chalmers Manufacturing Co.....	Navy.....	133,158.00
J. J. Case Co. (tractors).....	do.....	57,168.54
Nelson Bros. & Strom Sales Co.....	do.....	69,600.00
Do.....	do.....	36,410.00
George Gorton Machine Co.....	Army.....	1,053.00
Do.....	do.....	81,358.00
Chicago Rubber Clothing Co.....	Army Quartermaster Corps.....	1,867.42
Peter Pirsch & Sons Co.....	do.....	4,762.50
Jacobson Manufacturing Co.....	Army.....	5,528.00
Do.....	do.....	60,852.00
Do.....	do.....	3,213.00
Do.....	do.....	80,500.00
Simmons Bed Co.....	do.....	48,300.00
Do.....	do.....	241,500.00
Vincent McCall Co.....	do.....	1,861,357.01
Snap-On Tool Co.....	do.....	678,360.00
Nash Kelvinator Corporation.....	do.....	149,000.00
Webster Electric Co.....	do.....	98,891.00
Do.....	do.....	886,000.00
Frost Co.....	do.....	97,850.00
Cooper Manufacturing Co., Inc.....	do.....	1,180.38
Walker Manufacturing Co.....	do.....	261,562.00
J. I. Case Co.....	do.....	8,875.00
Meadville, Pa., Oct. 4, 1941: Talon, Inc.....		
Washer-Ironer Industry (composed of 34 individual firms), certified Oct. 20, 1941:		
Apex Electric Manufacturing Co., Cleveland, Ohio.....		12,966,360.00
Easy Washer Co., Syracuse, N. Y.....		
The 1900 Corporation, St. Joseph, Mich.....		819,260.00
One-third of contract awarded to each of the above as prime contractor under agreement to subcontract only among firms in the industry.		
Appliance Manufacturing Co., Alliance, Ohio.....		819,260.00
Love Manufacturing Co., Erie, Pa.....		
One-half of contract awarded to each.		
Ripon, Wis., certified Oct. 20, 1941.....	None.....	
Grand Rapids, Mich., certified Oct. 20, 1941:		
Grand Rapids Varnish Corporation.....	Army.....	1,053.94
American Seating Co.....	do.....	2,520.00
Olive Machine Co.....	do.....	850.00
Globe Knitting Works.....	do.....	126,000.00
Brocher & Hood Corporation.....	do.....	10,428.00
American Auto Felt Corporation.....	do.....	148,500.00
Gallmeyer & Livingston Co.....	do.....	9,814.00
Do.....	do.....	2,306.00
Plants unknown.....	Navy.....	9,724.00
Total of all the foregoing contracts awarded to certified areas is.....		28,337,099.91

EXHIBIT E.—SUPPLY CONTRACTS AWARDED BY THE ARMY AND NAVY¹ IN THE NORTH CENTRAL STATES, MARCH THROUGH SEPTEMBER 1941OFFICE OF PRODUCTION MANAGEMENT, BUREAU OF RESEARCH AND STATISTICS,
NOV. 21, 1941

[Thousands of dollars]

State	Cumulative through—						
	Mar. 31	Apr. 30	May 31	June 30	July 31	Aug. 31	Sept. 30
Indiana.....	\$225,946	\$234,937	\$239,924	\$274,199	\$286,172	\$347,259	\$373,463
Ohio.....	553,896	602,616	619,107	674,525	704,184	764,182	806,746
Illinois.....	227,407	239,650	254,203	371,984	405,912	421,469	438,257
Michigan.....	586,567	608,368	697,985	799,126	903,223	938,845	1,010,888
Wisconsin.....	149,664	155,533	162,634	181,970	193,512	217,537	227,117
Iowa.....	35,173	35,659	35,742	37,153	49,771	50,811	50,863
Kansas.....	44,485	44,576	50,913	247,435	247,435	259,606	474,516
Minnesota.....	34,563	34,786	36,498	37,526	42,157	48,116	49,340
Missouri.....	283,368	284,583	347,864	354,027	354,659	358,693	371,082
Nebraska.....	4,055	4,129	4,129	170,485	170,485	171,172	171,507
North Dakota.....							
Total.....	2,145,124	2,244,837	2,448,999	3,148,430	3,357,510	3,577,690	3,972,779

¹ Includes only contracts of \$50,000 and over; based on reports received through Nov. 17, 1941.EXHIBIT F.—COMMITMENTS FOR GOVERNMENT-FINANCED DEFENSE INDUSTRIAL FACILITIES,¹ NORTH CENTRAL STATES, BY MONTHS, MARCH THROUGH SEPTEMBER 1941OFFICE OF PRODUCTION MANAGEMENT, BUREAU OF RESEARCH AND STATISTICS
NOV. 21, 1941

State	Cumulative through—						
	Mar. 15	Apr. 30	May 31	June 30	July 31	Aug. 31	Sept. 30
Illinois.....	\$135,318,917	\$141,022,530	\$151,276,631	\$175,496,292	\$194,554,517	\$222,369,037	\$232,719,436
Indiana.....	165,880,798	168,671,258	199,254,084	200,657,808	236,573,986	236,532,288	280,788,014
Iowa.....	16,068,556	20,602,955	29,509,819	29,509,819	66,858,716	67,347,938	67,974,607
Kansas.....	10,802,675	10,802,675	14,396,768	32,626,719	34,422,260	62,524,568	79,920,384
Michigan.....	132,816,561	150,567,849	160,754,440	207,329,554	223,583,873	232,621,658	250,094,155
Minnesota.....	5,393,297	5,393,297	5,393,297	5,393,297	37,859,167	39,174,889	39,792,996
Missouri.....	81,828,729	84,446,513	120,705,189	135,554,249	174,788,543	196,195,985	196,591,635
Nebraska.....	9,102,945	10,027,533	10,207,437	9,849,047	12,403,983	12,597,184	12,597,184
North Dakota.....							
Ohio.....	170,552,935	176,567,019	203,678,675	213,905,489	261,221,604	303,679,250	322,975,882
South Dakota.....							
Wisconsin.....	9,584,015	9,584,015	11,007,015	15,207,015	16,591,900	33,582,095	33,981,677
Total.....	737,349,428	777,685,644	906,183,355	1,025,529,289	1,258,858,549	1,406,624,892	1,523,435,970

¹ Includes only expansions estimated to cost \$25,000 or more.

EXHIBIT C.—PRIME CONTRACTS EFFECTUATED BY THE DETROIT OFFICE OF THE DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT, SINCE SEPT. 4, 1941

[Nov. 19, 1941, item 1]

Company	Location	Value of contract	Description	Buying agency	Normal civilian products
Gabriel Steel Co.	Detroit, Mich.	\$13,220	Observation towers	Marine Corps	Structural steel.
Automotive Rubber Co.	do	7,210	Bonded clips	Army Air Corps	Rubber bonding to metal.
Union Steel Products Co.	Albion, Mich.	12,000	Tail-stand assembly	do	Wire products.
Steel Shapes & Plate Co.	Detroit, Mich.	19,250	Skids	Army Air Corps	Structural steel.
Detroit Hardware Co.	do	150	Drain plugs	Army Air Corps	Builders' hardware.
Ford Motor Co.	Dearborn, Mich.	18,083,230	Antiaircraft directors	Detroit Army Ordnance District	Trucks and automobiles.
Walker Tool & Die Co.	Detroit, Mich.	8,000	Tools for ordnance	Picatinny Arsenal	Tools, dies, jigs, and fixtures.
Noblitt Sparks Industries, Inc.	Columbus, Ind.	274,000	20 mm. ammunition boxes	Navy	Radios, auto heaters, and equipment.
Electromaster, Inc.	Detroit, Mich.	475,000	Incendiary bomb	Chemical Warfare Service	Stoves and ranges.
Comfort Cushion Co.	do	13,000	Cleaning rods, envelopes, tool rolls.	Rock Island Arsenal	Upholstery equipment, boats, trailers and trucks.
Roberts Brass Co.	do	6,370	Shut-off cocks	Air Corps	Brass products—cocks.
Keit Moore Co.	Kalamazoo, Mich.	23,629	Blades, compressor bars and springs, cam tools, etc.	Navy	Automobile tools.
Union Steel Products Co.	Albion, Mich.	280,000	Torpedo-tube parts	Submarine Base, Newport	Wire products.
Besser Manufacturing Co.	Alpena, Mich.	410,000	Leading machines	Navy	Conveyer products machinery.
St. Clair Rubber Co.	St. Clair, Mich.	4,904	Rubber products	Air Corps	Rubber products, rubberized fabrics.
Number of prime contracts (15)	Total value	19,630,013			

EXHIBIT H.—SUBCONTRACTS EFFECTUATED BY THE DETROIT OFFICE OF THE DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT, SINCE SEPT. 4, 1941

[Nov. 19, 1941, item 2]

Company	Location	Value of contract	Description	Prime contractor	Normal civilian products
Model Tool & Die Co.	Detroit, Mich.	\$2,000	Lathe work	Dalzen Tool Co.	Tools, dies, jigs, and fixtures
Detroit Brass & Malleable Co.	do	3,500	Bronze castings and machining	Gibbs & Cox, naval architects	Plumbing fixtures and precision machine work
Bessemer Products	do	2,000	Precision grinding and screw machine work	Wright Aeronautical	Tools, dies, jigs, and fixtures
Congress Tool & Die Co.	do	1,200,000	Aircraft assembly fixtures	Goodyear Rubber Co	Structural steel
Steel Plates & Shapes Co.	do	28,000	Large storage tanks	do	Boilers, tanks, plumbing fixtures
D. D. Wessels & Sons	do	9,000	Fabricated steel parts	Gibbs & Cox, naval architects	Structural steel
Lee Iron Works	Saginaw, Mich.	4,000	Machining aluminum forgings	Defoe Boat Works	Structural steel
Anker Holth Co.	Port Huron, Mich.	940	Machining aluminum forgings and castings	Murphy Corporation	Cream separators
Wayne Sewer Products Co.	Detroit, Mich.	1,800	Screw machine parts for pumps	Candler Hill Co	Screw-machine products
Delray Manufacturing Co.	do	11,800	Machining large brake drums	Fruehauf Trailer Co.	Tools and dies
The Johnson Corporation	Three Rivers, Mich.	680,000	do	do	Automatic water heaters
Round Oak Co.	Dowagiac, Mich.	7,000	Powder cans	Du Pont, Wilmington, Del.	Stoves, ranges, and turbines
Lee Iron Works	Saginaw, Mich.	40,000	Fabricated steel parts	Defoe Boat Works	Structural steel
La Salle Screw Co.	Detroit, Mich.	27,500	Screw machine parts for incendiary bomb	Electromaster, Inc.	Screw-machine products
M. B. Fletcher Co.	do	531	Cutting tools	do	Do.
Artisan Tool Co.	do	2,812	do	Hudson Motor Car Co.	Tools, dies, jigs, and fixtures
Martin Tool Co.	do	3,518	do	do	Do.
Walker Tool & Die Co.	do	2,364	do	do	Do.
Michigan Broach Co.	do	2,734	do	do	Do.
Say-Way Tool & Machine Co.	do	1,251	Cutting tools	do	Do.
L. T. Wodin Co.	Ferrisale, Mich.	6,869	do	do	Do.
Sola Engineering Co.	Detroit, Mich.	17,020	Aircraft screw-machine parts	Motor Products Corporation	Precision machine work
Draper Motors Co.	do	5,000	Wood packing boxes for Oerlikon gun	Hudson and Pontiac Motors	Boxes and shooks
MacDonald Lumber Co.	do	30,000	Dies and punches	Remington Arms	Machinery
C. M. Smillie Co.	do	13,400	Machining tank parts	Pullman Standard Manufacturing Co.	Cement Mixers
Knickerbocker Co.	Jackson, Mich.				

1 Divided between 2 firms.

EXHIBIT H.—SUBCONTRACTS EFFECTUATED BY THE DETROIT OFFICE OF THE DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT, SINCE SEPT. 4, 1941—Continued

[Nov. 19, 1941, item 2]

Company	Location	Value of contract	Description	Prime contractor	Normal civilian products.		
Warner Gear Co.....	Muncie, Ind.....	2,094,478	Aircraft engine gears.....	Continental Motors Corporation.	Gears and transmissions.		
Continental Motors Corporation.....	Muskegon, Mich.....		Aircraft engine parts.....	do.	Engines and engine parts.		
Detroit Lubricator Co.....	Detroit, Mich.....		do.	do.	do.	Valves, controls, and regulators.	
Sunbeam Electric Manufacturing Co.....	Evansville, Ind.....		do.	do.	do.	Electrical appliances.	
N. A. Woodworth Co.....	Royal Oak, Mich.....		do.	do.	do.	Tools and special machinery.	
Wilcox Rich Co.....	Detroit, Mich.....		do.	do.	do.	Combustion-engine valves.	
Thompson Products Co.....	do.....		do.	do.	do.	Automotive parts.	
Republic Aviation Co.....	Farmingdale, N. Y.....		do.	do.	do.	Aviation engines.	
L. M. Gear Co.....	Detroit, Mich.....		do.	do.	do.	Gears.	
Dexter Machine Products.....	Dexter, Mich.....		do.	do.	do.	Machining.	
Detroit Tool & Manufacturing Co.....	Detroit, Mich.....		do.	do.	do.	Tools, dies, jigs, and fixtures.	
Midwest Machine Co.....	Muskegon, Mich.....		2,094,478	do.	do.	Machining.	
Flint Manufacturers Service.....	Flint, Mich.....			do.	do.	do.	Do.
Metal Parts Machine Co.....	Detroit, Mich.....			do.	do.	do.	Do.
Peerless Pattern Co.....	do.....			do.	do.	do.	Do.
Superior Pattern Co.....	do.....			do.	do.	do.	Do.
Wilson Machine Shop.....	Laansing, Mich.....			do.	do.	do.	Tools and dies.
Munn Engineering.....	Detroit, Mich.....			do.	do.	do.	Screw-machine products and tools.
American Non-Gran Bronze.....	Berwyn, Pa.....			do.	do.	do.	High-speed bearings.
Mueller Brass Co.....	Port Huron, Mich.....			do.	do.	do.	Brass forgings and castings.
Paramount Tool Co.....	Cleveland, Ohio.....	do.		do.	do.	Tools and dies.	
Timken Roller Bearing Co.....	Detroit, Mich.....	do.	do.	do.	Roller bearings.		
Earl A. Thompson.....	do.....	20,000	Aircraft engine parts.....	Continental Motors Corporation.	Automotive governors and accessories.		
Monarch Governor Co.....	Detroit, Mich.....		do.	do.	do.	Aircraft engine parts.	
Aeronautical Products Co.....	do.....		do.	do.	do.	Screw-machine products.	
Wayne Screw Products.....	do.....	3,215,187	H. and G. die heads.....	Eastern Machine Screw	Tools, dies, and precision machinery.		
Economy Tool & Machine Co.....	Muskegon, Mich.....		Total value.....				
Number of subcontracts, 53.....							

EXHIBIT I.—EQUIPMENT AND MATERIAL LOCATED FOR PRIME AND SUBCONTRACTORS THROUGH THE DETROIT OFFICE OF THE DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT, SINCE SEPT. 4, 1941

[Nov. 19, 1941, additional data]

Company requesting source	Location	Inquiry for—	Results	Value (where known)
Aeronautical Products Co. Division of Contract Distribution, Office of Production Management.	Detroit, Mich. Cleveland, Ohio.	Steel. Used machinery.	50 percent located from Chicago source. Located 2 sources.	\$150 47
Allied Tool & Engineering. Alloys Metal Welding Co.	Detroit, Mich. do	Set of Johansson blocks. 1,200 pounds steel.	Located source. do	5
I. T. Wedin Co. Division of Contract Distribution, Office of Production Management.	Ferndale, Mich. Denver, Colo.	High-speed steel Carbon tetrachloride.	Located 2 sources in Michigan who could furnish.	
Sparks-Withington Co. Unique Iron Works	Jackson, Mich. do	Cutting tools. Structural steel.	Located 9 possible sources. Located 4 sources.	
Hudson Motor Car Co. Division of Contract Distribution, Office of Production Management.	Detroit, Mich. Washington, D. C.	Boiler plate Steel.	Located material in Buffalo. Located 75 percent of requirements.	924
Do. Masco Screw Products.	St Louis, Mo. Detroit, Mich.	End mills Chrome molybdenum steel.	Located 1 source. Located all	127
Epworth Manufacturing Co. Division of Contract Distribution, Office of Production Management.	do Cincinnati, Ohio.	Steel Stainless steel.	Located 25 percent of requirements. Located in Baltimore, Md.	
Do. Naval ordnance inspector.	Pittsburgh, Pa. Detroit, Mich.	Angle and channel steel. Steel.	Located angles source. Located 25 percent of quantity.	

Number of material inquiries, 16.

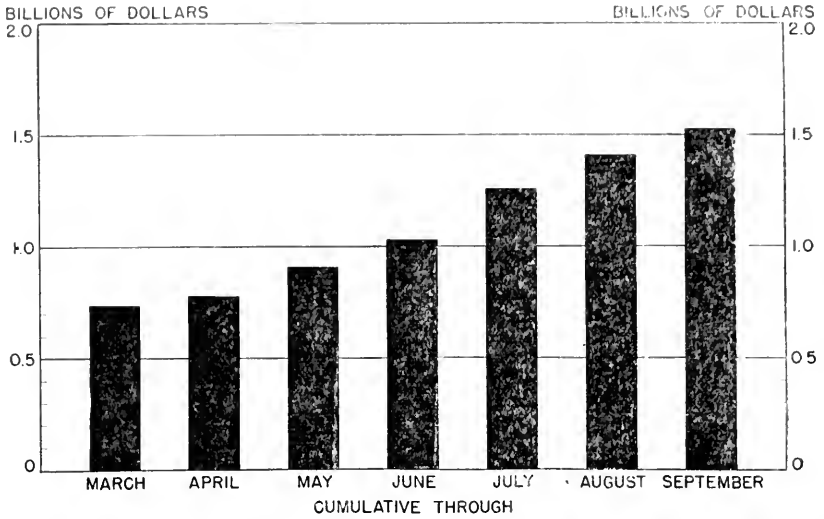
EXHIBIT J.—ONE HUNDRED CORPORATIONS OR INDEPENDENT COMPANIES HOLDING GREATEST AMOUNT OF WAR AND NAVY DEPARTMENT SUPPLY CONTRACTS AWARDED JUNE 1940 THROUGH SEPTEMBER 1941

OFFICE OF PRODUCTION MANAGEMENT, BUREAU OF RESEARCH AND STATISTICS,
NOVEMBER 14, 1941

Corporation or company and value (millions of dollars)

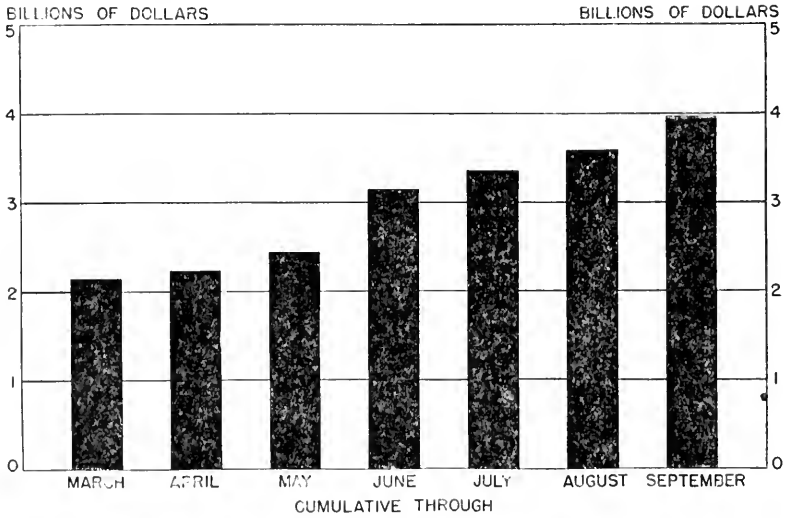
Bethlehem Steel Corporation.....	961.5
Curtiss-Wright Corporation.....	886.3
General Motors Corporation.....	809.9
Consolidated Aircraft Corporation.....	691.3
Martin, Glenn L., Co.....	670.3
Douglas Aircraft Co., Inc.....	649.6
Boeing Airplane Co.....	615.2
New York Shipbuilding Corporation.....	493.6
United Aircraft Corporation.....	410.4
Newport News Shipbuilding & Dry Dock Co.....	389.2
Lockheed Aircraft Corporation.....	367.9
United States Steel Corporation.....	338.4
du Pont, E. I. de Nemours & Co.....	331.6
North American Aviation, Inc.....	319.6
General Electric Co.....	233.8
Seattle-Tacoma Shipbuilding Co.....	179.6
Chrysler Corporation.....	174.5
Bath Iron Works Corporation.....	166.5
Western Cartridge Co.....	158.9
Sperry Corporation.....	147.0
Aviation Corporation.....	137.7
Ford Motor Co.....	134.2
Bell Aircraft Corporation.....	126.4
Electric Boat Co.....	126.3
Bendix Aviation Corporation.....	124.5
Cramp Shipbuilding Co.....	114.8
American Car & Foundry Co.....	114.0
Baldwin Locomotive Works.....	100.8
Consolidated Steel Corporation, Ltd.....	98.2
Beach Aircraft Corporation.....	93.3
American Locomotive Co.....	86.2
Los Angeles Shipbuilding & Dry Dock Corporation.....	83.4
Grumman Aircraft Engineering Corporation.....	81.0
American Woolen Co., Inc.....	80.9
Continental Motors Corporation.....	71.0
Westinghouse Electric & Manufacturing Co.....	69.5
Republic Aviation Corporation.....	65.6
Western Electric Co.....	63.7
Packard Motor Car Co.....	63.7
Tampa Shipbuilding Co., Inc.....	62.7
White Motor Co.....	61.3
Diamond T Motor Car Co.....	57.5
Standard Oil Co. of New Jersey.....	55.2
Ingalls Shipbuilding Corporation.....	50.5
Studebaker Corporation.....	47.6
Anaconda Copper Mining Co.....	43.5
Gulf Shipbuilding Corporation.....	41.8
Savage Arms Corporation.....	41.5
Moore Drydock Co.....	38.0
Atlas Powder Co.....	37.2
Phoenix Securities Corporation.....	35.5
Crucible Steel Co. of America.....	35.2
Colt's Patent Fire Arms Manufacturing Co.....	35.2
Fairbanks Morse & Co.....	34.9
Empire Securities, Inc.....	33.1
Herules Powder Co., Inc.....	32.2
Northern Pump Co.....	31.5
Firestone Tire & Rubber Co.....	30.9
Arma Corporation.....	30.7
Manitowoc Ship Building Corporation.....	30.5

Day & Zimmerman, Inc.....	30.4
International Harvester Co.....	30.3
Lake Washington Shipyards.....	30.1
Standard Oil Co. of California.....	29.3
Seovill Manufacturing Co.....	29.1
Kelsey Hayes Wheel Co.....	29.0
Bausch & Lomb Optical Co.....	29.0
Todd & Brown, Inc.....	26.8
Eastman Kodak Co.....	26.5
Allis Chalmers Manufacturing Co.....	26.5
Willamette Iron & Steel Corporation.....	25.7
Mack Trucks, Inc.....	25.3
Miehle Printing Press Manufacturing Co.....	25.1
Procter & Gamble Co.....	24.7
Northrop Aircraft Corporation.....	23.7
Goodyear Tire & Rubber Co.....	23.1
Radio Corporation of America.....	22.7
Revere Copper & Brass, Inc.....	22.6
Norris Stamping & Manufacturing Co.....	22.1
Fairchild Aviation Corporation.....	21.7
Botany Worsted Mills.....	21.5
Singer Manufacturing Co.....	21.2
Fairchild Engine & Airplane Corporation.....	21.0
Buffalo Arms Corporation.....	20.9
General Cable Corporation.....	20.2
Budd Wheel Co.....	20.0
Whitman, Wm. Co., Inc.....	20.0
Brewster Aeronautical Corporation.....	20.0
Dravo Corporation.....	19.7
Mesta Machine Co.....	19.5
Associated Shipbuilders.....	19.4
Lansdowne Steel & Iron Co.....	19.3
High Standard Manufacturing Co., Inc.....	19.2
Pullman, Inc.....	19.0
Marietta Manufacturing Co.....	18.9
Shell Union Oil Corporation.....	18.6
American Finishing Co.....	18.6
Hooven Owens Rentschler Co.....	18.3
Defoe Boat & Motor Works.....	18.0
Koppers United Co.....	17.7



Includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin

Office of Production Management
Bureau of Research and Statistics



Includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin

Office of Production Management
Bureau of Research and Statistics

EXHIBIT M.—BULLETIN ISSUED BY THE DIVISION OF CONTRACT DISTRIBUTION, OFFICE OF PRODUCTION MANAGEMENT, EIGHTH FEDERAL RESERVE DISTRICT, ST. LOUIS, MO., TO PRIME CONTRACTORS AND POTENTIAL SUBCONTRACTORS

PLEASE CONTACT THE DIVISION OF CONTRACT DISTRIBUTION OFFICE SERVING YOUR AREA

This bulletin is prepared and issued by the Division of Contract Distribution, St. Louis, Mo., for the purpose of furnishing data to all potential contractors and subcontractors who are interested in the national defense program. All bids as noted below should be sent to the contracting officer at the point of origin which is listed at the bottom of each itemized section.

The period between the issuance of invitations and the opening of bids is sometimes short, so if you are able to quote on any of the items listed, a wire should be sent immediately to the contracting officer for an invitation. Be sure to refer to invitation number under column C. Bid forms, specifications, and drawings will be furnished by the contracting officer upon request. Confirmation of your telegram should be mailed to the contracting officer to whom it was addressed.

If you have not previously done so, you should request that the name of your firm be placed on all mailing lists to receive future invitations for bids on all items which you can supply. A list of your products should be included.

If any bidder or prospective bidder needs financial assistance in order to complete a contract it is suggested that he immediately get in touch with his local bank. All bankers are anxious to assist in the defense program in every possible way. If, for any reason, a local bank is unable to give the necessary assistance, the bidder should get in touch with the Federal Reserve bank or branch serving his territory.

Unless specifically noted in itemized naval section, information on naval bids will be provided by this office. Any qualified concern not now receiving invitations to bid on Navy items is requested to advise this office to receive instructions on how to be placed upon the Navy bidders lists.

When inquiring about Army ordnance items, please determine the ordnance district office concerned with your area, and get in touch with their facilities officer.

St. Louis Ordnance District: United States Customs and Courthouse; Maj. Geo. E. Mason, chief, procurement service. Area concerned: Missouri, southern Illinois, Arkansas.

Cincinnati Ordnance District: 1229 Enquirer Building, Cincinnati, Ohio; Capt. Forrest W. Smith, chief, procurement service. Area concerned: Southern Indiana, southern Ohio, Kentucky, and Tennessee.

Birmingham Ordnance District: 800 Comer Building, Birmingham, Ala.; Lt. Col. W. F. Vander Hyden. Area concerned: Northern Mississippi.

NOTE.—All drawings furnished this office by ordnance district are descriptive of the items, not details, and are for inspection of prospective bidders only.

All matters concerning priorities, will be handled by field office, Priorities Division, Office of Production Management, Eighth Federal Reserve District, 411 Locust Street, St. Louis, Mo., Mr. Louis E. Crandall, district manager.

If you fail to bid you may be dropped from the bidders' list. Items marked with an asterisk (*) refer to drawings available for inspection in our office.

Prime contractors are invited to consult our staff for assistance when seeking additional facilities for subcontracting.

Subcontractors are invited to consult our staff for assistance in any capacity that will serve the defense program.

Be sure your plant facilities are on file in our office.

Bulletin No. 19, Nov. 19, 1941

A Quantity	B Item	C Invitation No.	D Bids to be opened on—
Miscellaneous..... Do.....	Fuel and oil..... do.....	42-1123..... 42-1133.....	Dec. 1, 1941 Do.
Do.....	For bid form, wire: War Department, Air Corps, Materiel Division, Office of Contracting Officer, Wright Field, Dayton, Ohio.	1913-42-241.....	Dec. 2, 1941
Do.....	Crackers, oyster, sweet, graham	1913-42-237.....	Dec. 1, 1941
Do.....	Shredded wheat biscuits, wheat flakes, etc.....	1913-42-239.....	Do.
	Subsistence supplies..... For bid form, wire: Commanding officer, Jersey City Quartermaster Depot, 26 Exchange Place, Jersey City, N. J.		

Bulletin No. 19, Nov. 19, 1941—Continued

A Quantity	B Item	C Invitation No.	D Bids to be opened on—
Miscellaneous	Fasteners, slide	669-42-NEG-69	Dec. 3, 1941
1	Sweeper, street	669-42-NEG-70	Dec. 1, 1941
Miscellaneous	Undershirts, cotton, summer	669-42-NEG-71	Do.
1,000,000	Suits, working, olive drab For bid form, wire: War Department, Philadelphia Quartermaster Depot, 21st and Johnston Sts., Philadelphia, Pa.	669-42-NEG-72	Do.
Miscellaneous	Horse, draft For bid form, wire: War Department, Quartermaster Corps, Fort Riley, Kans.	QM 734-42-17 (salvage)	Do.
1 each	Oxygen compressor	5736	Do.
Miscellaneous	Varnished-cambrie-insulated lead-covered control cable	5743	Do.
Do	Office shears, adding machine ribbons, manifold	5742	Dec. 3, 1941
Do	Drill rods, drill steel, wire rope, iron, etc For bid form, wire: Commanding officer, the Panama Canal, office of the general purchasing officer, Washington, D. C.	5733	Dec. 1, 1941
Do	Steel For bid form, wire: War Department, United States Engineer, 601 Davidson Bldg., Kansas City, Mo.	461-42-199	Do.
2,000 pounds	Oakum, marine, unspun	272-42-43	Do.
Miscellaneous	Clips, wire rope For bid form, wire: War Department, U. S. Engineer office, 613 Federal Bldg., Detroit, Mich.	272-42-42	Do.
Do	Road machinery	950-42-NEG-78	Do.
Do	Kitchen equipment For bid form, wire: Commanding officer, Washington Quartermaster Depot, War Department, Washington, D. C.	950-42-NEG-77	Nov. 28, 1941
Do	Motor van service For bid form, wire: War Department, Kansas City Quartermaster Depot, Independence and Hardesty Sts., Kansas City, Mo.	1445-42-82	Dec. 2, 1941
Do	Drills, twist	672-42-1042	Nov. 28, 1941
1 each	Lathe	672-42-1041	Do.
Do	Machine	672-42-1040	Do.
Miscellaneous	Unions	672-42-1038	Do.
Do	Belting, leather	672-42-1037	Do.
1 each	Grinder, oilstone	672-42-1030	Do.
Miscellaneous	Nails, copper; lead anchors	672-42-1026	Do.
Do	Exchange deteriorated smokeless powder for laquer enamel, nitrocellulose and thinner.	672-42-1018	Do.
1,000 feet	Rope, wire	672-42-1056	Do.
12,235 pounds	Steel, sheet	672-42-1057	Dec. 1, 1941
Miscellaneous	do	672-42-1054	Do.
1 each	Machine roan maintainer	672-42-1048	Dec. 2, 1941
50 each	Fixtures, bracket type	672-42-1049	Dec. 1, 1941
1,500 pounds	Salt, preheat	672-42-1050	Dec. 2, 1941
10,000 each	Tile, block	672-42-1052	Dec. 1, 1941
1 each	Saw, band	672-42-1047	Do.
Do	Mortiser, hollow chisel type	672-42-1046	Nov. 28, 1941
19,300 each	Ogive, pc. mk. 73-2-139	672-42-1045	Dec. 1, 1941
2	Power folder and brake	672-42-1044	Do.
200 each	Caps, sailor For bid form, wire: Picatinny Arsenal, Dover, N. J.	672-42-1022	Nov. 28, 1941
Miscellaneous	Dies and taps	9429	Dec. 2, 1941
6	Busses, Motor driven	9440	Do.
20,000 feet	Ash, white	9450	Do.
Miscellaneous	Chairs, aluminum	9443	Do.
Do	Valves, pressure-reducing	9341	Do.
Do	Safes, burglar-resisting	9444	Do.
Do	Screws and nuts	9388	Do.
Do	Equipment, generator and electrical, wind tunnel	9484	Dec. 4, 1941
Do	Rope, wire; and fittings	9458	Dec. 2, 1941
Do	Cable, electric, rubber-covered portable	9438	Do.
Do	Cable, electric	9439	Do.
Do	Chains, anchor; links; and shackle-tool sets	9469	Dec. 5, 1941
Do	Chains, anchor; links; swivel shots; and shackle-tool sets.	9477	Do.
60	Panels welding, outlet	9492	Do.
Miscellaneous	Saws, hack, motor-driven	9468	Do.
Do	Boat-planking; cypress	9459	Dec. 4, 1941
1	Roll, bending, motor-driven	9491	Dec. 5, 1941
Miscellaneous	Teak	9473	Dec. 19, 1941
1	Press, forging, hydraulic	9479	Dec. 5, 1941
5	Machines, milling, portable, motor-driven	9465	Dec. 2, 1941
1	Machine, milling, portable	9460	Dec. 5, 1941
Miscellaneous	Truck, crane	9489	Dec. 2, 1941

Bulletin No. 19, Nov. 19, 1941—Continued

A Quantity	B Item	C Invitation No.	D Bids to be opened on—
10,000	Boxes, ammunition, steel	9480	Dec. 5, 1941
9	Compressors, air, electric	9496	Dec. 2, 1941
2	Lathes, precision, toolroom type, motor-driven	9487	Dec. 5, 1941
Miscellaneous	Equipment, ventilating and tanks	9490	Dec. 2, 1941
2	Lathes, turret, motor-driven	9488	Dec. 5, 1941
Miscellaneous	Compound, rust-preventive	9475	Dec. 2, 1941
Do	Machines, bolt-threading, motor-driven	9471	Dec. 5, 1941
Do	Cable, electric	9435	Dec. 2, 1941
Do	do	9436	Do.
Do	Anchors and grapnels, boat, iron	9451	Do.
Do	Balsa wood, lignum-vitae and mahogany	9445	Do.
	For bid form, wire: Navy Department, Bureau of Supplies and Accounts, Washington, D. C.		
6	Grinders, cabinet-type, heavy duty, belt, motor-driven	9486	Nov. 28, 1941
Miscellaneous	Furnaces, electric arc, rocking	9455	Do.
100,000	Diphenylamine	9481	Do.
Miscellaneous	Cars, railroad	9470	Do.
2	Machines, drilling, motor-driven	9482	Do.
2	Outfits, impregnating	9462	Do.
Miscellaneous	Blowers, forced-draft, turbine-driven, spare parts; and special tools and wrenches.	9483	Do.
Do	Tubes, fiber	9456	Do.
Do	Glass, heat-treated	9404	Do.
6	Sets, welding, electric arc	9410	Do.
Miscellaneous	Instruments, drawing	9423	Do.
Do	Extractors, laundry, and spare parts	9413	Do.
Do	Rules	9426	Do.
1	Automobile	9412	Do.
2	Grinders, universal, cutter and tool, motor-driven	9398	Do.
Miscellaneous	Wire ropes and fittings	9396	Do.
Do	Gloves, leather, gauntlet	9419	Do.
Do	Mattress covers	9406	Do.
Do	Sponges	9405	Do.
Do	Drawers and undershirts, woolen	9402	Do.
Do	Trucks, tractor; and semitrailers	9416	Do.
Do	Lockers, steel, galvanized	9323	Do.
Do	Flasks, steel	9326	Do.
Do	Engine and spare parts	9391	Do.
Do	Bomb, miniature, practice	9390	Do.
Do	Sets, welding, electric arc	9394	Do.
	For bid form, wire: Navy Department, Bureau of Supplies and Accounts, Washington, D. C.		
26 each	Power supply unit	824-42-21	Dec. 3, 1941
	For bid form, wire: War Department, Air Corps, contracting and purchasing officer, Scott Field, Ill.		
	NAVY DEPARTMENT, BUREAU OF SUPPLIES AND ACCOUNTS, WASHINGTON, D. C.		
	ADVANCE NOTICES OF PROSPECTIVE PURCHASES		
	Engines, Pratt & Whitney		
	Cylinders, oxygen		
	Switchboard material		
	Turbo generators and spare parts		
	Type SDGA		
	Electric motor-driven equipment in commissary spaces.		
	Pumps and spare parts		
	Parts for motorboat Diesel engines		
	Parts for Diesel engines		
	Cotton sheeting		
	Pumps, centrifugal type		

SUBCONTRACT

CAST CARBON MOLYBDENUM STEAM PIPE FITTINGS

The quantity is approximately 250,000 pounds, at 30,000 pounds, per month. Bids will be accepted for smaller quantities.

Material suitable for working pressure of 665 pounds, per square inch, and temperature of 850°.

These fittings are flange-type I's, T's, and Y's, varying in size from 1½ inch inside diameter to 6 inch inside diameter.

Project 1447

DETACH AND MAIL

To: Division of Contract Distribution, Eighth Federal Reserve District,
411 Locust Street, St. Louis, Mo.

We are requesting bid forms on items-----
We are interested in items-----
and will visit your office to inspect prints.

Name-----

Address-----

EXHIBIT N.—PRIME CONTRACTS EFFECTUATED THROUGH ST. LOUIS, MO., DIVISION
OF CONTRACT DISTRIBUTION OFFICE

REPORT SUBMITTED BY PETER R. NEHEMKIS, JR.

Airtherm Manufacturing Co., St. Louis, Mo.: Received awards from various Ordnance Districts for heaters-----	\$30, 000
Alox Manufacturing Co., St. Louis, Mo.:	
Received award for making gas masks, face forms for Chemical Warfare Service-----	40, 000
Received award from the Chicago Chemical Warfare for gas mask parts-----	40, 000
Received award from Medical Corps and Wright Field-----	688
American Thermometer Co., St. Louis, Mo.: Received award from Ordnance Department for M21 boosters-----	1, 000, 000
Acme Uniform Cap Co., St. Louis, Mo.:	
Received award for 100,000 Army hats-----	49, 000
Received award from Quartermaster Corps for overseas caps----	20, 000
F. Brodbeck Tool & Machine Co., St. Louis, Mo.: Received award from Army Signal Corps for 45,000 pair cable contact anchors----	5, 000
Caron-Delet Manufacturing Co., St. Louis, Mo.:	
Received award from Army for church pews-----	10, 000
Additional award for church pews and tool chests-----	21, 300
Century Electric Manufacturing Co., St. Louis, Mo.: Received award from Navy Department for 20-mm. ball-----	75, 000
Champion Shoe Machinery Co., St. Louis, Mo.: Received award from the St. Louis Ordnance Department for 20-mm projectile ball-----	177, 500
Chapman Knives & Saws, Inc., St. Louis, Mo.: Received award from the Navy Department for straight edges-----	1, 700
Consumers Glue Co., St. Louis, Mo.:	
Received award from the Jeffersonville quartermaster depot for fish glue-----	450
Another award from the Navy Department for linoleum cement---	7, 100
Award from the Treasury Department for 1,720 quarts glue----	309
Dennis Chemical Co., St. Louis, Mo.:	
Received award from the Wright Field Air Corps for sealing compound-----	3, 150
Another award from Wright Field for ethyl acetate-----	4, 200
Award from Wright Field for butyl alcohol-----	10, 000
Award from Wright Field for ethyl acetate-----	4, 000
Eagle Foundry Co., Belleville, Ill.: Received award for gas ranges for Federal housing project-----	72, 500
Fahlin Aircraft Co., Columbia, Mo.: Received award for propellers from Wright Field Air Corps-----	40, 000
Foster Bros. Manufacturing Co., St. Louis, Mo.:	
Received award from Army for steel cots-----	4, 300
Award from Farm Security Administration for metal beds-----	4, 200
General Conveyor & Manufacturing Co., St. Louis, Mo.: Received award from the Navy Department for portable conveyors-----	5, 800
Glazer Bros., St. Louis, Mo.: Received award from Philadelphia quartermaster depot for 40,000 pairs of serge trousers-----	27, 500
Gilbert Brass Foundry Co., St. Louis, Mo.: Received award from Wright Field Air Corps for bronze bars-----	7, 900
General Welding Products, Inc., St. Louis, Mo.: Received award from the Navy Department for buoys-----	38, 000

Herkert & Meisel Trunk Co., St. Louis, Mo.: Received award from Chicago Signal Corps for Army trunk lockers.....	\$80,000
Joleco Fluorescent Fixture Corporation, St. Louis, Mo.: Received award from Wright Field Air Corps for fluorescent lighting fixtures...	8,325
Karr Range Co., Belleville, Ill.: Received award from the Jeffersonville quartermaster depot for 25,000 tent stove grates.....	12,000
James R. Kearney Corporation, St. Louis, Mo.: Received award from the office of the general purchasing officer, Washington, D. C., for the Panama Canal.....	560
Kilgen Organ Co., St. Louis, Mo.: Received award from the Medical Corps, St. Louis, for wooden test tube stands.....	600
Leston Co., St. Louis, Mo.: Received awards from Army posts and quartermasters for mayonnaise and salad dressing.....	6,188
Master Plastic Molding Co., St. Louis, Mo.: Received award of an experimental nature from Wright Field, Dayton, Ohio.....	2,525
A. Leschen & Sons Rope Co., St. Louis, Mo.: Received award from the Navy Department for wire rope.....	72,000
Midwest Radiant Corporation, St. Louis, Mo.: Received award for supplying coke to Fort Leonard Wood, Mo., and Fort Grant, Ill. . .	11,200
Mines Equipment Co., St. Louis, Mo.: Received award from Frankfort Arsenal for instrument lights and parts.....	300,000
Midwest Foundry Co., Edwardsville, Ill.: Received award from Jeffersonville quartermaster depot for castings.....	750
Multiple Boring Tool Co., St. Louis, Mo.: Received award from the Navy Department for boring bars.....	7,169
National Vinegar Co., St. Louis, Mo.: Received two awards from the Army quartermasters for vinegar.....	250
Oakland Foundry Co., Belleville, Ill.: Received award from Jeffersonville, quartermaster, for tent stoves.....	30,000
25,000 tent stove grates.....	12,000
Orbon Stove Co., Belleville, Ill.: Received award from the Jeffersonville quartermaster for 221 hot plates.....	1,043
St. Louis Steel Products Co., St. Louis, Mo.: Received award from St. Louis Ordnance Department for bomb arming wire assemblies.....	221,827
Received additional awards for bomb arming wire assemblies...	60,350
Received additional awards for bomb arming wire assemblies...	23,840
Smith & Davis Manufacturing Co., St. Louis, Mo.: Received award for steel folding cots from Chicago quartermaster depot.....	168,000
Two additional contracts for 75,000 steel cots from the Army....	248,000
John S. Swift Co., St. Louis, Mo.: Received award from Wright Field, Air Corps for technical bulletins.....	73,500
U. S. Wiping Cloth Co., St. Louis, Mo.: Received award from New Orleans engineers for wiping cloths.....	3,000
Schlueter Manufacturing Co., St. Louis, Mo.: Received award from the Ordnance Department, Savanna, Ill., for strainer pails.....	787
Additional award from Chicago quartermaster for galvanized buckets.....	13,355
Awards from other quartermaster depots and Army camps.....	1,413
Wagner Electric Co., St. Louis, Mo.: Received award from Ordnance Department for 37-mm. A. P. shells.....	1,500,000
Westphal Bros., St. Louis, Mo.: Received award for making metal booths for U. S. engineers at Kansas City, Mo.....	108
Williams Patent Crusher & Pulverizer Co., St. Louis, Mo.: Received award from Navy Department for paper shredder.....	872
Wrought Iron Range Co., St. Louis, Mo.: Received award for Army ranges from Jeffersonville quartermaster depot and United States engineers.....	18,654
National Foundry Co., St. Louis, Mo.: Received award from Rock Island Arsenal for steel castings.....	5,000

RECAPITULATION

Number of prime contractors.....	43
Number of prime contracts.....	58
Total dollar value of prime contracts.....	\$4,568,913

EXHIBIT O.—SUBCONTRACTS EFFECTUATED THROUGH ST. LOUIS, MO., DIVISION OF CONTRACT DISTRIBUTION OFFICE, FROM SEPT. 1, 1941, TO AND INCLUDING NOV. 15, 1941

REPORT SUBMITTED BY PETER R. NEHEMKIS, JR.

Airpath Instrument Co., St. Louis, Mo.:	Received subcontract for tools from the Industrial Pneumatic Tool Co.....	\$2, 000
Airthern Manufacturing Co., St. Louis, Mo.:	Received subcontract for heaters at small arms plant.....	20, 000
	Also subcontracts from small arms plant.....	20, 000
	Also heaters from Fruco Construction Co. and Tarlton McDonald Construction Co., Neosho, Mo.....	125, 000
Aleo Valve Co., St. Louis, Mo.:	Received order from Emerson Electric Co. for pressure reducing valves.....	7, 000
	Also an order from Curtiss Wright Airplane Corporation for parts.....	3, 200
Atlas Tool & Manufacturing Co., St. Louis, Mo.:	Received subcontract from McQuay-Norris Manufacturing Co. for tools.....	60, 000
	Also Western Cartridge Co. for tools.....	91, 000
	Also subcontract from Emerson Electric Co. for tools.....	20, 000
	Also subcontract from Western Cartridge Co. for tools, jugs, and fixtures.....	250, 000
E. H. Baare Manufacturing Co., St. Louis, Mo.:	Received subcontract from Trane Co., La Crosse, Wis., for making wire motor supports for ventilating equipment.....	3, 000
	Also spot welding ammunition boxes for Curtiss Wright.....	4, 200
	Also subcontract from Emerson Electric Co. for 2,500 sheet metal control boxes.....	2, 500
	Also subcontract for 2,500 wire fan guards for Navy use from Emerson.....	20, 000
Bachmann Machine Co., St. Louis, Mo.:	Received subcontract from Mines Equipment Co. for tools and stampings for black-out lamps.....	4, 500
	Also received subcontract from Emerson Electric Co. for parts for turret assembly.....	15, 000
	Also received subcontract from Curtiss Wright for gland rings for landing gears.....	-----
	Also subcontract from United States Cartridge Co. for punches and dies for gun mounts.....	1, 000
Ballak & Co., St. Louis, Mo.:	Received subcontract from United States Cartridge Co. for various parts for cartridge machines.....	1, 500
	Also subcontract from St. Louis Cooperage Co. for faucets for Navy Department.....	3, 000
Barry-Wehmiller Co., St. Louis, Mo.:	Received subcontract from American Machine Co., Moline, Ill., making bases for steel testing machines.....	40, 000
	Also subcontract from Emerson Electric Co. for making rotating rings.....	72, 000
	Also subcontract for large internal gear rings for Emerson Electric Co.....	6, 000
	Subcontract for making various machine parts for Hannifin Manufacturing Co., Chicago, Ill.....	6, 000
Brockmann Machine & Tool Works, St. Louis, Mo.:	Received subcontract from the Bayer Co. for valve stems and turned steel tubes.....	3, 000
	Also received subcontract for making die for the manufacture of bombs and core puller for National Lead Co. (time and material jobs).	
F. Brodbeck Tool & Machine Works, St. Louis, Mo.:	Received subcontract from the Killark Electric Co. for non-explosive light parts.....	1, 500
	Also received subcontract for four dies for radio tube construction for R. C. Can Co.....	600

Bronze Alloys Co., St. Louis, Mo.:	
Received subcontract for small castings from Curtiss Wright..	\$20,000
Also received subcontract for small castings from Western Cartridge Co.....	4,800
Also subcontract from Wagner Electric Co. for miscellaneous small castings.....	5,000
Caron-Delet Manufacturing Co., St. Louis, Mo.:	
Received subcontract from Rice Stix Co. for Army trunks.....	5,000
Also subcontract from Day & Zimmerman and United States Cartridge Co.....	600
Central Pattern Co., St. Louis, Mo.:	
Received subcontracts from Sterling Steel Casting Co., Wagner Electric Co., Willys-Overland Co., Emerson Electric Co. for patterns.....	7,735
Champion Shoe Machinery Co., St. Louis, Mo.:	
Received orders from United States Cartridge Co. for tools and dies.....	47,245
Clearview Equipment & Manufacturing Co., St. Louis, Mo.:	
Received subcontracts from the small arms plant for conveyors, hopper-type sieves, and miscellaneous items.....	14,700
Crunden Martin Manufacturing Co., St. Louis, Mo.:	
Received subcontract from Gibbs & Cox, Inc., for fire buckets on cargo vessels..	1,500
Diagraph Bradley Stencil Machine Co., St. Louis, Mo.:	
Received subcontract from Susch Sulzer Bros. Diesel Engine Works for engine parts.....	6,000
Dresel-Betz Co., Bellesville, Ill.:	
Received subcontract from McQuay Norris for tools and jigs...	50,000
Also received subcontracts from United States Cartridge Co...	25,000
Received subcontracts from Western Cartridge Co.....	15,000
Also from Busch Sulzer Bros. Diesel Engine Co.....	20,000
Also Lelunann Machine Co.....	10,000
Curtiss Wright Co.....	7,000
(All of the above are for tools, jigs, and fixtures.)	
Duke Manufacturing Co., St. Louis, Mo.:	
Received subcontract to provide kitchen and food service equipment for a governmental naval base on British territory.....	65,000
Eagle Iron Works, St. Louis, Mo.:	
Received subcontract from United States Cartridge Co. for train rail hangers.....	5,000
Also from Curtiss Wright for cable stretchers and factory tables..	7,000
Egyptian Foundry Co., Belleville, Ill.:	
Received subcontract from Karr Range Co. for 6,000 tent stove grates.....	2,880
General Welding Products Co., East St. Louis, Ill.:	
Received subcontracts from the small-arms plant, Weldon Springs, Mo., and ammunition dump, Valley Park, Mo.....	
Also subcontract for heads for the mark 11 buoys from the Lippman Engineering Co., Milwaukee, Wis.....	7,433
Gilbert Brass Foundry Co., St. Louis, Mo.:	
Received subcontract from the Wagner Electric Co. for bronze motor parts.....	6,000
Also subcontract from St. Louis Lightning Protection Co. for lightning rods for igloos at Valley Park.....	4,000
Received subcontract from Vogt Bros., Louisville, Ky., for fire hydrant valves.....	15,000
Subcontract from Farnsworth Radio & Television Co. for bronze parts for radio sets.....	1,200
Derrick and Equipment Co., Beaumont, Tex., for gulf shutters..	4,000
United States Cartridge Co. for wing nuts for ammunition boxes..	72,000
Higgins Industries, New Orleans, La., for control parts, and bronze pump parts.....	5,000
}	30,000
Gross Chandelier Co., St. Louis, Mo.:	
Received subcontract from the small-arms plant for lighting fixtures.....	3,058
Harmony Foundry Co., Belleville, Ill.:	
Received subcontract for 6,000 stove grates from the Karr Range Co.....	2,880
O. K. Harry Steel Co., St. Louis, Mo.:	
Received subcontracts from 12 companies for various sheet-metal items for total amount of..	27,409

Kaysing Iron Works, St. Louis, Mo.: Received subcontracts from 18 projects for a total amount of.....	\$34, 624
James R. Kearney Corporation, St. Louis, Mo.: Received subcontract from Gibb & Cox for parts to be used on cargo vessels for the British.....	4, 600
Sam Kennard, Inc., St. Louis, Mo.: Received subcontract for 309 heating units for the small-arms plant, St. Louis.....	13, 000
Kitterman Tool Co., St. Louis, Mo.: Received subcontract from Curtiss Manufacturing Co. for tools and dies.....	2, 000
Klein-Miles Co., St. Louis, Mo.: Received subcontract from United States Cartridge Co. for tools and dies.....	18, 011
Chas. G. Krukemeyer Machine & Parts Co., St. Louis, Mo.: Received subcontract for machining 5-inch gun-mount rings.....	5, 000
Lewis Invisible Stitch Co., St. Louis, Mo.: Received subcontract from United States Cartridge Co. for tools and dies.....	77, 195
Curtiss Wright Airplane Co. for airplane parts.....	4, 200
Liekweg Manufacturing Co., St. Louis, Mo.: Received subcontract from Curtiss Wright Corporation for packaging safety belts.....	100
Lincoln Engineering Co., St. Louis, Mo.: Received subcontracts from United States Cartridge Co. for tools and dies.....	132, 390
Loose Leaf Metals Co., St. Louis, Mo.: Received subcontract from St. Louis Steel Products Co. for ferrules and clips for bomb arming wires.....	6, 000
Master Plastic Molding Co., St. Louis, Mo.: Received subcontracts from Buffalo Arms for machining gun parts.....	40, 000
Mines Equipment Co., St. Louis, Mo.: Received subcontracts from Fritz-Ziebarth Lights, Inc., American Gas & Accumulation Co., and several other prime contractors for field lights, instrument lights, cable, connectors, etc.....	475, 000
Also subcontract from the United States Rubber Co. and Simplex Wire & Cable Co. for the Signal Corps.....	210, 000
Multiple Boring Tool Co., St. Louis, Mo.: Received a subcontract from the Evans Products Co., Detroit, Mich., and Western Cartridge Co. for machine work.....	31, 650
National Foundry & Machine Co., St. Louis, Mo.: Received subcontract for 5-inch gun-mount rings.....	15, 000
National Refrigerator Co., St. Louis, Mo.: Received subcontract from Swenson Construction Co., Kansas City, Gilson Taylor, Inc., Danville, Ky., for sectional coolers.....	16, 257
Omar Tool & Machine Co., St. Louis, Mo.: Received subcontract from United States Cartridge Co. for tools and dies and jigs.....	47, 000
Received subcontract from United States Cartridge Co. for tools and dies and jigs.....	30, 000
Received subcontract from United States Cartridge Co. for tools and dies and jigs.....	9, 000
Presstite Engineering Co., St. Louis, Mo.: Received subcontract from Western Cartridge Co., Schlueter Manufacturing Co., Parsons Co., Detroit, for acid-proof paint.....	2, 775
Press Sign Co., St. Louis, Mo.: Received subcontracts for defense plant signs.....	5, 500
Also additional subcontracts for defense plant signs.....	4, 800
Progressive Service Co., St. Louis, Mo.: Received subcontract from United States Cartridge Co. for tools and dies.....	11, 673
Also received a subcontract from Chrysler Corporation for screw machine parts for Bofors 40-mm. gun.....	590
Roesch Enamel Range Co., Belleville, Ill.: Received subcontract from Century Electric Co. for metal trays.....	14, 000
Stippie Burner & Equipment Co., St. Louis, Mo.: Received subcontract for metal fabrications at Weldon Springs, Mo.....	8, 000
Security Shoe Supply Co., St. Louis, Mo.: Received subcontract from Curtis Wright for aluminum washers.....	5, 000

Simple Development Co., St. Louis, Mo.: Received subcontract for fixtures and jigs for Master Plastic Corporation.....	\$5, 000
St. Louis Plastic Molding Co., St. Louis, Mo.: Received subcontracts from various prime contractors for small parts.....	2, 200
Schlueter Manufacturing Co., St. Louis, Mo.: Received subcontract from one of their jobbers for deck pails for the Navy.....	20, 000
Also pails for Army use through their Dallas, Tex., jobber.....	756
Supreme Foundry Co., Belleville, Ill.: Received a subcontract from the Karr Range Co. for 12,000 tent stove grates.....	6, 760
Vitro Products Co., St. Louis, Mo.: Received subcontract from the Curtiss Wright Co. for airplane mounts and small parts from Bastian & Blessing.....	15, 550
West St. Louis Machine & Tool Co., St. Louis, Mo.: Received a subcontract from the Hudson Motor Co., Detroit, for Oerlikon gun..	1, 800

RECAPITULATION

Number of subcontractors.....	55
Number of contracts.....	134
Total dollar value of subcontracts.....	\$2, 554, 961

EXHIBIT P.—DRAFT OF PROPOSED ACT TO EXPEDITE THE PROSECUTION OF THE DEFENSE EFFORT ¹

November 11, 1941.

AN ACT To promote the national defense by providing for the more effective utilization of existing industrial facilities and resources for national defense purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the purpose of this Act to promote the national defense by:

- (a) the more effective utilization of existing industrial facilities and resources;
- (b) the wider diffusion of contracts among the smaller business enterprises in every part of the Nation;
- (c) the pooling of industrial facilities and equipment;
- (d) the wider extension of subcontracting;
- (e) the conversion into defense production where feasible of civilian industries affected by priorities and raw material shortages;
- (f) the alleviation of unemployment resulting from priorities or shortages of materials by absorption into the defense effort.

SEC. 2. The Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the United States Maritime Commission, and any other departments and agencies of the Government which the President may designate (which Secretaries, Commission, and other departments and agencies are hereinafter referred to as the "contracting agents"), are, with respect to materials, supplies, articles, equipment or services for which such contracting agents are otherwise authorized to contract hereby authorized and empowered during the period of unlimited national emergency declared by the President on May 27, 1941, to exist:

- (a) To negotiate contracts for materials, supplies, articles, equipment and services (including contracts for educational orders) with or without advertising or competitive bidding, and to award and enter into such contracts in such amounts, on such terms and at such prices as in the judgment of the contracting agent concerned will tend to effectuate the purpose of this Act.
- (b) To waive, or to reduce to the extent deemed necessary the furnishing of bid, payment, performance or other bonds or security as in the judgment of the contracting agent concerned, will tend to effectuate the purpose of this Act.
- (c) With respect to contracts entered into by or on behalf of any such contracting agent, before, on or after the effective date of this Act, to make advance payments, progress payments, or partial payments of the contract

¹ The essence of this Act is now included in Title 2—Pub. No. 354—77th Congress, 1st session, approved December 18, 1941.

price in such amounts and upon such terms, with or without security, as in the judgment of the contracting agent concerned will tend to effectuate the purpose of this Act; *Provided*, That whenever any such payment is made, the contract may provide for a lien in favor of the Government for the amount of such payment, which shall be paramount to all other liens, upon any or all materials, supplies, articles and things incorporated or to be incorporated in any material, supply, article or thing to be acquired by the Government pursuant to the terms of the contract and in the possession or control of the contractor and, also, for the amount of any such payment derived from or reimbursed by a payment made to the contractor by the United States, made by the contractor to any subcontractor, upon any or all materials, supplies, articles, and things incorporated or to be incorporated in any material, supply, article, or thing to be acquired by the contractor pursuant to the terms of the subcontract and in the possession or control of such subcontractor; and the provisions of any State or Federal laws concerning the filing or recording of liens shall not apply to, or affect the validity or priority of, any lien arising under this subsection.

(d) With the consent of the contractor, with or without consideration, to amend, adjust, or supplement contracts entered into before on, or after the effective date of this Act, in such manner and upon such terms and conditions, including, but not limited to, adjustment of the price or fee, and the remission of accrued liquidated damages, as in the judgment of the contracting agent concerned will tend to effectuate the purpose of this Act.

SEC. 3. Any and all provisions of law inconsistent with this Act shall be suspended, to the extent of such inconsistency, during the effective period of this Act; *Provided*, That no contract entered into pursuant to the provisions of this Act which would otherwise be subject to the provisions of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (49 Stat. 2036; U. S. C., supp. V, title 41, secs. 35-45), shall be exempt from the provisions of such Act solely because of being entered into without advertising or competitive bidding pursuant to the provisions of this Act; *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this Act; but this proviso shall not be construed to prohibit the use of cost-plus-a-fixed-fee form of contract when such use is deemed desirable by the contracting agent concerned; *Provided further*, That nothing contained in this Act shall authorize payment of a fixed fee, under any cost-plus-a-fixed-fee contract, greater than is otherwise permitted by law; *And provided further*, That nothing contained in this Act shall be construed to prohibit the award of any contracts in any manner now authorized by law or to curtail or limit any powers now vested in any department or agency of the Government.

SEC. 4. Each contracting agent shall report semiannually to the Congress all advance programs or partial payments made, and all contracts negotiated, amended, or supplemented, under the authority of this Act, except that any such report may omit information which the contracting agent concerned may deem incompatible with the public interest to disclose.

SEC. 5. Each contracting agent is authorized to exercise any power or authority conferred by this Act through such subordinate officer or officers as such contracting agent shall direct.

EXHIBIT Q.—SUBCONTRACTING THE M-3 TANK

DECEMBER 4, 1941.

DR. ROBERT K. LAMB,
*Director of Studies, House Committee Investigating
National Defense Migration, Washington, D. C.*

DEAR DR. LAMB: At the hearing in St. Louis, the committee requested me to submit a short statement on the extent to which an M-3 tank could be subcontracted.

Attached hereto you will find three photographic views of the M-3 tank illustrating various parts and components which are capable of being subcontracted together with the man-hours of work in connection therewith. These diagrammatic sketches are indicative of the approach to the problem of farming out parts, components and subassemblies. There are 20,000 parts in the M-3 tank and 300 subassemblies. Hence, these sketches are at best suggestive.¹

¹ The photographs referred to are held in committee files.



Labor cabin occupied by cotton choppers. A white couple and child used this two-room shack. The place was as neat and clean as the wife could make it under difficult circumstances. The plant in the old kettle hung on the wall of the cabin is a brave attempt to provide an attractive touch in drab surroundings.

The above photograph and those on pages following, taken in New Madrid County, Mo., were selected from an exhibit submitted by the Bureau of Agricultural Economics, United States Department of Agriculture. Those not reproduced here are held in committee files.



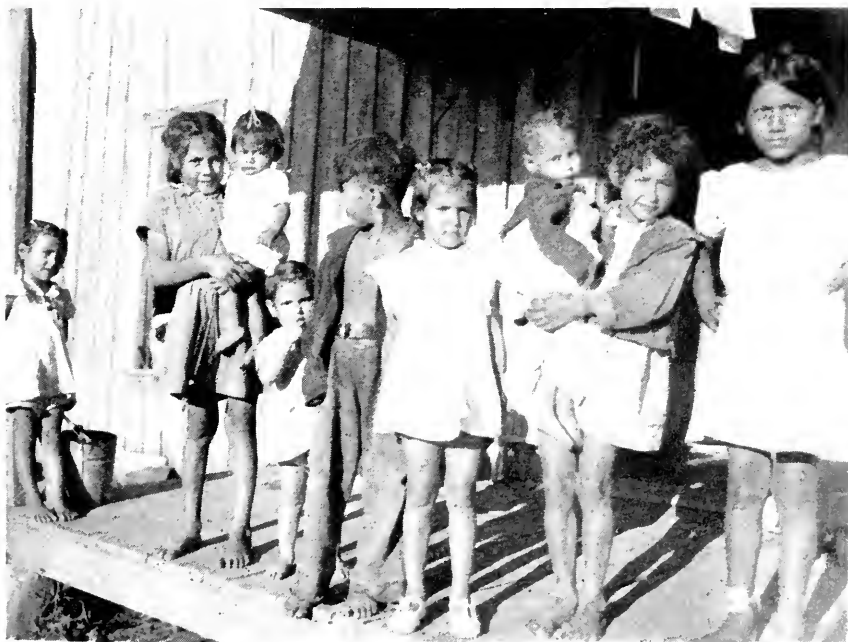
The log labor cabin shown above was occupied by a Negro couple who were vigorously cleaning out the fifth left by predecessors. The cabin stood in a livestock pen near a barn. It had no screens. Water supply came from the pump in the foreground.



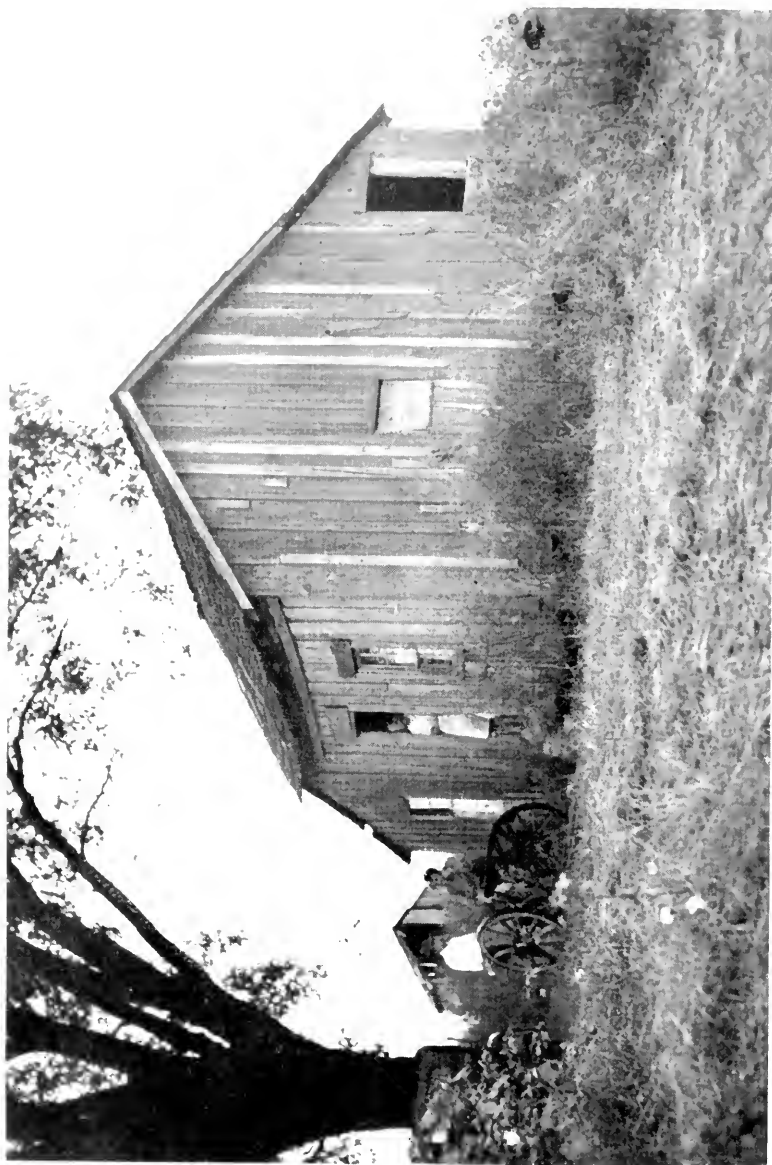
Another view of the log labor camp shown in the top photograph.



House used by migratory Mexican cotton pickers. Several families from Hidalgo County, Tex., used this house. Men slept in the attic reached by the outdoor stairs.



Some of the children who shared the house shown in the top photograph. Many picked cotton in the fields, along with their parents.



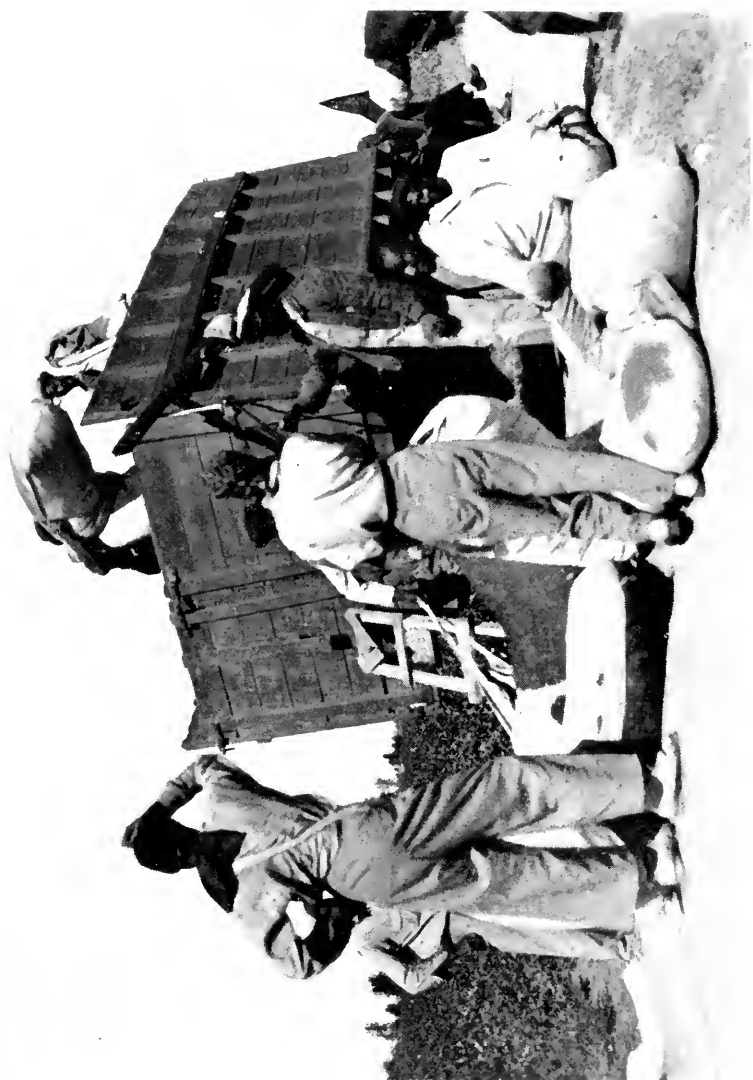
Labor cabin occupied by migratory cotton pickers. For more data on the conditions of the cotton migrant and sharecropper, see testimony of Thad Snow and others appearing in this volume.



A better type cabin occupied by two families migratory cotton pickers. The cabin shown above is built of unpainted lumber without screens, paint, or toilet facilities.



Mexican family picking cotton. The family had been brought to Missouri by a labor contractor. Under his agreement the contractor recruited and transported the laborers, supervised them at work, weighed and baled the cotton to a gin, and would return the pickers to Hidalgo County, Tex., at the end of the season. The contractor was paid a flat rate for cotton picked and hauled to the gin. From it he paid the pickers and himself.



Migratory cotton pickers. The man standing at the right was a labor contractor. He had a contract with a large farm. Under its terms he recruited labor in Arkansas, transported it to Missouri, supervised the gang at work, weighed and baled the cotton to a gin, and would return the pickers to Arkansas at the end of the season. He was paid a flat rate per hundredweight of cotton picked and delivered at the gin. From it he paid the laborers and himself.



Migratory cotton pickers and cabin. (The woman with the child was a visitor.) The couple have an annual cycle of farm work. They had picked fruit in Michigan and were picking cotton in Missouri. They planned then to go to the sugarcane cutting in Louisiana and to spend the winter on the Gulf coast. In the spring they would pick strawberries near Hammond, La., and then work north with truck and berry crop harvesters to Michigan fruit, completing the annual cycle. They travel by automobile.

Exclusive of motor, guns, gun mounts, transmission and turrets, we feel that 60 to 70 percent of the remaining part of the tank is capable of being subcontracted. Typical of such items are the hull; the track assembly; the volute suspension (bogie wheels), drawing No. 37892; rear idler assembly; master clutch, drawing D-47317; starter, drawing D-47397; generator, drawing D-47404; voltage regulator, drawing C-84893; booster coil, drawing B-155909; generator filter, drawing C-66160; air cleaner, drawing C-74245; slip ring box, drawing D-47327; oil filter complete, drawing C-66761; oil filter complete (Cuno type G), drawing C-66761; periscopes, drawing B-183012; door, indirect vision, drawing D-47323; pistol port, drawing D-47300; together with a list of some 70 items which are hereto attached, most of which are inside of the tank.

The type of machine-tool equipment necessary to perform this work embraces practically all types of boring machines, planers, drills, fairly large size turning lathes, steel casting foundry facilities, forge shop facilities (medium size), heavy duty welding equipment, 30-ton hydraulic presses, heavy stamping equipment.

In the list attached, of some 70 items capable of being subcontracted, you will find the type of shop capable of working on each such item. You will note that on the whole these items can be produced by the average machine shop to be found in every community. This list is by no means complete and covers only such items as we have had an opportunity to work on to date.

I am of the opinion that by balancing out the equipment in the average machine shop most any part of the tank can be subcontracted, with the exception of the guns and the motors, but in the case of the transmission and final drive there appears to be a bottleneck in gear cutting, and in large and rugged machine-tool equipment to machine the transmission case. It should be noted that the guns and motors are now being furnished by the arsenals.

I might also point out that the turret requires 100-inch boring mills and other heavy duty equipment which must be in excellent condition, as the material is rather hard in structure and it takes good equipment to do the work.

Sincerely yours,

PETER R. NEHEMKIS, JR.,
Special Assistant, Division of Contract Distribution,
Office of Production Management.

List of subcontractable parts

Item	Suitable for—
Toolbox (including caliber .30 ammunition)	Light boiler shop or heavy sheet metal shop or structural shop.
Guard	Small machine shops.
Fender, front	Heavy stamping shop with welding equipment.
Do	Same as above.
Rack, ammunition, upper	Small welding, drilling and stamping shop
Rack, ammunition, lower	Same as above.
Rack, ammunition 37 mm., or bulkhead	Do.
Pocket, lower left	Heavy sheet metal shop, light boiler shop or structural shop.
Rack, ammunition 37 mm, on left rear sponson.	Small welding, drilling and stamping shop.
Radio operators seat body assembly	Structural steel, or light boiler shop with welding drilling equipment.
Tray, ammunition	Any sheet metal shop with welding, drilling and stamping equipment.
Bracket, caliber .45 gun	Same as above.
Bracket, caliber .45 gun	Same as above.
Bracket, caliber .45 gun	Heavy stamping and sheet metal shop.
Bracket	Flame cutting, bending and welding equipment.
Do	Same as above.
Guard	Any structural steel shop.
Cushion, seat	Any furniture upholstery shop.
Plate	Any small metal working shop.
Body	Any small sheet metal shop.
Plate	Structural or small machine shop.
Reinforce	Same, with welding equipment.
Angle	Boiler making shop.
Body	Sail or tent making shop.
Bag, empty cartridge	Same as above.
Guard, breach	Light boiler shop.
Tray, ammunition	Sheet metal and spot-welding shop.
Bag, empty cartridge	Sail or tent making shop.
Do	Same as above.
Reinforce	Structural or boiler making shop with welding equipment.
Shute, cartridge	Sheet metal, welding and spot welding shop.
Tray, ammunition	Sheet metal, stamping shop.
Bracket	Small steel foundry and small machine shop.

List of subcontractable parts—Continued

Item	Suitable for -
Clamp	Small machine shop.
Guard, turret platform	Heavy sheet metal shop.
Plate	Same as above.
Valve, drain	Small machine shop.
Upper pocket	Heavy sheet metal shop.
Cover	Sheet metal shop, equipped with welding and drilling equipment.
Box, tool	Sheet-metal shop.
Stand, ammunition tray	Machine shop, welding equipment.
Pocket, lower right	Heavy sheet metal, boiler or structural steel shop.
Cam	Toolmaker's shop or machine shop with grinding equipment.
Subfloor, left	Boiler shop.
Guard	Machine shop with pipe bending and welding equipment.
Subfloor, right	Boiler shop.
Mechanism, firing	Small machine shop.
Beam	Machine shop with welding and vertical boring mill equipment (3 foot radius).
Sleeve	Machine shop with welding equipment.
Rack, ammunition	Machine shop with sheet metal and spot welding equipment.
Fan	Machine shop equipped to turn work 36 inches diameter.
Hub	Any machine shop.
Sprocket	Machine shop equipped for profile milling. Dual saw or sprocket cutting up to 30 inches diameter and flame cutting.
Housing, propeller shaft	Heavy sheet metal shop or boiler shop.
Shackle	Any drop forge shop.
Bracket, support	Small machine shop with steel foundry facilities.
Rack, ammunition	Sheet metal, light stamping and light machine shop.
Box, battery	Switchbox or switchboard manufacturer.
Retainer	Any small machine shop.
Hinge	Same as above.
Do	Do.
Do	Do.
Stud	Machine shop with small turret lathe.
Bracket	Small machine shop.
Head	Same with a turret lathe.
Body	Small machine shop equipped for welding.
Spacer	Small machine shop equipped for precision grinding.
Elbow	Foundry with machine shop.
Bracket	Any machine shop with steel foundry facilities.
Bracket, mast	Any machine shop with foundry facilities.

TESTIMONY OF PETER R. NEHEMKIS, Jr.—Resumed

Now, I am going to ask you several questions based upon your statement and then we will get into some of the other phases that have not been covered by these questions. Would you describe to the committee the organization of the Division of Contract Distribution both before and since its recent reorganization when Mr. Odium was appointed to head it?

ORGANIZATION OF DIVISION OF CONTRACT DISTRIBUTION

Mr. NEHEMKIS. Suppose I start with the latter part of your question, Mr. Osmer. The predecessor of the Division of Contract Distribution was known as the Defense Contract Service and it was established shortly after the organization of the Office of Production Management. As a matter of fact it has an earlier history than that. It goes back to the days when Chester Davis sat on the old Defense Commission. It was felt at that time that the problem of bringing in the smaller business enterprises was not being adequately met by the Defense Commission, and so there was established in the old Defense Commission the Office of Small Business Activities, whose director was Donald Nelson. That organization did not really deal with production problems, and with the establishment of O. P. M.

and the growing realization that the smaller enterprises had to be dealt with more as a productive unit, there was created as a unit of the Production Division of O. P. M. the Defense Contract Service. The Defense Contract Service was superseded on September 4, 1941, pursuant to an Executive order of the President, by the Division of Contract Distribution, which is a division on the same parity with the other divisions of O. P. M.: Priorities, Labor, Production, Civilian Supply, and Purchasing. The Division and its various functions are set forth in my statement. The operating sections are divided first into a procurement branch whose functions are briefly to assist the procurement agencies, that is to say the armed services, in preparing their bids and specifications at their source in such a manner as will permit the taking of prime contracts by smaller manufacturers and pools of such manufacturers; to secure from the procurement agencies as much advance information as possible as to their requirements, so that the field organization may be advised in ample time to bring such information to the attention of all potential sources of supply; and to find special facilities required by the armed services.

The CHAIRMAN. Before you leave that I wonder if I could interject a question. Did you hear Mr. Holland's testimony?

Mr. NEHEMKIS. Yes, indeed. I listened to it with the greatest of interest.

The CHAIRMAN. It was very interesting and valuable. But what do you say, as a representative of the O. P. M., about that 10 days to get the bids into Washington?

Mr. NEHEMKIS. I think that the need for speedy bids has worked in many instances a great hardship on smaller manufacturers, particularly those scattered and more widely separated from the procurement centers. If I may digress for a moment from Mr. Osmer's central question —

Mr. OSMERS. Go right ahead.

Mr. NEHEMKIS. Perhaps at this point, in response to your question, Mr. Chairman, I might say that Mr. Odlum early felt that if we were to aid the smaller enterprises effectively, and if it were going to be possible for the fighting services to do the job that they had been called upon to do under the terms of the President's Executive order, certain existing impediments in congressional legislation would have to be overcome. And the basic impediment is that which now calls in large areas of procurement for advertising and competitive bidding.

Mr. OSMERS. Is it your contention there—and I am sure it is Mr. Odlum's—that we should use the negotiated-contract plan with smaller industry?

SMALL BUSINESS DISADVANTAGED BY COMPETITIVE BIDDING

Mr. NEHEMKIS. I was just coming to that, sir. It has been our experience ever since the defense effort got under way that the average smaller manufacturer is at a hopeless disadvantage in estimating his costs in figuring on a job through competitive bidding because he has no basis of experience on which to estimate his costs in the first instance. The whole notion of competitive bidding is really a carry-over from civilian practice. Under normal circumstances it is of course highly desirable that the taxpayers' money should be given

every conceivable protection and that the lowest possible cost for any particular military item be obtained, but in a wartime situation competitive bidding—as this committee well knows—works to a great disadvantage. Accordingly, Mr. Odum requested counsel for the Division to begin drafting legislation which would eliminate the need for competitive bidding and overcome certain other obstacles which I might as well cover at this time. For instance, it has been proved to be an almost universal case that the smaller enterprises cannot participate in defense production, because in many instances they cannot meet the need for various types of bonds and that of course eliminates them. I was interested in Mr. Holland's testimony, among other things, because he has given the committee such a clear picture of the place of the industrial pool in defense production. Under existing law, for example, it is impossible for the Navy Department to place a regional contract with a pool if outside of that region there is a low responsible bid. So that type of situation has been eliminated. This committee well knows that we could increase subcontracting tremendously throughout America if we could call in for renegotiation outstanding contracts and speed up the delivery date. There are certain legal as well as constitutional questions involved in doing that.

PROPOSED LEGISLATION FOR REVISION OF PROCUREMENT PROCEDURES

Mr. OSMERS. You are probably not aware that a suggestion of that character will soon be made by this committee to Congress.

Mr. NEHEMKIS. I am delighted to hear that, sir. That provision is also taken care of in this draft of the law. There are other phases of it, but even more important, it was Mr. Odum's purpose that this bill, if enacted by the Congress, should carry with it a certain psychological effect so that all businessmen and especially the smaller businessmen would have a clear statement of policy by the lawmakers as to what was involved. With your leave I intend to go over this draft for the record. I would just like to take a moment and read the declaration of purpose because it seems to me it is so implicit in everything that this committee has been doing since its inception. This proposed bill is called: An act to promote the national defense by providing for the more effective utilization of existing industrial facilities and resources for national defense purposes: [reading]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the purpose of this act to promote the national defense by—

- (a) the more effective utilization of existing industrial facilities and resources;
- (b) the wider diffusion of contracts among the smaller business enterprises in every part of the Nation;
- (c) the pooling of industrial facilities and equipment;
- (d) the wider extension of subcontracting;
- (e) the conversion into defense production where feasible of civilian industries affected by priorities and raw material shortages;
- (f) the alleviation of unemployment resulting from priorities or shortages of materials by absorption into the defense effort.

Then there follow the various sections. Under section 2 of this proposed bill, the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the United States Maritime Commission, and any other departments and agencies of the Government which the President may designate, would have the power to negotiate a contract in lieu of obtaining competitive bids. Furthermore,

it would be possible to negotiate contracts for a large range of items, which, under existing law, the fighting services are prohibited from doing. For example, one of the largest items of the Navy's purchases under the jurisdiction of the Bureau of Supplies and Accounts under existing law can only be procured through competitive bidding. Under this proposed law the Secretary of the Navy will be vested with power to negotiate contracts. Another matter which I am sure the committee has heard testimony on which impedes the smaller enterprises from participating effectively is the inability to extend advance payments made by the armed services in sufficiently large amounts to be effective. Under section 2 of the proposed law the armed services would have power to make advance payments up to any amount at their discretion, which would be consonant with the purposes and spirit of this legislation.

With leave of the committee I should like to have this proposed draft spread in the record and I assure you that, when you have the leisure to study it, we will welcome any suggestions that may occur to you. We have spent the past month in consultation with counsel for the various fighting services.

Mr. OSMERS. What is the reaction of S. P. A. B. to this proposed legislation?

Mr. NEHEMKIS. It has met with the approval of all the services and all branches of the Government concerned. It is now before the Bureau of the Budget for formal approval before being submitted to both Houses, and we expect shortly that approval will be obtained and it will go to the Speaker. Specifically, it has received the approval of the Council of O. P. M. which as you know includes the Secretary of War, the Secretary of the Navy, Mr. Knudsen, Mr. Hillman.—

Mr. OSMERS. I see. You would call that S. P. A. B.?

Mr. NEHEMKIS. No; that is not S. P. A. B. but S. P. A. B. has no direct relationship with this measure.

Mr. OSMERS. They may not have direct relationship because they are not a part of O. P. M. or a part of Congress, but would you care to venture a guess as to their attitude toward this legislation? I know they have had some differences of opinion with Mr. Odlum's branch on various interpretations of the program.

Mr. NEHEMKIS. I would say, Mr. Osmers, that in view of the fact that the men enumerated are on S. P. A. B., the likelihood is great that there would be no objection to it.

Mr. OSMERS. I would like to ask this general question. What is the total number of personnel in the division now?

Mr. NEHEMKIS. We now have 67 field offices located in 39 States, and we are organizing additional offices as rapidly as possible. We have 279 people in the Washington office and 734 in the field. It is Mr. Odlum's belief that in order to carry out his obligations and duties under the Executive order he will require for a 1-year period a minimum of \$23,479,735, with a total organization of about 3,800 men, largely engineers and technicians.

AUTHORITY OF CONTRACT DISTRIBUTION DIVISION

Mr. OSMERS. Thank you. Now will you tell the committee, Mr. Nehemkis, what authority you have to enforce any policy of the Division?

Mr. NEHEMKIS. The authority of the Division, of which I am a member, stems from the Executive order of the President, and I think the best statement that I know of concerning the underlying purpose of that order and the reason for its promulgation appeared in the White House statement announcing the establishment of the Division. The major steps outlined for the work and functions and activities of the new Division were four in number and they read as follows:

1. The breaking down of larger orders of supplies into smaller units, and spreading the purchases among more firms and in all localities possible.
2. Providing assistance through the Labor Division of Office of Production Management in retraining and obtaining reemployment for workers who are unemployed as a result of the shutting down of some plants or reduction of their output.
3. The effective distribution of defense contracts to the smaller business enterprises, as yet largely unused, through an expanded use of subcontracting, contract distribution, and the pooling of plant facilities.
4. By providing a staff of industrial and production engineers to formulate and execute specific plans for the conversion of nondefense industries and plants to defense production.

Perhaps I should add, Mr. Osmer, in response to your question and as a result of certain remarks made at the hearing before the committee this morning that the Division of Contract Distribution has no authority whatever for letting contracts. Congress has vested authority for contract awarding only with the armed services.

Mr. OSMERS. And does lease-lend have such authority?

Mr. NEHEMKIS. Lease-lend has no such authority. Lease-lend places its contracts for lease-lend material through the Treasury, Procurement Division, which is vested by the Congress with authority for obtaining certain types of materials, and which for lease-lend material serves as an over-all procurement instrument. I think it should be clearly understood that the only departments which Congress has ever vested with plenary power for the awarding of contracts are the fighting services.

Mr. OSMERS. Is it your opinion that the work of your division would be assisted if you had such authority from Congress?

Mr. NEHEMKIS. That is a rather involved subject, and as you know, Mr. Osmer, it goes into the whole problem of whether this country, as a matter of policy, should have a separate Ministry of Supply. I am not sure that you want me to go into all the details of such a move. That is a matter of congressional policy.

Mr. OSMERS. I think it is fair to say that the main burden of your testimony on the question of contracting is not so much to give your own division the authority, but to give to the existing authority the power to negotiate contracts.

Mr. NEHEMKIS. I think, Mr. Osmer, that if the legislation that we discussed a moment ago is enacted the armed services will really be able to do all that is expected of them under the terms of the Executive order. I think that this Executive order is really a Magna Carta for small business because it enunciates clearly what the policy of this Nation is toward small enterprise.

Mr. OSMERS. The discouraging part of that is that in operation it has been a paper Magna Carta and has not necessarily applied to the small business of the country, for some very sensible reasons that have been discussed in this room since early morning. The Executive order is an expression of good intentions, and until such time as the Congress gives some authority for making that effective I don't

believe we will have a proper distribution of contracts regardless of the high-minded sentiments that prompted the Executive order. I notice your division proposes to put your people into the planning stage of defense to stimulate subcontracting. How will that operate?

Mr. NEHEMKIS. I might say in preface that one of the reasons, in my judgment, that subcontracting has not been the outstanding success it might well have been in this country is due largely to the fact that we have attacked subcontracting too late. We have tried to deal with the problem of subcontracting after a contract had already been negotiated, and after weeks and months of effort and planning have gone into it. It is very difficult to do a job then. In my judgment, the place to attack subcontracting is in the planning stage when the various procurement establishments are formulating their supply needs. To meet that end and objective, Mr. Odum has arranged with the Under Secretary of War and with the Under Secretary of the Navy to have technical representatives of our division stationed in each of the procurement establishments. These representatives will work with the procurement officers so that in the planning stage you can make the appropriate arrangements for the volume and type of subcontracting that a particular item requires, rather than after a contract has already been negotiated.

Mr. OSMERS. I think the merit and good judgment in that plan is obvious, Mr. Nehemkis. Is any comprehensive survey under way to determine the capacity of all industries to contribute to the defense program?

Mr. NEHEMKIS. There is now being made the necessary arrangement for getting for the first time the kind of plant and inventory surveys of our capacity that we need.

Mr. OSMERS. And under whose auspices?

Mr. NEHEMKIS. By the Division of Contract Distribution.

Mr. OSMERS. Is Mr. Nelson also making such an inventory?

Mr. NEHEMKIS. S. P. A. B. is making an inventory of raw materials.

Mr. OSMERS. And you are making an inventory of facilities?

Mr. NEHEMKIS. We have been making that kind of facility inventory for some time. Our problem is to centralize the information and make the information systematic. In this connection I would like to have the indulgence of the committee to show them what we have done right here in St. Louis.

MEN, MACHINES, AND MATERIALS INVENTORIED

Mr. OSMERS. I would like to ask another question before you go into that. The committee so far has regarded the subject of an inventory as being a threefold subject; men, materials, and machines.

Mr. NEHEMKIS. That is correct.

Mr. OSMERS. Your division is making an inventory of machines. S. P. A. B. is making an inventory of materials. Now, is any branch of the Government making an inventory of labor—manpower?

Mr. NEHEMKIS. I don't see how any inventory of machines can be divorced from available manpower. If you want to know what the productive capacity of a region or locality is at any given time, you have to make an inventory of the idle manpower as well as of the idle machines and equipment, so of necessity for our survey to be significant it must also include idle manpower.

Mr. OSMERS. Would you secure such information from the employment services?

Mr. NEHEMKIS. We are now in the midst of working out a procedure for doing it, and utilizing various types of machinery that now exist in the field.

Mr. OSMERS. Is your survey of men and machines to be directed primarily, or solely, to small enterprises?

Mr. NEHEMKIS. Emphatically, no, for the simple reason that we are talking about all-out production; we are talking about the defeat of Nazism; we are talking about a war that can be won in 1943. Therefore, this means a utilization of every available and existing piece of tool and machinery wherever it may be found, whether it is in a garage or a repair shop; whether it is a large or small plant.

Mr. OSMERS. The point I am trying to make is just that. We have just come from central Nebraska. Your machinery population will change but little there. In other words the machines and buildings will stay there, but your labor situation is one that may and is changing very rapidly. Men are leaving and going to the Pacific coast and elsewhere, and it is going to be an extremely difficult problem accurately to appraise your manpower situation.

BRITISH EXPERIENCE

Mr. NEHEMKIS. And yet, sir, I know of no other way of doing the job, except to do that. In that respect, we have to borrow from the British experience, and the various area capacity boards with which this committee is familiar through the testimony of Morris L. Cooke and others. I know of no other way of doing it. It is a difficult and enormous job but there is no other way of doing it.

Mr. OSMERS. I was very much impressed by some of the efforts that the English have made along those lines. I think they have done a better job than we have. Their geographical situation is different from ours, but they seem to have adapted existing facilities to a greater extent than we have been able to do.

Mr. NEHEMKIS. I hope in this connection that the committee will incorporate in its record an article that appears in this issue of the *New Yorker* called *Lancashire Way*.¹ It is a very exciting story of what the British are doing to utilize bits and pieces. It wasn't until after Dunkirk that the English waked up. We followed the same pattern that the British did. They loaded up existing plants with heavy orders and it was only after the disaster of Dunkirk, when the need for reequipping the entire British Army all over again became the appalling truth, that Lord Beaverbrook, who was then Minister of Supply, came to the conclusion that every single piece of equipment had to be used. This has since become the fixed policy of the British Government and of the War Council.

GERMAN EXPERIENCE

In the same connection, I had a rather stimulating experience the other night. I read a confidential report describing the experience of Nazi Germany in farming out and subcontracting. I had assumed, with the German genius for planning, that they had done a magnificent job on farming out. To my amazement, I discovered that they made

¹ See p. 9399.

the same mistakes and blunders that the British did, and that we did. They started in 1933, but it wasn't until 1938 that subcontracting was fully organized and placed on a working basis. Furthermore, they have made an even worse mistake than any of the democracies in that they have deliberately obliterated small enterprise and lifted manpower out of small shops and put them into big shops. The same complaints were heard in Nazi Germany as we hear here about small enterprises "folding up." To remedy that situation the German high command organized bourses or central market places all over Germany so that all the smaller manufacturers and their guilds and committee organization could come to the bourses where there were exhibited bits and pieces broken down into their parts and components. There were present large contractors as well as officers of the procurement establishment who would then give out the orders. Under the Executive order setting up our Division that same system is now being introduced into our country. Our Division is charged with the responsibility of setting up in the various cities throughout the country market places where there will be exhibited thousands and thousands of parts for tanks, planes, heavy bombers, and so forth, so that the smaller manufacturer can come, can see, can feel with his own hands, and if necessary bite with his own teeth, that particular part or component that is required.

Mr. OSMERS. There is only one fundamental difference. That is, in Germany the fellow went home with an order, and here he goes home with a pat on the back. There lies a whole world of difference, because after the manufacturer has made his little trip, spent his carfare, and seen the gadget to be made, he doesn't come home with any order. Is that right, Mr. Holland?

Mr. HOLLAND. Correct as can be.

Mr. OSMERS. So there is a slight difference in the system.

Mr. NEHEMKIS. That goes back to your doorstep. You make the laws. We carry them out.

Mr. OSMERS. I appreciate that. I am making that criticism not of your Division.

BITS-AND-PIECES EXHIBIT

Mr. NEHEMKIS. In that connection we have started the first effort on a Nation-wide basis. On November 10 Mr. Odum dispatched three trains loaded up with hundreds of thousands of bits and pieces from every branch of the fighting services, and they are going to every section of the United States. The manufacturers for the first time, even in the most remote parts of the country, will get a chance to see those parts and discover that some of them are not very different from the items they have been making in civilian production.

The next step is to establish permanent exhibits. The first of these is to be in St. Louis. Another will be in Chicago. It is terribly important that we all realize that this job of all-out production can't be done unless there is a tremendous program of breaking up these large orders into small parts. It is perfectly futile to go into a small shop and talk about making a machine gun or an antiaircraft gun when the owner of that plant has only seen it in the movies. But if you explode that machine gun or antiaircraft gun into its constituent parts and label each part and list the tools required for its production, it can be done.

Mr. OSMERS. I think the committee is on record in favor of this exploding process because of the obvious inability of the small plant to make a tank. It is obvious that they must make a part of a tank or a part of some other complicated weapon.

Mr. NEHEMKIS. I would like to show you a number of diagrams. I have prepared for the benefit of the committee a series of exhibits showing just what can be done with an M 3 tank in the way of exploding it.

Mr. OSMERS. I would like to hold the exhibit part of your report to the end. Is there any movement on foot so far as you know to make it easier for small producers to bid by regionalizing or localizing the bidding facilities? You have heard the complaints here today and we have heard them before on the difficulty of returning bids on time and the distance factor that enters into it.

INDUSTRIAL POOLS

Mr. NEHEMKIS. For the first time in the history of defense under the terms of the President's Executive order the industrial pool comes into its own, and the Division of Contract Distribution is definitely charged with the problem of stimulating the organization of such pools. I think the armed services will cooperate once we get this legislation and they have clear authority to award contracts to pools. I am thoroughly persuaded that we will have a tremendous upsurge in production throughout the United States through pooling the facilities of scattered machine shops and individual units of industries which are being shut down or will increasingly be shut down because of the material shortages, etc. I think Mr. Holland has pioneered in the effort to make the pool a reality and his work has now come to fruition through the terms of the Executive order. I would go further than that. I would say that I know of no way to make this defense effort a truly democratic effort unless there are organized throughout the nation pools of every type and sort to participate in defense production. You can't make this problem of producing for defense a reality unless men in every part of the country feel that they are actively participating in it; and in my judgment it is only through the industrial pool that we will achieve the only kind of defense that is worth while—a democratic defense.

Mr. OSMERS. To what extent is your Division empowered to determine whether construction of new plant facilities for defense is necessary, particularly for large contracts?

Mr. NEHEMKIS. The Plant Site Board of the O. P. M. receives and passes on applications for additional plant construction or expansion. Our Division is represented on that Board.

Mr. OSMERS. Is your Division in a position to block such construction if you feel it is unnecessary?

Mr. NEHEMKIS. It depends on the definition of the word block.

Mr. OSMERS. I mean stop.

Mr. NEHEMKIS. Our Division is given an opportunity to present information as to whether or not there are existing and suitable facilities capable of doing the kind of work that is sought through new plant construction or expansion. I know of some instances, for example, where those recommendations have been followed.

Mr. OSMERS. I want to get to the question of priorities. Am I correct in my memory that Mr. Odum is on record as favoring the

policy of giving supplies of raw materials to very small businesses so that they can continue to operate?

Mr. NEHEMKIS. In a general way, that is correct.

Mr. OSMERS. Am I also correct in saying that Mr. Nelson has a contrary view?

HARDSHIP POOL

Mr. NEHEMKIS. From what I have read in the newspapers I gather that Mr. Nelson does not believe that such a program is entirely feasible. I have also read in the newspapers—and I assume that the committee has also noticed—that S. P. A. B. is about to establish a hardship pool, from which pool there will be allocated supplies under certain circumstances to certain types of concerns and industries facing shut-downs. I believe the details of that plan will be announced shortly.

Mr. OSMERS. One of the most urgent problems that has come to the committee's attention in connection with priorities concerns not the large firm that uses a tremendous amount of material, but the small factories which use a tiny amount of material compared to the total dollar value of the goods produced and compared to the amount of labor necessary to make that item. It seems to us that there should be some way that an industry like that would be able to continue.

Mr. NEHEMKIS. You are quite right. Ten pounds of brass may make the difference between a plant's continuing to operate or shutting down and putting 100 men out of work. I remember a manufacturer from Georgia coming to see me. His plant manufactures machinery for cleaning bottles, and it was the sole plant in a town of 2,000 people. Not only those immediately working in that plant but the surrounding population were completely at the mercy of that plant. Yet all he needed was, I think, 15 tons of a certain type of steel.

Mr. OSMERS. What were you able to do for him?

Mr. NEHEMKIS. We got him the steel.

Mr. OSMERS. Through what process?

Mr. NEHEMKIS. Fellows like myself have to drop what we are doing, bludgeon certain people and hit others over the head and you get the steel.

Mr. OSMERS. What about the man who doesn't happen to be so fortunate as to call on Mr. Nehemkis?

Mr. NEHEMKIS. He closes up sometimes.

Mr. OSMERS. In my district there is a company that makes stained-glass windows. They are going to close down. Fifty people will be unemployed because they can't get a few hundred pounds of lead.

Mr. NEHEMKIS. We must also realize that there have to be casualties.

Mr. OSMERS. We realize that. But it is important to realize that we are not talking so much about dollar casualties but as of those needless human casualties that are going to fall by the wayside. I think they should be the concern of our country.

We don't want to win the battle on the battlefield and lose it at home. One of the great disadvantages of the program is that no branch of the Government has sufficient authority with which to operate with the possible exception of the Army and the Navy. This brings me to my next question. Have you noticed any evidence in

your work of the Army or Navy acquiring more strategic materials than they need at the present time?

Mr. NEHEMKIS. Of my own knowledge and information I cannot answer that question. On the basis of hearsay, I have heard such statements.

Mr. OSMERS. There have been a number of very unkind remarks made in connection with the two-ocean Navy program. It is charged that the Navy is purchasing machinery and materials they will need in 1944 and 1945 when they complete their two-ocean Navy. Whether that is gospel truth or not, I don't know.

Mr. NEHEMKIS. The information will be definitely available as soon as S. P. A. B. completes its inventory.

PROCEDURE FOR CERTIFYING COMMUNITIES

Mr. OSMERS. Is there any established procedure for certifying communities with respect to priorities unemployment?

Mr. NEHEMKIS. There is, sir. Early last summer Mr. Sidney Hillman, who is the Associate Director General of O. P. M., organized a committee of staff members of O. P. M. to formulate a program for dealing with this problem of priorities unemployment. Out of the recommendations of this committee there was established the current certification procedure. I have gone into it at some length in my formal statement. The Labor Division of O. P. M. makes a survey of the distressed community. If it believes it should be certified, the papers are sent to the Division of Contract Distribution. This Division through its own engineers and sources of information checks the industry and plants. On the basis of those findings it submits a certification to the armed services containing a remedial program. At the present moment 75 plants in 10 different areas have been certified to the Armed Services, and contracts in the amount of \$31,577,000 have been awarded to those certified areas. There are 100 areas facing potential distress currently being studied.

COORDINATION OF PROCUREMENT PROCEDURES

Mr. OSMERS. Mr. Nehemkis, I have one or two other questions. What authority has the Division with respect to coordinating procurement procedures with subcontracting so that an over-all plan for maximizing defense output can be geared to a comprehensive schedule of military requirements.

Mr. NEHEMKIS. Section 1-A of the Executive order reads as follows:

Formulate and promote specific programs for the purchase of supplies for the Army and the Navy in smaller units but among a greater number of firms and in as many different localities as possible.

Paragraph B of section 1 reads:

Formulate and promote modifications in Federal procurement practices and procedures relating to negotiating contracts, bidding practice, performance and bid bonds, and other practices and procedures, to the end that there shall be a wider distribution of defense contracts and purchases.

As I have already indicated, and as is now in the record, the proposed legislation will to a great extent carry out that directive.

Mr. OSMERS. Mr. Chairman, in proceeding with Mr. Nehemkis, I have just two more questions that I want to ask him before he pro-

ceeds with his exhibits. I wonder if Dr. Lamb would state briefly at this point the recommendation of the committee with respect to this problem.

COMMITTEE RECOMMENDATIONS

Dr. LAMB. Mr. Nehemkis, in the committee's second interim report which is now in the mill and which ought to be released within the next couple of weeks the principal recommendation with respect to planning of defense production and procurement is, that planning relates to the total employment of all those men and machines and materials which can be made available for defense purposes. The committee has two recommendations which are related and one follows from the other, and it has been suggested that I read these to you and ask you what your personal reaction would be on the basis of your experience with the Contract Distribution Service. The first of these reads as follows:

The committee recommends that:

I. A single civilian board of the Federal Government be charged with full responsibility for procurement and for planning defense production and the production of essential civilian needs.

A. Complete schedules of military requirements shall be submitted to the Board by the Army, Navy, Maritime Commission, and lend-lease authorities.

B. The Board shall develop a comprehensive plan for meeting these requirements at the earliest possible date and in the order of their urgency.

II. A special technical division manned by a staff skilled in engineering and in production be organized under the Board.

A. This division shall compile and maintain an up-to-date, complete inventory on industrial facilities, the supply of critical materials and the supply of labor. Continuous, vigilant investigation of all hidden and surplus stocks of raw materials should be rigorously pursued.

B. Contracts shall be let on the basis of bidding by this division.

C. This division shall make a continuous check on the progress of defense work in industrial establishments to insure maximum operation.

III. Regional offices to be established directly under the Board to execute its policy and plans on a regional basis where necessary and practicable.

Mr. OSMERS. I wanted that to appear with your testimony, Mr. Nehemkis. Now as to the two questions I have left, one concerns the financial ability of small contractors and subcontractors, and the second will deal with the conversion of these various plants. Under the first heading I believe I noticed a contradiction of the statement you set forth with regard to the difficulty that small contractors are having and will have with requirements and the statement Mr. Davis made before this committee this morning. Mr. Davis anticipated no difficulty in financing small contractors. That is at variance with your report.

T. N. E. C. REPORT

Mr. NEHEMKIS. I should say that is a correct statement. I think the committee will take judicial notice of the report of the Temporary National Economic Committee under the chairmanship of Senator O'Mahoney. That report is Monograph No. 17, I believe, which deals with the problems of small business and it points out that the problem of financing the smaller enterprises is not a new one.¹ Small business by and large has always experienced difficulties in obtaining credit and capital largely because the existing sources of financial supply had been geared up primarily to handle the needs of large

¹ "Problems of Small Business," monograph No. 17, issued by the Temporary National Economic Committee, Washington, D. C.

units rather than small units. The impact of defense hasn't lessened that problem any. On the contrary it has intensified it. Our Division recently made a study of several hundred subcontractors engaged in defense production and we found that 40 percent were submarginal credit risks.

Mr. OSMERS. What is a submarginal credit risk?

Mr. NEHEMKIS. A risk that can't be held by a bank.

Mr. OSMERS. In other words the financial statement would not justify it?

Mr. NEHEMKIS. Those are the "thin-waisted" fellows who just can't get any help.

Mr. OSMERS. With respect to this conversion problem, would you care to take a typical case and describe it to the committee?

BASIS OF REQUIREMENTS FOR CONVERSION

Mr. NEHEMKIS. First it might be more helpful if, by way of preface, I talked a little about a word we are going to hear a great deal more of in Washington and everywhere else: conversion. Conversion is nothing more or less than a kit of tools. It is predicated upon:

A. Knowledge of your physical resources—what is it we have to work with?

B. Requirements of war—what do the military establishments need?

Those are the broad tools you have to begin with. Then they have to be subdivided into other tools. You have to know how these requirements are broken down: Their various parts and components; their bits and pieces. On the other hand you must have a catalog which will show the complements of the machine tools required to produce certain items. You must have a constant and dynamic inventory of available and suitable equipment that can do that type of work. That is all that is meant by conversion. You just can't convert in a vacuum. You have to build up your facilities to be converted around a given defense item. There is no point in talking about converting the refrigerator industry unless you know what the military requirements are to which the tools and equipment of this industry can be put to use. I think the one example of the conversion of an entire peacetime industry into wartime production is the conversion of the household washer and ironer industry. That industry like others in the consumer durable-goods field was affected by a curtailment order issued last August by the then Office of Price Administration and Civilian Supply. The industry met with us for a preliminary exploration of its problem to give us a chance to get a picture of its anatomy, so to speak. We then asked the committee to appoint a subcommittee of its best production engineers. They sweated out a composite picture of the machine tools, facilities, man-hours, and equipment of the entire industry. Then we began working on a break-down of military requirements that would fit into that complement of tools, and we discovered that there were at least 17 items ranging from bomb fuzes to gun mounts which they could make. We finally determined that the gun mount job would be best suited to utilize the full facilities of this industry consisting of some 34 plants in about 20 communities located largely in this part of the country and scattered over the eastern seaboard.

INDUSTRIAL POOLING

The next job was to get a typical gun mount. Through the aid and cooperation of the ordnance department of Chicago, we obtained a gun mount from the Rock Island Arsenal and hauled it into Chicago. The gun mount was exploded into its constituent parts and the entire industry was called in to examine it. Their production staff found there were no particular complexities or difficulties involved in that type of work. The next thing we did was to work out a schedule of the man-hours which would be subcontracted and the industry determined that it would have 3 of its own group serve as prime contractors in the event that the award was made to the industry, as an industry, by the War Department. Through the certification procedure which I have described, this whole industry was certified to the War Department as being technically capable of producing 17 items and the War Department awarded a contract for \$12,500,000 for the production of gun mounts to these 3 contractors, serving as prime contractors for the whole industry. The industry further decentralized its operations by having each of the prime contractors undertake a separate phase of the work. For example, one contractor is in charge of all tooling operations, another is in charge of the purchase of all raw materials for the industry, and a third is in charge of furnishing an inspection and supervisory service for the whole industry. In addition, the 3 prime contractors have gone out and obtained the services of an engineer from outside the industry who acts as coordinator for the whole job. He is the czar. He resolves all technical questions and his word is final.

Mr. OSMERS. What has been the effect of this on employment in the washing-machine industry?

Mr. NEHEMKIS. That job will merely take care of existing unemployment. It wasn't contemplated that it would absorb additional employment. In that little story you have illustrated every technique that this committee has been interested in in its exploration of this defense problem. You have a pool composed of 34 plants—really a gigantic factory in space, the ceiling of which extends over 7 States. You have subcontracting. You have the explosion technique. You have the breaking down of military requirements to fit a particular complement of machine tools.

Mr. OSMERS. I think it makes a good example. Mr. Chairman, I wonder if it would be possible for you to request Mr. Nehemkis to submit his material on the explosion of the manufacture of the tank in writing to the committee rather than to go into it now because of the other witnesses who are waiting.

The CHAIRMAN. I wonder if you would be willing to do that for us.

Mr. NEHEMKIS. I will be very glad to do that.

The CHAIRMAN. We will keep that as an exhibit, and if you can furnish the committee an explanation of it so it would become a part of the record that would be very helpful to us.

Mr. NEHEMKIS. I will be very glad to do that, sir.

The CHAIRMAN. I would like to say to you also, Mr. Nehemkis, as a result of the questions asked you and of the answers given by you, if there is anything you would like to add we will give you the privilege

of sending it within the next 10 days because your testimony is tremendously valuable and important to this committee.

Mr. NEHEMKIS. It is a pleasure to have been here.

The CHAIRMAN. Mr. Maytag and Mr. Gallagher are our next witnesses.

**TESTIMONY OF FRED MAYTAG II, PRESIDENT, MAYTAG CO.,
NEWTON, IOWA, AND W. NEAL GALLAGHER, PRESIDENT AND
GENERAL MANAGER, AUTOMATIC WASHER CO., NEWTON,
IOWA**

Mr. SPARKMAN. Mr. Maytag, will you give your name and business affiliations and address to the reporter?

Mr. MAYTAG. Fred Maytag II, president of the Maytag Co., Newton, Iowa.

Mr. SPARKMAN. And you?

Mr. GALLAGHER. W. Neal Gallagher, president of the Automatic Washer Co., Newton, Iowa.

Mr. SPARKMAN. We are particularly interested in Newton, Iowa, because of some of the testimony that was given us by the witness that has just preceded you. We are aware of the fact that the industry that you represent has been severely curtailed because of the defense program. I wonder, Mr. Maytag, if you would give us an idea of the number of people that have had to be laid off in your town because of priorities in materials.

Mr. MAYTAG. I can't speak for our town. I can speak only for the Maytag Co., which is the principal, but by no means the sole employer in Newton. It is rather difficult to give the exact number laid off because of priorities, because in our plant we have been able to absorb quite a number of men in our defense work. The Maytag Co. is actively engaged in defense work independently of the industry program of which Mr. Nehemkis spoke, and up to the present time we have been able to absorb a considerable number of men in that work, and expect to absorb some more.

Mr. SPARKMAN. I might say to both of you gentlemen that I have read your prepared statements with much interest and they will be placed in the record in their entirety. I notice in your statement verification of what you have just said.

(The statements referred to above are as follows:)

**STATEMENT BY FRED MAYTAG II, PRESIDENT OF THE MAYTAG
CO., NEWTON, IOWA**

I am Fred Maytag II, president of the Maytag Co., of Newton, Iowa, and am appearing as a witness at the committee's request. My company was founded in 1893 as the Parsons Band Cutter & Self Feeder Co., to manufacture self feeders for threshing machines. Later it undertook the manufacture of other types of farm equipment. About 1908 we commenced the manufacture of a hand-power washing machine as a sideline in order that our implement dealers might have an additional product to sell during off seasons. The company enjoyed a moderate growth and the washing machine business increased as the farm machinery business decreased. Manufacture of the latter was discontinued entirely about 1918 and since then we have manufactured domestic laundry equipment and accessories exclusively.

In 1922 the company introduced an entirely new type of washing machine which met ready acceptance and resulted in rapid growth for the company.

Since about 1924 the Maytag Co. has been recognized as the largest producer of washing machines in the country.

We are located in a community of 10,000 population in a predominantly agricultural area. There are quite a number of other manufacturing companies in Newton, of which the Automatic Washer Co. is the next largest.

We have a number of branch sales offices which employ approximately 75 office employees and 200 field representatives. Our products are sold by approximately 6,000 independent retail dealers.

Our home office and factory, however, are located at Newton where we employ approximately 125 office workers and (as of November 8) 1,137 factory employees. Of the latter, 957 are engaged in our washer plant and 180 in our defense plant.

As long as a year ago our directors foresaw the probability of curtailment of our regular production due to material shortages created by the defense program and determined that we should endeavor to obtain defense contracts for the manufacture of such articles as we might be able to produce with our facilities and personnel. The story of our early efforts is not unlike that of most other manufacturers who had not had previous experience with this kind of work. Our executives made many trips to Washington and other cities where they contacted various governmental agencies to make known our facilities and our desire to do defense work. They were always courteously treated, told that we would be given consideration, and then nothing happened. Whenever a lead developed which appeared interesting, we ran it down and if it appeared that we could do the job we obtained plans, made estimates, and submitted bids. Up to the present time there have been about 25 jobs, some of them running into amounts as high as a couple million dollars, for which we have submitted bids or proposals which have not been accepted. In a number of these situations our experience was very discouraging and disheartening.

It is not my purpose to express or imply criticism, because I fully understand the tremendous pressure under which the defense program has been organized and the inevitable confusion and red tape resulting from attempting to do such a colossal job in such a short time.

Although we are located in an area which is primarily agricultural and where one would expect to find low wage rates prevailing, we have always paid high wages for the type of work performed in our factory and this fact coupled with the geographical disadvantage of being located far from sources of supply and delivery points has proved disadvantageous. At the present time the average wage rate of all workers in our plant is approximately 90 cents per hour.

Last spring we obtained a couple of small subcontracts for machine work but they were of relatively little importance in terms of employment.

During the summer we established certain contacts in the aircraft industry which resulted in our first contracts of any size. At the present time we have nine subcontracts with five different companies, most important of which is that with the Glenn L. Martin Co. who manufacture military aircraft for the United States Government and the British Government. We are manufacturing certain subassemblies for two models of bombers being made by Martin.

We entered into our first contract with the Martin Co. during the first week of September 1941. On September 16 the plant of the defunct One Minute Washer Co., adjoining our property and now owned by us, was cleared of its warehouse debris and we commenced the installation of a production line machine shop and tool shop to do this job. By the 20th of October approximately 100 machine tools had been removed from our washer plant machine shop and were installed and operating in this new defense department. In addition, we had installed some new machine tools which we had been able to buy.

We have a very modern aluminum foundry which, until recently, has been used for the manufacture of aluminum tubs and other parts for our washing machines. We have reduced our consumption of aluminum 98 percent from what it was a year ago and are now making no aluminum castings for our washers. The foundry has been completely remodeled for the making of aluminum aircraft castings and production has just recently gotten under way. In this connection, we have made extensive installations of X-ray equipment and heat-treating equipment entailing considerable capital expenditure in order that we may meet the very exacting standards of the aircraft industry.

On September 1 we had 1,203 employees on our pay roll, all of whom were employed in the washer plant. Since then the number of defense employees has increased to the present figure of 180 and the washer employees have decreased to 957. Considering only the defense contracts which we now have, it is estimated

that the number of defense workers will increase to 200 by the end of this month and thereafter will run approximately as follows:

December 1941	250
January 1942	300
February 1942	350
March 1942	350
April 1942	350
May 1942	100
June 1942	100
July 1942	100
August 1942 through December 1942	75
January 1943	35

Like most other manufacturers of consumers' goods, our production has been reduced by shortages of materials. In addition, our industry has been singled out as one of the few to have its allowable production arbitrarily curtailed to conserve materials. The curtailment order was issued about the end of October, but was made retroactive to August 1. The rate of curtailment varies according to the size of the manufacturer, the larger ones having their production cut more than the smaller ones. We are in the class taking the largest cut, of course. During the 5-month period from August 1 to December 31 we are permitted to build five-twelfths of 80 percent of the number of units which we sold during the base period of 12 months ended June 30, 1941. It has been intimated that a more drastic curtailment may be instituted after the first of the year.

During the year 1941 we have carried on a desperate struggle to maintain our production and the employment of our workers in the face of increasing shortages and delays in important materials. Our engineers have been kept busy devising substitutes for critical materials and in a number of cases have hardly completed the substitution before it became necessary to find a substitute for the substitute. In an effort to conserve materials and simplify manufacturing procedure, we have reduced our line of models from six basic models at the first of the year to two at the present time. We have thereby eliminated hundreds of uncommon parts, simplified the procurement of materials to a certain extent, and released factory facilities for use on defense work.

I do not have exact figures available, except for aluminum whose use has been reduced 98 percent, but it can be said that we have drastically reduced our use of all critical materials and have now reached the point where we cannot go much further without seriously impairing the quality of our product. At the present time we face a very serious situation because of an acute shortage of phenol formaldehyde plastics used as a substitute for aluminum in our agitators. We have been given to understand that no more of this material will be available after the first of the year. Our engineers are diligently exploring several possibilities in an attempt to find an escape from the use of this material, but up to the present time we have no definite escape.

Total net separations from our pay roll during the year 1941 to date, including discharges, lay-offs, voluntary quits, deaths, etc., total 118 men, or approximately 9 percent of the number of men employed on January 1. It will be understood that there is always some variation in the number of employees and it is impossible to state how many of these separations are a result of material shortages. Under ordinary circumstances a variation of 9 or 10 percent in the number of employees over a period of 11 months would not be considered unusual, but it is unquestionably true that in this case the majority of the 118 men referred to have, in effect, been separated from our pay roll because of our inability to obtain materials. In fact, were it not for material shortages and Government curtailment, our employment would have shown a substantial increase this year because the demand for our product has far exceeded our ability to produce.

It is extremely difficult, if not impossible, to state the extent to which our manufacturing facilities can be converted to defense production. In general, our plant is a highly integrated mass-production factory designed exclusively for the manufacture of washing machines. Many of our machine tools are of special design and are useful only to produce washing-machine parts. We have a modern and efficient grey-iron foundry which could be converted, as has our aluminum foundry, except that there is virtually no demand for grey-iron castings in defense. A large part of our plant consists of the assembly departments in which we have approximately $1\frac{3}{4}$ miles of conveyor line with assemblers at stations throughout the line.

I think the prospects for our obtaining additional defense work are fairly good, depending almost entirely upon the degree of excellence we show in performing the jobs we now have. While we have no definite assurances, it is our hope that

satisfactory fulfillment of our contracts with the Glenn L. Martin Co. will result in additional orders of similar type. In addition, we are carrying on other negotiations which we hope will result in work of a type which we can do and which will not result in secondary unemployment by removing from domestic production essential equipment for which there may be a ratio of secondary employment as high as 4 to 1. By that I mean that removal of a machine tool from the machine shop might result in the transfer of its operator from domestic production to defense production but result in the secondary unemployment of four assemblers whose jobs are dependent upon the output of the machine.

The transferability of our working force from domestic production to defense work presents another problem. Defense work calls for highly skilled men. Despite the precise standards to which we work in our domestic products, we have relatively few skilled workmen in the ordinary sense of the word. They are all skilled in performing their respective jobs but, for the most part, they have not had broad experience on other kinds of jobs and are not fitted by training to set up and perform exacting machine operations except under close supervision. The average age of our employees is high compared with most plants and many of our employees have passed the age of greatest adaptability to change. Let it be said most emphatically, however, that our factory employees are, for the most part, native-born Americans of a high type and above the average of most factory workers in intelligence. Under favorable conditions and with adequate supervision, most of them should be capable of learning to perform jobs other than those on which they are now employed but it will not be an easy task. An assembler does not learn to become an expert machinist by taking a correspondence course, going to night school for a couple of weeks, or watching someone else operate a machine tool for a day or two.

In general, I think it can be said that the 180 men now engaged on defense work are the most able machinists and machine operators in our employ. Their transition to the new kind of work has not been easy by any means, but they have all pitched in with an enthusiasm which is really inspiring and we are getting the job done.

We have no formal training course designed to turn out so many machinists every week, but we are, by a rather circuitous process, carrying on a large-scale training program which is producing results.

The Newton public schools have carried on a vocational education program for a good many years, although their equipment until recently has been quite limited. Recently the schools obtained a Federal grant permitting them to purchase approximately \$20,000 worth of new equipment which is now on order and is expected to be delivered in about 60 days. In past years quite a number of our employees, including many of our foremen, have taken courses in machine-shop practice, mathematics, and blueprint reading. Enrollment in these courses has increased substantially this year over what it had been in previous years. During the summer months approximately 275 men received instruction of one kind or another. At the present time there are four classes in machine-shop practice in which about 65 men are enrolled, including 28 Maytag employees. There are also two classes in blueprint reading in which 33 men are enrolled. It is my understanding that approximately 75 men who applied could not be enrolled because of the inadequacy of the school equipment. I am informed that after the equipment now on order is received it will be possible to handle several classes of 24 men each in machine shop practice and welding classes with about 20 men in each class. This training program will undoubtedly be of benefit to the majority of the men who participate but it should by no means be considered a complete solution to the problem.

In fact, there is no single solution to the problem which faces our company and all other manufacturing companies similarly situated. We fully realize that the period which lies ahead of us is not going to be an easy one, but I think our organization has done a rather good job of adjusting itself to changing conditions up to the present time and I have confidence that our company will do everything humanly possible to meet and overcome the obstacles in the path which lies ahead.

STATEMENT BY W. NEAL GALLAGHER, PRESIDENT OF THE
AUTOMATIC WASHER CO., NEWTON, IOWA

Mr. Chairman and gentlemen of the committee, my name is W. Neal Gallagher, president of the Automatic Washer Co., of Newton, Iowa. This is a small company that has been in existence since 1908 and has continuously built electric and power washing machines.

At the present time we employ 139 workers in our plant, of which all but 25 are engaged in producing washers. Twenty-five of these workers are employed on defense work which is secured on a subcontract basis, and it appears at present that they will be so engaged for several months in the future.

Our peak factory employment in 1941 amounted to 183 men, but due to curtailment of washer production and shortages of material it has been necessary to reduce the force to the present figure. In addition to the 139 men in the shop, we also have 8 foremen as well as an administrative organization including 38 office workers and department heads which makes a total personnel at the present time of 185 people.

Our company has been quite active in attempting to secure additional defense work, but up to the present time we have not been successful in securing the award of any prime contracts.

Unfortunately, most of the defense items are not particularly adaptable to washing machine plants, at least those of our size, although we have bid on items ranging from dust pans to ammunition chests. Essentially the washing machine business is an assembly operation and, therefore, we naturally would prefer those items which would enable us to utilize our rather extensive assembly equipment.

It is my opinion that we could train our present personnel to handle any defense work for which our plant is suited. Up to the present time we, of course, have made no attempt to do any education of this nature because of the fact that we have no large defense orders and, therefore, such training would be superfluous. However, the Newton public school system is conducting courses in machine-shop practice, blueprint reading, electric and acetylene welding, and there are at the present time 13 of our employees taking instruction in these courses. It is my thought that this training would prove of immeasurable value to our company in the event we ultimately succeed in getting some defense work.

Your committee is no doubt cognizant of the fact that our industry has been certified to the War Department as being eligible to receive consideration on certain defense items and I believe has awarded a contract amounting to \$12,000,000 covering a certain number of 50-caliber antiaircraft gun mounts. The prime contractors in this case are the Apex Electrical Co. of Cleveland, Ohio, the Easy Washing Machine Corporation of Syracuse, N. Y., and the Nineteen Hundred Corporation of St. Joseph, Mich. Those three companies have assumed the responsibility for the prime contract and will in turn subcontract to the balance of the industry.

This is a very fair and equitable manner of handling distressed industries, and while the equipment of our own particular company is such that we probably will not be able to help greatly in the completion of this particular contract, we will, of course, make every effort to do our share in order that this venture may be a success and that our industry will be favorably considered on future awards of this nature.

This curtailment order which affects our normal production of washers is, in my opinion, quite fair, considering the essentiality of our product plus the fact that we as an industry have made great strides in substituting materials. I would however, on behalf of my company, resist any further curtailment by Government order, providing we could secure material, unless all other durable goods industries had likewise been canvassed and curtailed in accordance with the amount of critical materials used in their production.

Likewise, I believe that it is unfair to the workers to make any curtailment order retroactive.

As an example of our efforts as an industry to cooperate with the defense program, we have eliminated almost entirely all of our requirements for aluminum. Our uses of zinc have been reduced by 75 percent. Rubber requirements have been reduced by 30 percent. Brass, copper, chrome, and other vital materials have been reduced and in some cases eliminated entirely.

Fortunately, our business is such that we are not a large user of critical materials as indicated by the fact that the entire industry requirements of steel in 1940 represented only $\frac{8}{100}$ of 1 percent of the present estimated annual steel output.

In regard to the elimination of aluminum agitators from our machines, it is interesting to observe that we substituted plastics in place of aluminum. We now learn that plastics, particularly the phenolic resins used in the construction of these plastics, have become critical and it appears that a further substitution will be necessary. It is my opinion that if given time that the ingenuity of the industry will find a way to overcome even this obstacle.

In conclusion, may I say that we are quite willing to cooperate with the Government in every manner possible to the end that this defense job may be completed in the shortest possible time, but we ask that consideration be given to the dislo-

cation of employment, particularly in those communities known as "one-industry" towns.

**TESTIMONY OF FRED MAYTAG, II, AND W. NEAL GALLAGHER—
Resumed**

Mr. MAYTAG. On the first of September of this year we had 1,203 employees in toto. As of November 8, the last day for which I have exact information, we had 1,137 employees, showing a relatively small decrease. However, on the first of September, all of our employees were engaged in the production of washers, whereas on November 8, 108 were engaged on defense. So you could say that 108, plus the difference in the two totals, represents the number of men who had been displaced or would have been displaced by priorities or the unavailability of materials.

Mr. SPARKMAN. Mr. Gallagher, I wonder if you could give us an estimate as to the number of people that have been laid off for the industry as a whole, or would have lost their jobs?

Mr. GALLAGHER. I can only give you an estimate on the curtailment that was proposed and which didn't come to pass. When the Government told us that we would be curtailed approximately 30 percent, we made an estimate at that time that 1,000 would become unemployed as the result of the curtailment. That would include not only the companies making washing machines, but also those supplying parts for the washers. Our curtailment was reduced to 17.3, and the Iowa average of unemployment would follow along that ratio.

Mr. SPARKMAN. In connection with the recent \$12,000,000 contract—I believe it is a series of contracts given to the washing-machine industry by the War Department—can you describe the manner in which these funds are being distributed and state what defense article or articles this industry is making under the allocation?

Mr. GALLAGHER. There has been no allocation to date. As my formal statement indicated, three prime contractors were awarded this defense contract.

Mr. SPARKMAN. Totaling about \$12,000,000?

Mr. GALLAGHER. I believe so. We expect to have a meeting within the next week or 10 days, at which time the entire industry will be called in, and the parts will be available and prime contractors will allocate the subcontracting of that particular contract.

Mr. SPARKMAN. Mr. Maytag, you made reference to the defense work that your company was already engaged in, was that not a part of this \$12,000,000?

Mr. MAYTAG. No; that is not part of that \$12,000,000.

Mr. SPARKMAN. You have an independent contract?

Mr. MAYTAG. That is right.

Mr. SPARKMAN. Mr. Gallagher, are you of the opinion that the experience of your own company in Newton and of your industry, generally, will be about the same as Mr. Maytag describes as to his. That defense work will absorb a very large number of the men laid off due to a curtailment in nondefense work?

Mr. GALLAGHER. In the event that the defense business comes the men will be absorbed without question of doubt, but first of all we must get the contract.

Mr. SPARKMAN. I notice you speak of that with considerable doubt. I didn't know there was any doubt about it?

Mr. GALLAGHER. I think you are referring to the gun-mount contract. I agree with you on that. If each manufacturer can take enough of it, then his labor would be absorbed. In the particular company that I represent, we don't know that there is much defense work we can do with our present facility.

Mr. SPARKMAN. Have each of you surveyed your respective plants and made a report?

SUGGESTS FEWER SURVEYS AND MORE ACTION

Mr. MAYTAG. Many times, and we have been surveyed many times, and if I might say so, humorously, we wish sometimes that we had fewer surveys and more action. We spend so much time answering questionnaires and having our plant surveyed, that it sometimes becomes irksome. I realize that the information has to be obtained and that is the only way of doing it.

Mr. SPARKMAN. Does the possible convertibility of your plant to the defense program depend on the type of article to be made?

Mr. MAYTAG. It is impossible to state the degree. One can only generalize. It will be extremely difficult to convert anything like all of our facilities, both machine and labor, to the manufacture of other articles. Our factory is one which is designed for the mass production of a certain product, washing machines. In that factory we have many machine tools which were designed and built to perform certain specific operations on washing-machine parts and which are not usable for other processes. Then our machine tools by no means comprise all our manufacturing facilities. We have many supporting departments: An aluminum foundry, an iron foundry, a plating department, and most particularly a very large assembly department, where we have about a mile and three-quarters of continuous conveyors with assemblers stationed at different points along the line. It is very difficult for me to conceive of how that equipment could be converted to the production of anything else than what it is now being used for.

Mr. SPARKMAN. Mr. Gallagher, do I understand that you are not engaged in any defense production?

Mr. GALLAGHER. No, that is not correct. We are not engaged in prime contracts but in some subcontract business.

Mr. SPARKMAN. What specific item are you making?

Mr. GALLAGHER. It is an item for submarines. I don't believe we want to go any further than that.

Mr. SPARKMAN. And you, Mr. Maytag, what item are you making now?

Mr. MAYTAG. I would like to decline specific description of the item, but I will say that what we are making is primarily for the aircraft industry.

Mr. SPARKMAN. I believe you mentioned that in your paper.

Mr. MAYTAG. We have all subcontracts, no prime contracts.

Mr. SPARKMAN. Have you bid many times on defense contracts?

Mr. MAYTAG. We have made formal proposals on some 25 offers which have been declined. In addition to that, we have had many conferences on other jobs, which did not, however, terminate in our getting contracts. Of course, we have a number of subcontracts now,

the largest of which is with Glenn L. Martin Co. We have about 5 contracts with Glenn L. Martin which make up the overwhelming bulk of the work we now have.

Mr. SPARKMAN. Mr. Maytag, I was interested in one statement you made. You said:

Up to the present time there have been about 25 jobs, some of them running into amounts as high as a couple million dollars, for which we have submitted bids or proposals which have not been accepted. In a number of these situations our experience was very discouraging and disheartening.

I wish you would elaborate on that.

EMBARRASSED IN MAKING BIDS

Mr. MAYTAG. Up until a relatively short time ago, we didn't know anything about manufacturing defense materials. We had determined, as long as a year ago, that we would actively seek defense work. We were inexperienced in that field, and didn't know quite where to turn, so we ran down every possible lead. We were always very courteously treated and given to understand that we would be given consideration. We compiled a complete list of all our facilities which comprised a book about an inch thick, and distributed it very widely over the country, to various governmental agencies, prime contractors, and so forth. We would become very hopeful that some lead would develop into a contract. Then nothing would happen. By saying that we were "discouraged and disheartened," I meant there was one point at which we wondered if we were ever going to get defense work, perhaps because we didn't have the right contacts and facilities. I might cite one particular example; which is probably the outstanding one: We were asked by a certain branch of the Government, which lets contracts, to enter into negotiations for the production of some two or three million dollars worth of a certain article. We were asked to complete our bid within a period of a week on an article which prior to that time we had never seen. We were given to understand that what they sought primarily was management, that they expected us to subcontract a very large portion of the work. We recognized that we did not have the special machine tools necessary to manufacture all the parts ourselves. They also told us that they recognized that the cost under that method would be substantially higher than if we did have the right kind of equipment, but that was relatively immaterial, but what they needed was ability to produce and manage the enterprise. We got 2 weeks. Our entire technical staff scoured the country for subcontractors and at the end of the time we had an assembled bid which we submitted.

The price was substantially higher than under other circumstances because we had not even an opportunity to set potential subcontractors against each other; it was a case of getting anybody to do the job. Our bid turned out to be embarrassingly high. We submitted our bid and were told it was too high, with a "Thank you, good-by." We heard nothing more about it for several weeks until we read in the press that that particular job had gone to a certain contractor at a price which was so far below ours, that it made ours ridiculously and embarrassingly high. We also read in that same story that this manufacturer had previously had a pilot order early enough in the game so that he had been able to obtain very special machine tools for that

particular job, so that he was able to get the maximum efficiency. We got the impression, rightly or wrongly, that we were invited to submit a bid only for the purpose of having a support bid and that it must have been more or less obvious from the beginning, that this other manufacturer would get the job. That was a disheartening experience.

Mr. SPARKMAN. The other manufacturer had had an educational order. You know that we have been engaged in giving educational orders to those concerns that care to take them.

Mr. MAYTAG. You asked about disheartening experiences and that was one. Our whole staff worked their hearts out for a couple of weeks and later found out that there was no possibility of our getting the job at any time.

Mr. SPARKMAN. Have you made any effort to obtain defense work, Mr. Gallagher?

Mr. GALLAGHER. Just about the same.

Mr. SPARKMAN. Has your experience been similar?

Mr. GALLAGHER. I find that we are high on most of the bids. I might amplify that by saying we build fairly low-priced washing machines but as far as defense equipment is concerned, we build very high priced ones, I guess.

Mr. SPARKMAN. Have you found, in your relation with prime contractors, a disposition on their part to subcontract parts of the work?

Mr. MAYTAG. Yes, sir.

Mr. SPARKMAN. Has that experience been yours, Mr. Gallagher?

Mr. GALLAGHER. I think so. I haven't had any personal experience but some of our men have told us that they are willing to subcontract the headaches.

Mr. SPARKMAN. When your bids were offered, you usually found them to be high?

Mr. GALLAGHER. Mr. Maytag gave the reason for his experiences.

Mr. SPARKMAN. Did you break-down your bid to determine where the difference lay?

Mr. GALLAGHER. We never have been able to do that. We have felt, judging by some of the other companies bidding on the same items, and whose bids were similar to ours, that our costs were high and that the awards were being made probably to companies who would lose their shirts on the deal, and we had no desire to do that. There are two ways of going out of business: Curtailment or taking business at less than cost.

Mr. MAYTAG. If I may amplify that, I have heard a number of stories that I consider reasonable along the same line, to indicate that certain manufacturers, inexperienced in figuring, have secured contracts by putting in a very low bid and were going to, as Mr. Gallagher says, "lose their shirts" on those jobs.

WIDE RANGE OF BIDS

Mr. SPARKMAN. I might say, in that connection, I had occasion recently to look over some bids for a subcontract for a War Department project. Out of five or six bidders, I was amazed at the range of the bids. The lowest was \$74,000 and the highest was \$224,000. The others ranged between those two figures. As you know, the committee has taken a position that it is not only socially and economically

desirable, but absolutely necessary, from the standpoint of the need for defense production, to distribute defense work to the smaller firms. Do you wish to comment as to the adequacy of the present governmental machinery to accomplish that purpose?

Mr. GALLAGHER. I think a splendid step along that line has been taken in the all-industry award that was made on the gun mount.

Mr. SPARKMAN. And, of course, that is what Mr. Odlum is seeking to do now. I presume that has not gotten far enough along for him to know to what extent it is going to succeed.

Mr. MAYTAG. I think that is true. As the committee knows, Newton has been certified by Mr. Odlum's organization as a distress area. So far as I now know, we have seen no tangible result from that certification in the form of work which we know we are going to do, and yet, the ball is rolling. Steps are being taken and, I believe, it is reasonable to assume that we will at least have an opportunity, as a result of that action, to bid on defense work, which, under other circumstances, we might not have been able to bid on.

Mr. GALLAGHER. For the purpose of the record, I would like to say, too, that the washing machine industry is going to leave nothing undone to see that this gun-mount award is perfectly executed, because we are hoping that this will be the beginning of a lot of additional business.

Mr. SPARKMAN. I was interested in your statement, Mr. Gallagher, when you told of the efforts being made to see that a good job was done on that particular order, and the efforts taken to cooperate fully with the Government in the things it is trying to do. What amount of training, in your opinion, is required to adopt your present labor force to defense work of a skilled or semiskilled nature?

TRAINING WORKERS FOR DEFENSE PRODUCTION

Mr. MAYTAG. In our plants a considerable amount of training will be necessary. We have a mass-production plant. We have relatively few skilled employees. True, they are skilled in performing their own particular jobs, but they are not skilled jobs for the most part. We have that brought home to us in what we have already done in setting up our defense department, working on this Martin job. We picked the men who appeared to be the most capable machinists and machine operators from our washer machine shop, and moved them over there. We found that many of them knew far less about precise machine operations than we hoped they did. They are all learning rather rapidly. We have not yet had any casualties—men who couldn't make the grade—so far as I know. But I believe that one of the prices we have to pay for our system of mass-production in America is a loss of our native American craftsmanship. We tend in our manufacturing operations to simplify every job as much as possible, so as to require the minimum amount of skill.

It is an entirely different matter for a machine operator to have his machine set up for him and then, hour after hour, perform one operation on one part with standard gages for checking the accuracy of the work, than it is for that man to take a blueprint and a block of steel and a lathe or a milling machine, and make a part which has to be accurate to within a ten-thousandth part of an inch.

We are carrying on a training program in our plant which is a roundabout circuitous process. It is not a formal training process in the sense of being a school designed to turn out so many skilled machinists every week. We are trying to do it without interrupting our regular production and without interfering with defense production. We transfer a group of men from our machine shop to our defense department, and we bring down from our assembly department men totally unskilled and put them on the washing machine, on some of the simpler types of machine-shop jobs. And by that process we get progressive training with a minimum interruption of production.

Mr. GALLAGHER. There can be no training until you have a contract, because it is no use training them for one thing and get a contract for something else.

Mr. OSMERS. Mr. Maytag, you were here during the testimony of Mr. Nehemkis?

Mr. MAYTAG. During a portion of it.

Mr. OSMERS. Were you here when we discussed the desirability of permitting the Federal Government to reexamine contracts already let?

Mr. MAYTAG. I believe not.

REEXAMINATION OF EXISTING CONTRACTS

Mr. OSMERS. The committee feels, and we are making a recommendation to Congress along these lines, that a great many of the contracts now in existence are not being as expeditiously carried out as they could be. They are not being completed as quickly as possible and as efficiently as possible, and there is some thought that some of the earlier sins of the Government could be corrected if there was a reexamination of contracts. I think there would be found instances where certain firms had taken more than they could handle, merely because they knew how to do it. They are behind in their delivery schedules and so far as this committee is concerned they have caused some unnecessary migration. People who might be employed in Newton, Iowa, have gone elsewhere to seek jobs and caused crowding and a great deal of inconvenience all round. Would you care to express yourself with regard to allowing the Government to reopen these contracts?

Mr. MAYTAG. I think it would be desirable in cases where it is demonstrated that the contractor is not performing according to schedule; it would be disconcerting if the manufacturer is on schedule, and for the manufacturer who subsequently gets a contract, to have it thought that somebody might take it away from him after he was already performing.

Mr. OSMERS. I think the only time an abrogation of a contract would come up, would be after it had been examined and after the contractor had refused to follow recommendations for the more expeditious handling of it. Only then would such a proposal come along. There is, of course, an implied threat there; that threat might work two ways: It might speed up the program because people would say, "We don't want to have this contract taken away from us," or it might cool the ardor of some manufacturers with respect to defense contracts.

Mr. MAYTAG. I think that is very true. I might say, however, that we would assume, on any contract we had, that if we didn't perform it would be taken away from us and we have that distinct understanding with the Glenn L. Martin Co. If we fall down on that job, they will take the job away from us; take our special tools and put them somewhere else. They have had unfortunate experiences on the particular job we are performing. Merrill C. Meigs, Chief of the Aircraft Branch of O. P. M., said that three other companies had fallen down on that particular job. I believe he also made the statement that it was the biggest single headache in the whole aircraft procurement program at that time. We are very much on the spot.

Mr. SPARKMAN. Are you meeting the schedule?

Mr. MAYTAG. Yes and no. Our first deliveries are called for in November. We have made part of those deliveries. We, unfortunately, got some bad castings produced by a supplier on which we lost about 7 or 8 days' working time. With that exception we are, according to the Martin engineers and inspectors who run our plant, right on schedule.

Mr. SPARKMAN. You think you will be able to satisfy the terms of the contract?

Mr. MAYTAG. I think we will.

Mr. OSMERS. The operations performed within the walls of your plant have been according to schedule and the production satisfactory?

Mr. MAYTAG. That is correct. And I might add, at the risk of being accused of bragging, that the Martin engineers have told us we have done an outstandingly good job to date. I don't think it was particularly the fault of the supplier of castings. In certain types it is impossible to tell until they are completely machined whether they are satisfactory or not.

Mr. OSMERS. Are you still using the same supplier?

Mr. MAYTAG. Yes; he is very reliable, there is no criticism of the supplier. This particular part uses a permanent mold aluminum casting. In the final operation the casting is machined to a mirror finish, and if there is the slightest porosity in the casting, so there is the tiniest speck on the surface, it must be rejected. It is impossible to tell whether the casting is good until it is finished.

Mr. OSMERS. Aren't you going to be in danger of porosity?

Mr. MAYTAG. Yes. But our supplier will get in the groove and if we get some good work in the next few weeks, we have a reasonable expectation that they will continue satisfactorily.

Mr. SPARKMAN. Do you think that the work will keep up?

Mr. MAYTAG. We have reason to believe that if we perform satisfactorily on the work we are now doing, there will be additional work of similar character. We also hope to obtain other work of a kind that will provide employment for men not capable of doing the kind of work we now have, or men for whom we do not have machines to perform the kind of work we are now doing.

EFFORTS TO FIND SUBSTITUTE MATERIALS

Mr. SPARKMAN. Let me ask this final question: To what extent have your companies, or has the industry as a whole carried out experiments to find substitute materials for use in the manufacture of washing machines?

Mr. GALLAGHER. We have gone to great lengths to accomplish that and right now we are in the beginning of finding substitutes for the substitutes. We have found in some instances that the substitutes have become critical and it is going to be impossible to secure them, and the result is that if left to our ingenuity, we feel we will be able to find substitutes for the substitutes we have eliminated which are practically all aluminum. Rubber requirements have been reduced by 30 percent; copper and chrome have all been reduced and in some cases eliminated entirely. The one thing we don't seem to be able to eliminate is steel, but as I also brought out in my formal statement, we only use as an industry eight-hundredths of 1 percent of the total steel output.

Mr. SPARKMAN. Do you care to add anything, Mr. Maytag?

Mr. MAYTAG. For my own company, we have carried out very extensive research work to find substitutes and have made scores of substitutions of material, and are also in a position of finding substitutes for substitutes. A year ago we were a very large user of aluminum. We have reduced our consumption 98 percent from what it was a year ago. We have closed down our own aluminum foundry, which is a very fine one, so far as domestic production is concerned, and it is being rebuilt for the production of aircraft castings. We have reduced the use of other strategic materials very substantially, but we have just about reached the point where we can't go any further without seriously impairing the quality of our production.

Mr. SPARKMAN. That is all, Mr. Chairman. Thank you, gentlemen, we appreciate your coming here. The next witness is Mr. Connolly.

**TESTIMONY OF JOHN CONNOLLY, JR., DES MOINES, IOWA,
REPRESENTING THE UNITED ELECTRICAL, RADIO, AND MA-
CHINE WORKERS OF AMERICA, LOCAL 1116, NEWTON, IOWA**

Mr. ARNOLD. Mr. Connolly, will you state your name for the record, your address, and what organization you represent?

Mr. CONNOLLY. John Connolly, Jr., Des Moines, Iowa, representing the United Electrical, Radio, and Machine Workers of America, and particularly local 1116 at Newton, Iowa. I am counsel for the local union.

Mr. ARNOLD. How many members do you have?

Mr. CONNOLLY. At the present time about 800.

Mr. ARNOLD. Is that at Newton?

Mr. CONNOLLY. At Newton. I am referring to Newton, Iowa.

Mr. ARNOLD. Have you any figures to show how many of the members of the union own their own homes in Newton?

Mr. CONNOLLY. Better than half of them, or buying on contract.

The CHAIRMAN. We have your prepared statement. It will be incorporated in the record.

(The statement referred to above is as follows:)

**STATEMENT BY JOHN CONNOLLY, JR., REPRESENTING THE
UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF
AMERICA, LOCAL 1116, NEWTON, IOWA**

The United Electrical, Radio, and Machine Workers Union, known as the U. E. represents some 1,150 workers employed in the washing machine and other

industries in Newton, Iowa. This union established its first local in Newton, Iowa, in May 1937. At that time, it spoke for some 2,800 employees of the Maytag Co. and several hundred additional workers employed in the plants of the One Minute and Automatic Washing Machine Co., the Newton Foundry, and the Parsons Co.

At the present time, it represents workers in all of the above-named companies, with the exception of the One Minute Co., which, since that time, has liquidated.

Newton is a community of 11,000 people. The town is situated in an agricultural area, and is 35 miles due east of Des Moines. At the present time the main industry of Newton is centered in the two washer plants, Maytag and Automatic. The first has approximately 1,200 employees, and the latter has about 250 factory workers.

The city of Newton rises and falls with the fate of these two plants, and in particular, the Maytag plant. Newton can be classified as a one-industry town, or better, a one-company town. Because of the fact that the Maytag washer has as its main feature the aluminum tub, the restrictions against manufacturing in this plant are in addition to those restrictions caused by the curtailment of washer manufacturing.

The reduction in employment opportunities in Newton since July 1937, has been very serious. Whereas the number employed in that year at the peak amounted to some 3,300 in the washer plants, now a mere 1,400 are employed, a reduction of approximately 57.5 percent. It is true that about 650 of these workers were seasonal workers. The fact is that since April 1938, employment has steadily declined to the present low point; and at the present time, the indications are that, unless major defense work is obtained, the decline will be more drastic and widespread.

The Maytag Co. has work for about 200 in defense on a subcontract for the Martin Co. The Automatic Co. is working with the Washer and Ironer Association, and will probably receive a portion of the \$12,000,000 order placed with that association by the Army Ordnance Department.

It is quite obvious that, because of the lack of essential raw material necessary to the manufacture of washers, the production of the two plants will be curtailed much more than the percentage amount set forth in the curtailment order. It is, therefore, almost certain that at least 800 workers in this community will be thrown out of work, some perhaps temporarily and others permanently.

Since May 1941, approximately 200 men were laid off at the Maytag plant. Approximately 60 have been rehired, some on a temporary basis, and others on production. Approximately 75 men and their families, since May 1941, have moved out of town. Some went to California in the aircraft industry, others to arsenals in Moline, Ill., and others to localities offering better employment opportunities. As far as can be ascertained, only one or two have found employment at the ordnance plant at Ankeny, Iowa, because of a strict rule that preference is given to the unemployed of Polk County, the county in which the defense project is located.

Seventy-five homes have been abandoned for lack of employment. Furniture was auctioned off to the highest bidder to secure transportation money for these migrant workers. Family ties were broken and children uprooted from schools and friends. At least four families lost their homes to the mortgagees. Because work has been slack, and most of the men working only half time, earning from \$18 to \$30 per week, they had little to go on, and had to salvage what they could. They have become in fact the industrial Okie of 1941, plying the highways and byways of America's industrial centers for work.

A few have come back, and having failed to find work in Newton, are forced to leave again, or go on the public relief or Work Projects Administration. In one case, a man with 20 years' service with the Maytag Co. temporarily returned to farming to build up his health. He farmed for over a year, and returned to Newton. He has now been back almost a year, but has failed to obtain reemployment because of the policy of the Maytag Co. not to hire men of advanced age. This man, as are many others, is a skilled machine-shop worker, but, because of advanced age, he refuses to move to other employment areas, and thereby is forced to work at Work Projects Administration labor. Here is a case of waste of vital manpower and skill, so necessary to the success of our all-out defense program. There are tens of these men, and from all indications, hundreds.

JOB OPPORTUNITIES

The present outlook for jobs in Newton is dark. It is true that the Maytag Co. and the Automatic Co. have both been active in the past 9 months in an effort to secure defense work. However, their efforts fall far short of the needs. The

business interests of the community as a whole have shown no signs of assuming their just responsibility to prepare to meet the problem of saving Newton from becoming a ghost town. At present, on defense work, there are jobs for approximately 200 men. The curtailment of washers will undoubtedly reduce that industry to the 1932 levels of production, at which time the Nation's sales of both electric and gas engine washers were a total of 597,173 units. The Maytag Co. employs today less than 1,000 men, who produce approximately 115 washers an hour. If these men were permitted to work steady, this company could produce approximately 239,200 units a year, or 40 percent of the Nation's need based upon 1932 sales.

Of course, the Maytag Co. will not be able to take 40 percent of the Nation's business of washers. It is not readily foreseeable that the necessary raw materials urgently required by the washing-machine industry will be forthcoming, unless the Office of Production Management relaxes its present policy and permits the industry to operate on a less restricted basis.

UNEMPLOYMENT AND DISLOCATIONS

The union has been fully aware of the situation. Early this year, the local members, as well as the national union, petitioned the management to hasten the conversion of the facilities of the plant for defense production. Unquestionably, Newton will suffer, unless action is taken to speed the conversion of Newton's plants for defense production.

The Newton plants are some of the finest in the Middle West. The Maytag Co. has one of the few large aluminum foundries in the country. During the peak of production, the following approximate quantities were used in the production of Maytag washers:

- Grey iron melted daily, 125 tons.
- Aluminum melted daily, 60 tons.
- Castings produced per day, 50,000.
- More than a car of crating material daily.
- Bolts every day, 120,000.
- Bronze bearings per day, 25,000.
- Carload of electric motors ever 2 days.
- Carload of wringer rolls every 1½ days.
- Paint material per week, 2,000 gallons.
- Cars of coke per month, 10.
- Cars of molding and core sand per month, 14.
- Miles of drain hose per month, 10.
- Miles of steel tubing per month (for extension legs and wringer supports), 25.
- Two carloads of furnace oil per week.
- More than one carload of cold-rolled steel per week.
- One carload magnetos every 10 days.
- Miles of V belts per month, 18.
- Two carloads exhaust hose for multimotor per month
- Three or four cars paper cartons per month.
- One carload excelsior pads per month.
- Two carloads casters per month.
- One carload brass tubing per month.
- One carload pulleys per month.
- One carload aluminum tubing every 2 months.
- Five carloads gasoline per month.¹

THE EFFECT DEFENSE UNEMPLOYMENT WILL HAVE ON NEWTON

The workers of Newton are in the main native Americans. The vast majority come from the farms of Iowa and Missouri. Some one hundred or so were coal miners, railroad workers, or were in other industrial occupations.

The average age of Newton's workers is between 40 and 42 years. At least 90 percent are married men, with approximately four in their families, and they own or rent their homes. Many have small acreages which supplement their families' needs.

Whereas Newton is somewhat a farm center, its chief income depends upon the wages of the factory workers. The \$1,450,000 yearly factory pay roll of the Maytag Co. has been the life blood of the community. Since 1941 approximately \$115,000 of this amount has been lost through loss of gainful employment.

¹ See Fred L. Maytag by A. B. Funk.

NEWTON CAN BE SAVED

Newton's workmen are skilled molders, machinists, assemblers, aluminum workers, polishers and buffers, grinders, heat treat men, painters, maintenance, electricians, and many other skilled crafts and trades. A goodly number has worked for the Maytag Co. over 15 years, and few now employed have less than 6 years' seniority.

These men can be retrained to work the machines producing defense work. Already, some have been transferred to this type of work successfully.

It is true that much time has been lost, both for Newton and the Nation, but it is not too late. Newton can become an important cog in the defense production of the Nation. We believe that, with the assistance of the Government, this task so important to the welfare of the Nation, which is made up of thousands of "Newtons" with their 11,000 souls, can be done.

A Defense Council of Newton should be established. Immediate steps should be taken to have Office of Production Management engineers and engineers from the companies of Newton survey the plant and labor facilities now available. Conferences should then be held with the Ordnance Department to a certain what work could be allocated to Newton. Immediate steps should be taken then to start the convergence of Newton's industry to defense production. A special effort should be made to make Newton a supplemental unit of the shell plant now being erected at Ankeny, Iowa.

Newton workmen should be immediately enrolled in a brush-up course. The present machine-shop facilities of the Maytag Co. and Automatic Washer Co. should be turned into night schools for that purpose. Machine-shop foremen, in cooperation with the training divisions of Office of Production Management, should instruct and train this labor supply for defense purposes. Cooperation with Newton's Board of Education could well be established.

Methods should be devised to keep skilled labor occupied and contented in and around Newton, so that the supply of skilled labor, after the present defense effort has terminated will be available to meet the demand which experience has shown to prevail in the past. Particular effort should be made to keep the local labor supply from migrating. Experience has shown that migration of labor always leads, eventually, to disastrous results.

Labor of Newton, as represented by the U. E., would do its part to carry out this program and further the defense needs of our Nation, and save Newton for the greater democracy for which liberty-loving America is now fighting.

In addition thereto, the officers and members of Local 1116, pledge the Government and the people of the United States that during the national emergency of today, no interruption of production will be permitted, as the union will agree in advance to accept and abide by the decisions of the Defense Mediation Board all matters, if any arise, between management and the union.

STATISTICAL SUMMARY

Men working in 1940, 1,474.

Average earnings per year, \$1,200 to \$1,300.

Average family, four.

Rentals, per month, \$25-\$35.

Present Maytag defense employment, 200.

Present employment, including defense workers, 1,200.

Lay-offs, January 21, 1940, to November 1941, 554.

Hires, January 21, 1940, to November 1941, 207.

TESTIMONY OF JOHN CONNOLLY, JR.—Resumed

Mr. ARNOLD. Has the union been active in attempting to deal with the priority unemployment problem?

Mr. CONNOLLY. The union locally and through its international has been very active for more than a year in endeavoring to obtain participation in the defense program, for Newton, particularly.

Mr. ARNOLD. Your interest has been, of course, that you don't want to see these workers scattered out over the country and go to other industries?

Mr. CONNOLLY. Our interest is to see that the workers, most of whom are beyond the average age—beyond 40 years—who have their

homes and families there, can remain in Newton and do a good job for the Government and country, as well.

Mr. ARNOLD. How many of the workers presently employed in the production of washing machines, can swing, without training to the defense work requiring knowledge of tools and precision machinery?

TRANSFER OF WORKERS TO DEFENSE PRODUCTION

Mr. CONNOLLY. Well, it would depend upon how technical the work to which they would swing would be. With all due regard to all washing-machine concerns, I think that the reputation of the Maytag washer for accuracy and efficiency ranges very high, and I think the industry is skilled enough in the ordinary pursuits of washing-machine industry to turn to mass production for the defense industry, with the help of training given by the company and schools, and by the Government, we hope.

Mr. ARNOLD. Of the men now employed on nondefense work, do you know how many, if any, are receiving some sort of training either publicly or privately sponsored, to fit them for defense work?

Mr. CONNOLLY. The program isn't very large in Newton for outside training, for transfer to defense, partly because they aren't prepared to train without knowing what to train for. This is true of the public schools and the industry itself.

Mr. ARNOLD. These washing-machine companies?

Mr. CONNOLLY. Yes.

Mr. ARNOLD. Do you encourage your members to register with the Iowa State Employment Service?

Mr. CONNOLLY. They register, of course, with the Iowa State Employment Service, on the cessation of work.

Mr. ARNOLD. That means that they do receive a chance to work and be somewhere away from their home?

Mr. CONNOLLY. They are more familiar with the situation in Newton than any possible employment service would be.

Mr. ARNOLD. I get from your statement that the men who work in Newton are men who come from that area. They come from the farms and are older than the average industrial worker?

Mr. CONNOLLY. Most of the workers are older in years than they are in other factories and a larger percent are married and have families. I will say 90 percent of them are married and practically all of them have families, and they average better than 40 years of age in the plant.

Mr. ARNOLD. How many of your men have been laid off thus far?

Mr. CONNOLLY. There were 200 lay-offs in June but some of these are going to be hired back at Mr. Maytag's. We have 1,100 now working altogether. We have had a number of men, I suppose some 75 or 100 this year who have gone to other places seeking employment because their employment could not, under the circumstances, be a full week and steady, and the uncertainty of it made some of them seek other fields where their pay roll would be larger and more continuous to meet the family needs.

Mr. ARNOLD. You have, perhaps, 375 less workers than in 1940?

Mr. CONNOLLY. Yes; I think so.

Mr. ARNOLD. How many are drawing unemployment compensation?

Mr. CONNOLLY. I would not imagine over 50. The evil isn't from

that alone. As the curtailment comes in, the business and the men work 3 or 4 days a week. It does not make them eligible on the lowered week for unemployment compensation, but they are below a basis to maintain their families and themselves.

Mr. ARNOLD. For the purpose of the record, do you know what the average unemployment payment check in Iowa amounts to?

Mr. CONNOLLY. At this plant the unemployment payment would be \$15, without question, because the rate of pay is \$1,200 or \$1,300 a year.

Mr. ARNOLD. Have many of your people been obliged to seek public assistance, such as W. P. A., as a result of the priority lay-offs?

Mr. CONNOLLY. Some, because of the slackness of work, and failing to get other methods of living, have come back and gone on the W. P. A. because their age made them ineligible for reemployment.

MIGRATION OF UNEMPLOYED LABOR

Mr. OSMERS. How many of your workers have left Newton for other parts of the country in search of employment?

Mr. CONNOLLY. I would say at least 100 men.

Mr. OSMERS. Out of 800?

Mr. CONNOLLY. I was giving you the membership of the union at the present time.

Mr. OSMERS. They would not all be members of the union?

Mr. CONNOLLY. I would say 10 percent of the total work population, 10 percent of our union membership have gone elsewhere.

Mr. OSMERS. Where have they gone?

Mr. CONNOLLY. To the Rock Island Arsenal, to Chicago, to industrial and defense work, and to the west coast.

Mr. OSMERS. Have any of them taken their families?

Mr. CONNOLLY. Oh, yes.

Mr. OSMERS. Do you expect those men back at the conclusion of the emergency, if you have work for them in Newton?

Mr. CONNOLLY. I think the great majority of them would have preferred to stay in Newton if opportunity for employment was good enough to warrant it. I doubt very much if they will come back if they are away any considerable length of time.

Mr. OSMERS. How long does a person have to be a resident of the State, politically or otherwise, and how long in order to be eligible for relief?

Mr. CONNOLLY. He has to be in the State 6 months and in the county 60 days as far as voting is concerned. I believe he has to be in the State a year in order to get relief.

Mr. OSMERS. We discussed yesterday in Omaha, the regulations which we believed in force in Iowa that one must reside for 2 years within a county before one gains county settlement.

Mr. CONNOLLY. We have not had a serious relief situation in Newton.

Mr. OSMERS. The employment has been rather constant?

Mr. CONNOLLY. They have a credit rating so that if they are laid off, they have some credit to go on.

Mr. OSMERS. You have in Newton a more substantial worker than the average throughout the country, isn't that true?

Mr. CONNOLLY. We rather feel that way, sir, that the general average of the employees in the Maytag and Gallagher plants is rather high. They are mostly high-school men and their wives, and they marry and have their homes and automobiles and things of that kind.

Mr. OSMERS. Has there ever been a particularly bad period of labor disorder?

Mr. CONNOLLY. We had a rather strenuous time in 1938 lasting for a considerable length of time commencing in May and ending in August.

Mr. OSMERS. And since that time, what is the labor peace record there?

LABOR POLICIES

Mr. CONNOLLY. The union has not been operating with the company on a basis of a written contract because of inability to get together on a satisfactory agreement. The union has taken the position that, in this time of national emergency, any differences that may arise between the management and union, that cannot be settled directly between the company and the union, will be placed before a labor panel board or the National Mediation Board and their findings on any dispute whatever will be accepted by the union without controversy. That is the union's position.

Mr. OSMERS. What has the position of management been?

Mr. CONNOLLY. The management is sometimes inclined to believe that there are certain prerogatives that they should not concede even in time of emergency, even to the National Board of Mediation, but, I believe, they are closer together today on the method of settling disputes since 1938 at the time of the strike.

Mr. OSMERS. You would say that the labor atmosphere in Newton is improving rather than getting worse?

Mr. CONNOLLY. I would say that is very true. Mr. Fred Maytag is acting head of the company and the union feels that in contact with him, great progress has been made toward a better understanding and a more amicable relationship, especially on defense. I think the local union would be glad to see arbitration with the decision accepted by both sides as a rule for defense work, feeling that the cause is so important that a method of determination should be set up.

Mr. OSMERS. You are not making a statement there limited to your particular local in Newton?

Mr. CONNOLLY. As far as I am concerned, I would say, no. I would say the crisis of today demands that the employee as well as the employer submit the dispute to some determining body so there can be no interference with production.

Mr. OSMERS. That is before and without recourse to strikes?

Mr. CONNOLLY. That is correct.

Mr. OSMERS. I am glad to have your views on that. That is all.

The CHAIRMAN. What you say there in reference to the people employed at Newton—that they had rather remain there—is supported by the testimony this committee obtained throughout the United States. In visiting the labor camps we never met one man who would not rather remain at home if he could make a living, but they refuse to stay there and starve.

Mr. CONNOLLY. That is correct.

The CHAIRMAN. But what I am worrying about—you say it takes 1 year before you can go on relief in Iowa. We have 1 year, we have 2, 3, 4, 5 years in California. No uniform settlement law. I am thinking of that whirlpool of migration that will happen after the war is over. For example, California today is only too anxious to have people come in there, migrants and anyone else, and go to work. If the war ends a year from now, they would have to remain there 4 years more before they could get a cent of relief. That is a problem that is going to tax Congress, no doubt. It is a terrific problem because after the war is over and the Government is broke, the employees broke, it indicates to us that we not only have to prepare for war, but also for peace.

Mr. CONNOLLY. We are in entire accord with that program. It would be a sad commentary on our judgment if we would be prepared for war and then sink to the level lower than they have in Europe today, because we are not prepared to handle the situation when it is over. But labor in Iowa doesn't think it is going to happen in Iowa. We think the Government has taken tremendous strides for humane protection, and such legislation has gotten the cooperation of all parties: labor, capital, schools, colleges, and business. As long as we maintain the productivity, we should have the brains to see that it is utilized after the war is over.

The CHAIRMAN. Thank you for coming here. The committee will stand adjourned until 10 o'clock in the morning.

(Whereupon the committee adjourned until 10 a. m. Thursday, November 27, 1941.)

NATIONAL DEFENSE MIGRATION

THURSDAY, NOVEMBER 27, 1941

MORNING SESSION

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION,
Washington, D. C.

The committee met at 10 a. m. in the city hall, St. Louis, Mo., Hon. John H. Tolan (chairman) presiding.

Present were: Representatives John H. Tolan (chairman) of California; Laurence F. Arnold, of Illinois; Carl T. Curtis, of Nebraska; Frank C. Osmer, Jr., of New Jersey; and John J. Sparkman, of Alabama.

Also present: Dr. Robert K. Lamb, staff director; John W. Abbott, chief field investigator; Jack B. Burke, field investigator; and Ruth Abrams, field secretary.

The CHAIRMAN. The committee will please come to order.

TESTIMONY OF BELLEVILLE, ILL., PANEL

The CHAIRMAN. Will the following gentlemen please come forward? Mr. Heiligenstein, Mr. Forayt, Mr. Blette, Mr. Karr, Mr. Ehret, and Mr. Foster. Mr. Curtis will interrogate you.

Mr. CURTIS. Mr. Foster, will you give your full name and address and your business to the reporter?

Mr. FOSTER. Don S. Foster, 106 South Thirtieth Street, Belleville, Ill., manager of the Belleville Chamber of Commerce.

Mr. CURTIS. And you, Mr. Karr?

Mr. KARR. Edward Karr, 427 A Street, Belleville, Ill., president of the Karr Range Co., Belleville.

Mr. CURTIS. And you, Mr. Ehret?

Mr. EHRET. Hugo Ehret, president of the Oakland Foundry Co., Belleville, Ill.

Mr. CURTIS. Mr. Heiligenstein?

Mr. HEILIGENSTEIN. C. A. Heiligenstein, 143 South Virginia Avenue, president of the First National Bank, Belleville.

Mr. CURTIS. Mr. Forayt?

Mr. FORAYT. Rudolph Forayt, 15 Michigan Avenue, secretary of the International Molders and Foundry Workers of America, Local 182, Belleville, Ill.

Mr. CURTIS. Mr. Blette?

Mr. BLETTE. George F. Blette, 119 Lucinda Avenue, Belleville, molder.

Mr. CURTIS. Gentlemen, the statement you have submitted, prepared by the Belleville Chamber of Commerce, will be inserted in the record.

(The statement referred to above is as follows:)

STATEMENT PREPARED BY THE BELLEVILLE CHAMBER OF COMMERCE, BELLEVILLE, ILL.

Character of the community.

Agriculture, mining, manufacturing.

People.—Origin, German, second and third generation. Skilled mechanics—thrifty, industrious, conservative, and good citizens.

Manufacturing area.

(Within city limits)—9 miles long; of which 4.66 miles is 1½ miles wide, 5.33 is ½ mile wide, tapering down to 1,000 feet.

Population, 1910 census, 28,405. Estimate today, 29,605. (Increase brought about by influx of civilian population at Scott Field, United States Army Technical School.)

Agricultural area.

Eight miles north, eight miles west, forty miles south, and thirty miles east. Population estimates 70,000.

Employment September 1941.

Manufacturing.....	3, 027
Trade.....	1, 175
Transportation:	
Railroads.....	61
Bus.....	82
Cab.....	30
Finance: Banks.....	173
	60
Total.....	4, 435

Number who work in Belleville—live elsewhere.

Approximately 150.

Number who live in Belleville—work elsewhere.

Approximately 700.

Trends of nondefense and defense employment in distressed plants of the community

Name of plant	Product manufactured	Number of employees, 1941		
		June	September	November
*Eagle Foundry Co.....	Stoves, ranges, heaters.....	198	190	190
*Karr Range Co.....	Combination coal, gas stoves.....	68	65	60
*Orbon Stove Co.....	Ranges, gas heaters.....	168	165	161
*Oakland Foundry Co.....	Ranges, gas, water heating furnaces.....	330	325	280
*Premier Stove Co.....	Gas heaters, coal ranges.....	26	26	20
*Original Enamel Range Co.....	Combination coal, gas stoves.....	24	24	24
*Supreme Foundry Co.....	Grey iron castings.....	128	132	128
*Empire Stove Co.....	Gas heaters, gas furnaces.....	85	130	132
*Roesch Enamel Range Co.....	Enameling, portable steel buildings.....	185	165	140
*Peerless Enamel Products.....	Enameling, sheet metal stamping.....	298	290	260
*Lincoln Foundry & Manufacturing Co.....	Stoves, wood and coal burning.....	12	12	8
*Egyptian Foundry & Manufacturing Co.....	Grey iron castings.....	60	65	None
*Harmony Foundry Co.....	do.....	35	35	None
*Century Brass Works.....	Fountain, water coolers.....	12	12	8
*Harrison Machine Works.....	Machine drilling repairs.....	12	12	12
*Enterprise Foundry Co. (closed down, formerly employed 200).....	Stoves, coal, gas heaters.....	11	14	11
*Somers Manufacturing Co.....	Machine work.....	12	12	2
*Belleville Container.....	Crates, boxes.....	18	15	12
*F. J. Gundlach Machine Co.....	Jumbo cutter, machine job work.....	12	10	8
Dresel-Beitz.....	Dies, machine tools.....	60	48	40
*Stanley Tack Co.....	Tacks, staples.....	2	2	None
Total.....		1, 759	1, 752	1, 499

DISTRESSED PLANTS

NOTE.—Companies marked with an asterisk are in immediate distress from a lack of material. Unless relief is granted those so marked will close their plants between now and December 15, 1941.

REFERENCE 1940 EMPLOYMENT

NOTE.—All plants were operating 65 percent of capacity, with exceptions here and there. No distress apparent other than normal decline in the Belleville stove industry.

DEFENSE CONTRACT PROBLEMS

SECTION III. EXAMPLES OF EXPERIENCES BY REPRESENTATIVE STOVE MANUFACTURING INDUSTRIES IN BELLEVILLE IN BIDDING ON NATIONAL DEFENSE CONTRACTS

Under the head of qualifying plants the Belleville Chamber of Commerce, acting as a clearing house, compiled briefs of all facilities available within the 22 stove and allied industries, publishing over 500 copies, distributing them to the National Defense Commission, the Office of Production Management, Procurement Division, Contract Distribution Division, Army Ordnance Divisions at Chicago and St. Louis, Quartermaster Corps at Jeffersonville, Ind., and the Air Corps at Wright Field, Dayton, Ohio. We record herewith a résumé of the briefs compiled to qualify the plants for national defense work.

Pooled resources sheet-metal equipment.

Completed an analysis of the pooled resources of 11 sheet-metal plants, compiled in book form, distributed to 48 national defense agencies and many prime contractors.

Pooled cupola capacities.

Compiled the pooled cupola capacity of 9 gray-iron foundries. A recapitulation indicates that 13 cupolas have a daily capacity of 336 tons. Report shows that there are 579 skilled moulders—279 skilled foundry labor available for the manufacture of gray-iron castings. Distributed 200 copies to prime contractors and national defense agencies.

Enterprise Foundry, Inc.

Compiled brief and plant analysis of the Enterprise Foundry Co.—110 pages—24 copies, sent to the Office of Production Management, Reconstruction Finance Corporation, Federal Reserve Bank, prime contractors, and individual manufacturers seeking to expand their plants.

Individual plant appraisals.

Made specific and complete appraisals of 6 manufacturing plants. Facilities compiled in book form; 12 copies of each were distributed to national defense agencies and prime contractors.

Plant registration.

Facilities and a list of products manufactured by 47 plants registered with 12 procurement agencies.

Bidding experiences.

Belleville industries aided and encouraged in many cases by the chamber of commerce bid on approximately 100 contracts. We report awards in the amount of \$1,480,844.12, itemized as follows:

Belleville Shoe Co., shoes.....	\$631,400.00
Oakland Foundry Co., gas heaters and castings.....	123,700.00
Empire Stove Co., gas heaters.....	114,000.00
Supreme Foundry Co., castings.....	2,600.00
Eagle Foundry Co., gas heaters.....	125,000.00
Karr Range Co., castings.....	15,564.00
Dresel-Beitz, subcontracts.....	71,000.00
Roesch Enamel Range Co., sheet-metal stamping.....	1,400.00
Excelsior Foundry, castings, subcontracts.....	162,000.00
Premier Stove Co., stoves, low-rent housing.....	23,000.00
Orbon Stove Co., hot plates.....	1,043.12
Harrison Machine Works, subcontract.....	24,000.00
Marsh Stencil Machine Co., stencils, supplies.....	50,000.00
Ideal Stencil Machine Co., stencils, supplies.....	50,000.00
Belleville Sheet Metal Works, installing heating plants, low-rent housing.....	86,137.00
Total.....	<hr/> 1,480,844.12

Contributing factors which prohibit plants from acquiring additional awards.

- (1) Unable to meet competitive bids of southern stove manufacturers.
- (2) Unable to meet competitive bids due to the necessity of making a capital investment for patterns and dies—the cost included in bids submitted most invariably caused the Belleville manufacturer's bids to be out of line.
- (3) Failure to procure priorities for national defense and low-rent housing projects.
- (4) Lack of materials—steel, hardware, pig iron, and scrap.

Examples.

Bid as subcontractor on five hundred thousand 3-pound cast iron practice bombs for Navy Department schedule No. 6S15:

	<i>Cents</i>
Company bid.....	57
Birmingham Stove Co.....	29

Bid as subcontractor on 75,000 grey iron castings for Army tent heaters:

	<i>Cents</i>
Company bid.....	45
Wheeling Corrugated Mfg. Co.....	42

Bid as subcontractor on 600 surgical cabinets with the Doehler Furniture Co., New York City:

Company bid.....	
Cold roll structural shops (each).....	\$31. 75
Hot roll (each).....	27. 25

Contract awarded to a lower bidder.

	<i>Cents</i>
Bid on 30,000 dust pans:	
Roesch Enamel Range bid.....	30
Lower bidder (awarded contract).....	6

Attempted to bid on seventy-five hundred 75-pound grey iron castings weights for the Navy—normal bid 4 cents—freight rate, Belleville to Brooklyn Navy Yard, 57 cents per cut added to bid of 4 cents prohibited local bidding.

Material replacements.

Several local manufacturers were awarded contracts to furnish gas heaters, coal ranges, etc. Acceptance was predicated upon the assurance that materials bought for commercial purposes and used in fulfilling orders for national defense would be replaced. This has not been done. Denial of this material is a contributing factor to the present distressed condition of the 22 stove and allied industries in Belleville, Ill.

Over-all survey.

After studying facilities at hand—men and machinery—Belleville, Ill., industries feel that they are qualified to produce the following-named articles for national defense. Sixty percent of facilities are available for national defense.

Grey iron castings

Oakland Foundry Co.	Griddles, iron
Orbon Stove Co.	Pans: frying, iron
Eagle Foundry	Pans: bake, iron
Supreme Foundry	Gratings, safety
Egyptian Foundry	Stoves and furnace castings
Harmony Foundry	Clutch plates
Enterprise Foundry	Gear housings, both cast and machine
Excelsior Foundry	Manholes

Cook stoves

Oakland Foundry Co.	Ranges, gas and spare parts
Orbon Stove Co.	Ranges, coal and spare parts
Eagle Foundry	Ranges, oil burning and spare parts
Premier Stove Co.	
Karr Range Co.	No. 5 Army range and spare parts
Original Enamel Range	Combination coal and gas stoves
Lincoln Foundry & Manufacturing Co	
Enterprise Foundry	

Gas heaters

Oakland Foundry Co.	Heaters, circulating water
Orbon Stove Co.	Heaters, space
Empire Stove Co.	Heaters, gas
Eagle Foundry	Heaters, fireplace
Premier Stove Co.	Heaters, vent
Original Enamel Range	
Enterprise Foundry	

Furnaces

Oakland Foundry Co.	Coal burning central heating plant
Empire Stove Co.	Gas burning, floor furnace

Sheet metal stamping equipment

[Average gage 12-26 inches]

Roesch Enamel Range	Benches, mess hall
Peerless Enamel Products Co.	Tables, dining room
Orbon Stove Co.	Cabinets, metal
Oakland Foundry Co.	Boards, bulletin
Empire Stove Co.	Furniture, metal
Original Enamel Range	Tables, bedside
Karr Range Co.	Boxes: stowage, metal
Premier Stove Co.	Lockers, metal
Dresel-Betz	Work benches, metal
Auto Stove Works	
Enterprise Foundry	
Lincoln Foundry & Manufacturing Co.	

Special work in accordance with blueprints, plans.

Shoes

Belleville Shoe Co.	Brogans
	Shoes, leather
	Boots, leather

Caskets

Belleville Casket Co.	Burial, metallic
	Burial, wood
	Wooden boxes

Machine stencils

Marsh Stencil Machine Co.	Stencil machines
Ideal Stencil Machine Co.	

Tacks

Stanley Tack Co.	Tacks
	Staples

Machine shops

Dresel-Betz	Dies—Machine tools
T. J. Gundlach Machine Co.	Metal stamping
Somers Manufacturing Co.	Machine work
Harrison Machine Works	Machine drilling

Water coolers

Century Brass Works	Fountains
	Water coolers

Boilers, smoke stacks

Southern Boiler Works	Large, small, boilers
	Smoke stacks

Buildings, portable

Roesch Enamel Range	Garages, sheet metal Pump houses Lunch rooms
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Containers

Belleville Container Co.	Shipping crates Boxes
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Garment manufacturers

Meyers Pants Factory	Pants—Civilian and Army
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Dresses

Items, Inc.	Dresses
Ely Walker Co.	Sport clothes and leather jackets

Furnaces

United States Smelting Furnace Co.	Smelting furnaces Machine work
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SECTION IV. THE DEFENSE PROGRAM AND MIGRATION

(A)—Yes, civilian employees at United States Army Air Corps Technical School, Scott Field.

Air Corps.....	306
Hospital.....	74
Quartermaster.....	33
Signal Corps.....	3
Finance.....	2
Corps Engineers.....	146
Utilities.....	104
Subdepot.....	70
Total.....	738

(A-1) *Housing—school facilities.*—No. A housing shortage exists. A slight decrease in school attendance is noted.

High school (increase).....	117
Grade schools (decrease).....	6
Parochial schools (decrease).....	125
Actual (decrease).....	14

(A-2) *Anticipated migration into community.*—Mainly at Scott Field—United States Army Air Corps Technical School.

(B) *Migration from community.*—Yes. Three hundred and twenty-two members of the International Molders and Foundry Workers Union, Local No. 182, have withdrawn their membership cards and moved elsewhere.

Statement attached—exhibit.

(B-1).—Yes. Seventy-three members of the clerks union have withdrawn their cards and moved elsewhere.

Reported by Miss Lulu Finck, secretary of the clerks union.

Coal mining unemployment.—Formerly coal mining was considered a major industry. Today it has practically lost its identity as far as employment and pay rolls are concerned. Of a total of 1,890 miners registered through union headquarters, 378 are employed from 10 to 20 percent of normal times. One thousand six hundred and twelve are listed as unemployed.

(B) *Company lay-offs.*—This is difficult to do—for obvious reasons.

The Egyptian and Harmony foundries will run one heat, employing from 20 to 60 men, respectively. Time of employment, 1 or 2 days, 8-hour shifts, then close down for a week or more. At this present time both plants are closed.

The Oakland foundry is staggering its men in the molding shop. Twenty-two have been laid off altogether. Mr. Hugo Ehret, general manager, stated that 75 men would be laid off this week—November 16, 1941—if materials were not secured.

All other plants work irregularly. A shortage of material will close down a department or curtail operation throughout the entire plant. Sometimes a skeleton crew work continuously just to keep the organization intact. Difficulty in securing sufficient materials on time is the contributing factor in the irregular operation of the stove industry.

Reemployment defense industries, local or elsewhere.—As conditions exist would predict that very few, if any, prospective unemployed will be absorbed locally; however, no doubt many will secure employment in their trade in other defense areas.

Training program.—A limited number of apprentices are permitted within each plant. The only organized training program under way is sponsored by the National Youth Administration and the University of Illinois through the local schools.

The only restriction is a union rule limiting the number of apprentices allowed within each plant. The number of skilled men governs the conditions of apprentice training.

Average age, skilled molders, stove industry, Belleville, Ill. (reference exhibit "A").—You will note that the average age of skilled molders within the stove industries is 45 years.

It will be difficult for this type of worker to migrate. Fixation has set in and living habits established. Any dislocation forcing this age group to seek employment elsewhere will work an undue hardship upon them.

(C) Local, State, Federal assistance.—Unemployment compensation if qualified. Work Projects Administration if certified, and relief as a last resort. Many will migrate to other cities seeking employment.

(D) How unemployment will affect local business.—Practically the entire economy of the city is predicated upon the continuous operation of the 22 stove and related industries. Any dislocation will materially affect commerce, banking, and professional people.

(D-1) Real estate.—In accordance with a statement submitted by a representative of the real estate board, 8 percent of the 6,833 homes are now listed for sale. Five percent are in default of their deferred payments through the building and loans and the banks.

(D-2) Tax structure.—Purchasing power will be reduced, spendable incomes restricted, all of which will reflect in nonpayment of taxes. The Federal, city governments, and schools will suffer in the consequences.

Prospects for unemployed being absorbed.—It is logical to assume that a certain percent of unemployed will be absorbed by nearby industries within the commuting area. Skilled men, such as molders, sheet metal and pattern makers, will follow the trade.

STATEMENT BY C. A. HEILIGENSTEIN, PRESIDENT, FIRST NATIONAL BANK, BELLEVILLE, ILL.

This statement deals with the present and possible future effects on local industry and community life in the event of the failure of local manufacturers to obtain defense work.

It will be recalled that there are approximately 22 foundries and allied industries in the city of Belleville, which are primarily dependent upon such raw materials as scrap iron, steel, pig iron, and the like presently going only to corporations having a priority rating.

We now have in our city one large plant, formerly employing approximately 300 workmen, now closed as the result of financial difficulties. This particular foundry is one of the best equipped and arranged plants in this locality, unable to again start operations by reason, we understand, of the inability of its new management to obtain any kind of defense orders. A large percentage of the workers of this plant are home owners of the city of Belleville, many of whom are purchasing their homes on some deferred payment or monthly amortization plan of mortgage indebtedness and will in all probability be faced with foreclosure suits or repossession if they are unable to obtain work elsewhere. It is apparent that other local industries cannot absorb these employees. We understand that many of them have already left this community.

This case is a typical example in our opinion of what is likely to face us in the event that our other foundries and allied industries do not obtain, in the very near future, orders for merchandise which they can now produce or which they can manufacture by making reasonable changes.

The First National Bank of Belleville has always cooperated in the financing of our local industries and stands willing and ready now to lend every reasonable financial assistance, but any financial help which we are in a position to lend will be of no avail unless our industries can obtain work.

STATEMENT BY RUDOLPH FORAYT, FINANCIAL SECRETARY,
LOCAL 182, INTERNATIONAL MOLDERS AND FOUNDRY WORK-
ERS UNION, BELLEVILLE, ILL.

This statement is prepared for the purpose of setting out the part the International Molders and Foundry Workers Union of North America (American Federation of Labor), Local No. 182, of Belleville, Ill., has played in trying to obtain employment for its membership, in trying to get defense work into the shops in our vicinity.

The first time we had any inkling of our membership decreasing to any extent was in the fall of 1940, when the Enterprise Foundry Co., of Belleville, employing approximately 200 of our members went into bankruptcy. This happened on November 4, 1940. With the national defense program coming into the picture at that time, we felt that at some later date the men who had been employed at the Enterprise Foundry would be employed in other plants in our vicinity. It so happened that also about this time we had about 150 of our other members idle, putting our unemployment in membership at something like 325 members. Then during the next 2 or 3 months, we placed about 50 of our members in the other shops in our vicinity. Some others had taken employment in other cities, some in East St. Louis, Ill.; St. Louis, Mo.; Cleveland, Ohio; Metropolis, Ill.; Quincy, Ill.; and others in various cities and States. From July 1, 1940, up until December 30, 1940, we had approximately 100 members of our local union draw their cards and deposit them in other local unions in the cities mentioned above. Then about January or February we knew that something must be done for our members if we wished to exist, knowing that we could not stand such a decline in members as we had for the past 3 or 4 months.

We called a conference with a group of men from our city sometime in February, and the following men attended this conference: Don S. Foster, secretary of the Belleville Chamber of Commerce; Louis Menges, State senator of Illinois; Jack Wellinghoff, representative to State legislature; Edward Wolter, president of the International Molders Union, Local No. 182; Edward Heisler, district representative of the Molders Union; Rudy Forayt, secretary of the Molders Union, Local No. 182; Oscar Becker, St. Clair county clerk; D. A. Prindable, sheriff of St. Clair County; Hugh Edwards, supervisor of St. Clair township; Clarence Blair, county superintendent of schools; George Becker, probate clerk; Calvin D. Johnson, State representative; and Joseph Fleming, county judge. The representatives of the Molders Union pointed out to these men the necessity of obtaining defense work for our plants, also that it was essential to have this work for the existence of the community which is dependent upon the operation of the stove factories in the city of Belleville. Don Foster presented briefs to the men at this conference, and also pointed out how critical the situation was. It was brought out by some of the men in this meeting, that an effort would be made with the national representatives of our Government to do all in their power to help our stove manufacturers to obtain defense work, which they were in a position to make with their equipment. As a result of this conference, communications were received from United States Senator Scott Lucas from Illinois to the effect that he was doing all in his power to help this situation along. Also received, were communications from Congressman Edwin Schaefer, of the Twenty-second District of Illinois, that every effort is being put forth to obtain defense work for our plants.

During the next few months we were confronted with losing more and more of our members who were obtaining work in defense plants in other cities of our Nation. Up until July of this year we would say that approximately another hundred of our members had drawn their cards, and gone to work elsewhere. This matter has been and is at the present time very critical to our membership, and also to the community which is dependent on the earnings of the workers in these stove plants.

Then sometime in the latter part of July, the manufacturers in the city of Belleville were called to Washington, and there explained by the members of the Office of Production Management that if they did not get into the defense program, it would be impossible for them to obtain materials to manufacture stoves. It was pointed out to them plainly that this was necessary for them to do, otherwise they would be faced with a shut-down of their plants. Then Don Foster, secretary of the Belleville Chamber of Commerce, called a conference with the manufacturers of our city, and representatives of labor, with the purpose of trying to map out some plans to overcome this critical condition. Present at this meeting were representatives of the Molders Union, and also the Stove Mounters Union, together with a representative of each manufacturing concern from our vicinity. It was decided at this meeting that a representative of the Molders Union, together with one from the Mounters Union, and a group of manufacturers would go to Washington to see just what could be done on this matter. Don Foster, secretary of the Belleville Chamber of Commerce; Edward Kaiser, secretary of the Mounters International Union; Edward Kaufman, of the Empire Stove Co., representing the manufacturers; and Rudy Forayt, secretary of the Molders Union, Local No. 182, of Belleville, Ill., were delegated to go to Washington on this matter. On July 29, this delegation left Belleville, Ill., for Washington, D. C., arriving there on July 30. Upon arriving in Washington, arrangements were made for a conference with Dr. Steelman, Federal conciliator for the United States Department of Labor, through Edward Kaiser, secretary of the International Stove Mounters Union. This conference was attended by the four delegates of our group, and after a short discussion on various matters, Mr. Foster presented to Dr. Steelman a brief, showing the facilities that our plants had, equipment available for national defense, plants available for manufacturing defense work, some of which are operating part time, and another, which is not operating at all at the present time. This brief, which Mr. Foster had prepared, covered all machines, tools, motors, cupolas, tonnage capacity of each cupola, amount of tonnage each plant could handle, number of skilled men available for this type of work, and all information in regard to what type of work could be made in our plants. All the data necessary for any plant in the city of Belleville, was contained in Mr. Foster's briefs. After some discussion on this matter, Dr. Steelman arranged for a conference with Mr. Mahornay's office, of the Office of Production Management. Upon arriving there we were directed to a Mr. Peter R. Nehemkis, Jr., Assistant Administrator, of the Office of Production Management. Mr. Nehemkis was also given one of the briefs which Mr. Foster had prepared, and our case was presented to him, also the seriousness of the situation which involved the whole community. Mr. Nehemkis explained to us that it was very important that our manufacturers get into the stride of manufacturing national defense products if they expected to exist, as every effort was being put forth to increase the defense program, and manufacturers not in the manufacture of defense goods, would be given no materials such as steel, scrap and pig iron for domestic need. Conferences were also held with W. O. Lichtner, engineer of the Office of Production Management; Joseph Weiner, Assistant Administrator, of the Office of Price Administration and Civilian Supply; Carl K. Trantum, Office of Price Administration and Civilian Supply. A. L. Williams and A. L. Feirley, also of the Office of Price Administration and Civilian Supply; Mat Burns and H. F. Harbinson, of the Department of Labor; and several conferences were held with Congressman Edwin M. Schaefer and William G. Stratton of the State of Illinois.

In another conference with Peter Nehemkis at a latter date, it was pointed out to our delegation that they should return as soon as possible, with engineers who were in a position to read blueprints, and be able to decide just what products of national defense we were in a position to make. Upon receiving this information from Mr. Nehemkis, we immediately returned to Belleville, and called together all the Manufacturers and representatives of labor, and explained to them just what had happened in Washington, and the instructions we were given in regard to obtaining materials for our plants. We also explained that it was very necessary that we return to Washington in the next few days in order that we could comply with the instructions Mr. Nehemkis had given us.

Mr. King Ehret of the Oakland Foundry Co., Mr. S. D. Vale of the Orbon Stove Co., Mr. Maurice Klemme of the Eagle Foundry Co., Mr. Kaesburg of the Harmony Foundry, Don Foster, secretary of the Belleville Chamber of Commerce, and Rudy Forayt, of the Molders Union, Local No. 182, were selected to make the return trip to Washington. Of the group above, Mr. Ehret, Mr. Vale, Mr. Klemme, and Mr. Kaesburg were the engineers selected by the manufacturers. On August 5, this group of men again returned to Washington, and upon arrival

there contacted Mr. Nehemkis of the Office of Production Management. Conferences were also arranged with Lieutenant Colonel Hardigg, Lieutenant Colonel Becker, Lt. Col. M. E. Davis, Colonel Holman, Major Staiger, and Colonel Hess of the War Department. Conferences were also held with Congressman Edwin Schaefer and officials of the Department of Labor. It was also reported to us by the War Department that in the very near future they would be in the market for No. 5 Army ranges, which we would be in a position to manufacture, and it was decided by our group they would arrange to get the cost of one of these ranges, and the next time bids were opened up at Jeffersonville, Ind., they would bid on these ranges. It was also pointed out that a large amount of these ranges would be bought by the Army. During the last day of our stay we were greatly encouraged when Mr. Nehemkis, of the Office of Production Management, called Don Foster into his office and explained to him that priorities had been granted for stoves on Federal housing projects and also United States defense housing projects. After this information was conveyed to us, and we could not see any further need of our being in Washington, we returned to Belleville to make our reports to the manufacturers and the members of the labor organizations.

The time spent on these two trips to Washington would be approximately 11 days, and the cost of sending a delegate from the Molders Union for this trip was \$315, this including railroad fare, hotel, and other expenses. The local union has also made arrangements, that if at any time one of their members would be asked to give any assistance in regard to making trips to other cities for the cause of obtaining defense work, someone will be selected and sent upon a moment's notice.

On July 1, 1940, the Molders Union, Local No. 182 of Belleville, Ill., had approximately 455 molders, 477 nonjourneymen members (nonjourneymen members include such men as grinders, eraters, sandblasters, welders, cupola men, flask makers, carpenters, mill room men, and other labor around the foundry) and about 65 beneficial honorary members. By beneficial honorary members is meant men who have had their cards in the union for a period of 15 years, and through no fault of their own, were laid off due to lack of work, and have not been called in to work for a long period of time. In order to keep their sick and death benefits with the Molders Union, they are granted a beneficial honorary card, and pay a smaller amount of dues than the member who is actually working at the trade. If at any time work would be of such nature as to permit these men to return to the trade, they would deposit these cards and automatically become active members. The above totals would give us about 997 members we had on July 1, 1940. Since that time we have at the present approximately 276 molders, 400 nonjourneymen, and 75 honorary members. This would give us a total of about 751 members. During the past few months we have initiated into our local about 45 boys who were working around the factories in our vicinity, and taken them into our organization. Our local union has lost about 300 members, who have drawn their cards and taken employment in other factories in other cities where they are manufacturing defense work. Another 100 of our members could be called in who have taken out withdrawal cards and gone into other branches of work, other than molding or manufacturing of castings.

Regarding the age of our membership, will state the average age of the molders in our organization would be approximately between 40 and 45.

As has been explained above, our local union has done all in their power to assist the manufacturers in our vicinity in trying to procure national defense work, and we stand ever ready in the future to do more than our part. Also very much credit is due to the untiring efforts of Mr. Foster, secretary of the Belleville Chamber of Commerce, in trying to procure defense work for the manufacturers in the city of Belleville.

SUMMARY

An analysis of the stove industry located in Belleville, Ill., period 1928-35, shows a decrease in the number of plants, capital investment, total sales, number of employees, and pay rolls.

	1928	1938	Decrease
Number of manufacturing plants.....	19	13	6
Capital investment.....	\$3,390,000.00	\$2,540,000.00	\$850,000.00
Total sales.....	\$7,050,974.01	\$3,888,785.73	\$3,162,188.28
Annual pay roll.....	\$2,198,801.56	\$1,406,331.48	\$792,470.08
Number of employees.....	2,710	1,739	971

A further analysis as of the present period, November 17, shows the industry facing total collapse due to restrictions placed on vital material necessary for the continuous operation of the industry.

The effects of this threatened shut-down upon the economy of the community will cause a dislocation of all business.

Disintegration of people will occur, property valuations will be affected, spendable incomes will decrease which will reflect itself in numerous bankruptcies, home-mortgage defaults, nonpayment of taxes, and general hardship upon the people.

CONCLUSIONS

It may be presumptuous on our part to make recommendations, but upon our observations and experience we would urge that the national defense program restrictions be changed to permit negotiated bids.

That Office of Production Management engineers be assigned to well-defined areas to analyze facilities available and supervise national defense work with local industries.

That a certain percent of vital materials be allocated for the cooking and heating industries for nondefense work, on the theory that cooking and heating is essential to national defense.

Would further suggest that in an effort to speed up production for national defense, that wherever it is necessary to convert plant facilities to manufacture a product foreign to the usual product manufactured that such conversion be supervised by an Office of Production Management engineer. Such supervision to include the purchase of new machinery, financing, and the securing of definite orders from the Office of Production Management.

In conclusion, we wish to commend the offices of the Contract Distribution Division of the Office of Production Management at St. Louis for their splendid help and cooperation in providing information and guidance in helping secure many of the contracts awarded Belleville industries.

CHAMBER OF COMMERCE, BELLEVILLE, ILL.
OLIVER C. JOSEPH, *President*.

Attest:

DON S. FOSTER, *Secretary-Manager*.

TESTIMONY OF BELLEVILLE, ILL., PANEL—Resumed

Mr. CURTIS. Mr. Karr, what does your company manufacture?

Mr. KARR. Coal- and wood-burning ranges and hotel ranges.

Mr. CURTIS. How many men do you employ at this time?

Mr. KARR. Approximately 65 in the plant.

Mr. CURTIS. How many did you employ 6 months ago?

Mr. KARR. About the same number.

Mr. CURTIS. What are your employment requirements for the next 90 days?

Mr. KARR. The same number of men.

Mr. CURTIS. At what capacity is your plant working?

Mr. KARR. About 55 percent.

Mr. CURTIS. When did this slump start?

Mr. KARR. That has been our capacity since 1929.

Mr. CURTIS. How many were you employing a year ago?

Mr. KARR. The same number of men.

Mr. CURTIS. Have you registered your facilities with any Government procurement agency?

Mr. KARR. Yes.

Mr. CURTIS. Which ones and how often?

Mr. KARR. I think Mr. Foster has that filed here better than I have.

Mr. FOSTER. The Army, the Navy, the Quartermaster Corps, and the Ordnance Department.

Mr. CURTIS. Has your company made a list of the defense items you can turn out?

Mr. FOSTER. That has been done.

EFFORTS TO SECURE DEFENSE CONTRACTS

Mr. CURTIS. I would like to ask this question to either one of you or to Mr. Ehret. To what extent have you attempted to secure defense contracts? Would you tell us about your trips and negotiations in this regard? Proceed in your own way, and if one of you doesn't cover it all, the others can add to it. Mr. Foster, will you tell us about the efforts of these men?

Mr. FOSTER. We prepared briefs concerning our plants for all these agencies just as the Government requested. We have had very valuable service from the contract department of St. Louis. They call us up every day telling us of indications for bids. We have made 100 trips or more here to take advantage of that service, and we secured quite a number of contracts, but mostly all small contracts.

Mr. CURTIS. Have you made any trips to Washington?

Mr. FOSTER. Four trips.

Mr. CURTIS. How many men went?

Mr. FOSTER. Once six men, and I went twice alone.

Mr. CURTIS. How about your trips to Chicago and Jeffersonville and elsewhere?

Mr. FOSTER. I have taken a group of men from my office over there four distinct times, and I have been to Chicago three times.

Mr. CURTIS. You have gotten some small business?

Mr. FOSTER. Yes.

Mr. CURTIS. Has it come anywhere near utilizing a fair amount of the capacity of the plants?

CONTRACTS OBTAINED

Mr. FOSTER. Judging from the reports of each manufacturer, no. Let me illustrate the point. A job we had here the other day called for 25,000 grates for one plant at 48 cents apiece. These are little grates for tent stoves. That is only a short job. Then we get liners for Army range No. 5. That would be around \$10,000.

Mr. CURTIS. Mr. Ehret, do you concur in these reports?

Mr. EHRET. Yes, sir. We have maintained one of the representatives of our company in Washington since August. My son has been coming over here to St. Louis once a week.

Mr. CURTIS. What do you make, Mr. Ehret?

Mr. EHRET. Heating and cooking appliances of all kinds.

Mr. CURTIS. How many people do you employ?

Mr. EHRET. We have 252.

Mr. CURTIS. And a year ago?

Mr. EHRET. About 325.

Mr. CURTIS. About 6 months ago?

Mr. EHRET. About 290.

Mr. CURTIS. There has been a gradual let-off in the last year. Do you know what you will be able to do in the next 90 days in offering employment?

Mr. EHRET. We hope and expect to maintain the present force of 252 men. We have some Government contracts. Fifteen percent of our workers here will be on Government contracts.

Mr. CURTIS. About 15 percent of your total productive capacity?

Mr. EHRET. As of December 31, this year.

Mr. CURTIS. You have some commercial orders on hand?

Mr. EHRET. Oh, yes. I would like to comment on this defense contract we have right now. We have an A-1 rating for our contract to make 600 large gas heaters for the camp at Camp Bowie, Tex., at Brownsville. And we really haven't got enough steel to complete those 600 heaters. We have enough for about half of them. Washington is wiring and phoning for them and we are having trouble getting steel.

Mr. CURTIS. Is that classified as commercial business or part of the defense contract work?

Mr. EHRET. It is a defense contract, but it does fit in the line of merchandise we make.

Mr. CURTIS. But even though it goes directly to the Army you have been unable to get the steel. What seems to be the trouble? Did they refuse to give you a priority rating?

PRIORITY RATINGS AND STEEL SHORTAGES

Mr. EHRET. We have a priority rating of A-1 on this particular job but in these steel mills you have to have priorities on priorities. This steel comes from Granite City, Ill., and they have so many orders, it is hard to have them shipped.

Mr. CURTIS. Mr. Karr, how does the priority situation affect you?

Mr. KARR. I have received several small orders for defense work: Repairs for Army range No. 5. All of that business is farmed out to the foundries in Belleville. I do not have a foundry in my own place. We haven't been able to secure any defense business for our own plant. We have bid on Army range No. 5 every time and we have been unsuccessful every time. I have been with Mr. Foster to Jeffersonville every time he has gone.

Mr. CURTIS. To what extent do you feel that your plant is convertible to defense production?

Mr. KARR. We have spoken to quite a number of Government men, trying to ascertain what defense products we can manufacture in our plant. We have any number of departments that have not worked 50 percent capacity since the 1920's.

Mr. CURTIS. Do you feel that there are quite a number of items the Government is buying some place that could be made by you?

Mr. KARR. I think so.

Mr. CURTIS. Would it call for a great plant expansion, or cash lay-out?

Mr. KARR. We have the plant facilities there, if we could get the defense business.

Mr. CURTIS. What is your answer to that, Mr. Ehret? Do you feel that your plant could make quite a few things?

Mr. EHRET. We are continually bidding on defense work and we expect to get some of it.

Mr. CURTIS. Do they give you enough time to make sure of yourselves on materials and get your bids in?

Mr. EHRET. No. On this order, they phoned the order in from Washington and wanted heaters the next week.

Mr. KARR. We have had trouble getting proper information from the different departments of the Government. Such things as our necessary papers to get priority ratings and also for drawings on some of the different parts that have to be made. For example, on this particular draw grate it took us almost 40 days to get samples of the draw grate, because the drawing was not true enough for us to make our patterns from it.

Mr. CURTIS. Here is a question I will direct to both of you, and also to Mr. Foster. Assuming that you did convert your plant to defense production at, let us say, an outlay of \$50,000 for machine tools and other expenses, would you have any assurance that you would secure a contract unless you had a negotiated contract with a Government procurement agency?

Mr. FOSTER. No.

Mr. CURTIS. There is sort of a vicious circle there. You can't get business because you can't convert and you don't want to convert if you don't have any contract. And you don't want to borrow any money to convert your plant if you don't have a contract.

Mr. FOSTER. May I add a word on that? Our experience has been this: Our plants have applied and attempted to bid on many items. Some we could do, and some we could not. When it comes to the question of converting, even if we did convert, it was necessary for our plants to go out and compete with others, and inasmuch as there would be a capital investment there, it would have to be absorbed within the bid. If we did bid with anyone else equipped to take that job our bid was always out of line.

Mr. CURTIS. I am very much interested in your problem, gentlemen. I represent a rural district in Nebraska. We heard the testimony of manufacturers employing 100 men and 200 men. That is just the problem they are faced with; a shortage of time and no one that they can rely upon who has sufficient authority to enter into an agreement so they can go ahead and change their plant and get started. What then would you consider to be the solution of the problem of small businessmen like yourselves, who cannot afford to invest in new equipment without being assured of a contract, and who are faced with complete shut-down unless they do get defense contracts?

Mr. FOSTER. I make a recommendation on that in the last page of our brief. I state:

RECOMMENDATIONS FOR SPEEDING DEFENSE PRODUCTION

Would further suggest that in an effort to speed up production for national defense, that wherever it is necessary to convert plant facilities to manufacture a product foreign to the usual product manufactured that such conversion be supervised by an Office of Production Management engineer. Such supervision to include the purchase of new machinery, financing, and the securing of definite orders from the Office of Production Management.

The CHAIRMAN. That is very much along the lines which have been presented to us; that someone from the Procurement Agency should come to your plant and look it over and leave a part and say: "Can you make this? I will come back and talk to you about it."

Mr. EHRET. May I comment on that very thing. On October 24 I represented our locality at a meeting which was called by Leon Henderson in Washington with the stove panel. At that time they agreed to allot us, in our case, 66 percent of the material that we used in 1941. Of course, they could make no guarantee. In other words, if we did get materials we wouldn't get over 66 percent. But if we get anywhere near 66 percent of the materials we used in 1941, with the addition of some defense contracts, we will get along fairly well, if and when we do get the materials.

Mr. CURTIS. Mr. Heiligenstein, you represent the First National Bank of Belleville, do you not?

Mr. HEILIGENSTEIN. Yes; I do.

Mr. CURTIS. How large a place is Belleville?

Mr. HEILIGENSTEIN. About 30,000.

Mr. CURTIS. In what respect does your bank have an interest in the stove industry?

Mr. HEILIGENSTEIN. In this respect. There are about 22 foundries and allied industries in the city of Belleville, whose employees do business with us, or with the other local banks, of which there are 3. Naturally, what affects those foundries and their allied industries, affects the workman and all the financial institutions in the city of Belleville.

HOME OWNERSHIP

Mr. CURTIS. To what extent do the stove-industry workers own their own homes?

Mr. HEILIGENSTEIN. I would estimate about sixty-odd percent of the foundry men own their homes.

Mr. CURTIS. In normal times the employees of the foundries are local people who make up the community, are they not?

Mr. HEILIGENSTEIN. Yes; family people.

Mr. CURTIS. In recent years has there been an increase in home ownership?

Mr. HEILIGENSTEIN. No; I wouldn't say that there was.

Mr. CURTIS. To what extent does your bank hold mortgages or notes on workers' homes?

Mr. HEILIGENSTEIN. Do you want that in the percentage of our total real estate mortgages owned?

Mr. CURTIS. I am not asking you to divulge any information you do not care to, but we would like to have a picture of how these home owners are situated. If the plants shut down would not these men lose their homes?

Mr. HEILIGENSTEIN. We have about \$600,000 in loans on local real estate secured by mortgages, a good portion of which property belongs to the various workmen in the foundries.

Mr. CURTIS. And, of course, much of the other business of the community is dependent upon that, such as the grocers and everyone else who relies on those pay rolls.

Mr. HEILIGENSTEIN. Yes.

Mr. CURTIS. Has the shortage in materials resulting in unemployment affected your business up to date?

DOWNWARD TRENDS OF BANK BALANCES

Mr. HEILIGENSTEIN. We have noticed that the average account of the local industrial worker, that is the foundry worker, is probably not as large as it was a year ago. There seems to be a trend of decreasing the balances of their various accounts.

Mr. CURTIS. What effect do you anticipate this unemployment will have on your business in the future?

Mr. HEILIGENSTEIN. At the present time this matter that I just referred to is offset by the influx of people into our community by reason of the work at Scott Field.

Mr. CURTIS. What type of military establishment is that?

Mr. HEILIGENSTEIN. It is an air communication field, 5 miles east of Belleville. But it is evident that unless our foundries and allied industries do get work the trend of our deposits will be downward.

Mr. CURTIS. Is Scott Field still in the construction stage?

Mr. HEILIGENSTEIN. Yes; it is.

Mr. CURTIS. Has the increase in civilian and military personnel at Scott Field been a healthy stimulus to Belleville merchants?

Mr. HEILIGENSTEIN. Yes.

Mr. CURTIS. But you know it may stop at any time?

Mr. HEILIGENSTEIN. Yes, it is a temporary affair.

Mr. CURTIS. Mr. Forayt, you represent a union, do you not?

Mr. FORAYT. Yes, I do.

Mr. CURTIS. What is the name of that union?

Mr. FORAYT. The International Molders and Foundry Workers of America, local 182. We are affiliated with the A. F. of L.

MEMBERSHIP IN UNION

Mr. CURTIS. What is the total membership of your union?

Mr. FORAYT. Today we have 666 members.

Mr. CURTIS. What was the total in June of this year?

Mr. FORAYT. I just couldn't say. I think I have that in the brief.

Mr. CURTIS. Will you supply that and also the figures for January and June 1940?

Mr. FORAYT. I could give you July 1940. We had 997 members.

Mr. CURTIS. And how many have you today?

Mr. FORAYT. Six hundred and sixty-six.

Mr. CURTIS. About a third off?

Mr. FORAYT. That is right.

Mr. CURTIS. What was the occasion of this drop in membership.

Mr. FORAYT. Most of them have gone into defense industries, drawn their cards, and taken employment somewhere else; Cleveland, St. Louis, East St. Louis.

Mr. CURTIS. Was it just higher wages that attracted them or did they leave because there was a decline in jobs available?

Mr. FORAYT. There were no jobs available for them here.

Mr. CURTIS. Were they people who would rather stay home although it might mean not so much money?

Mr. FORAYT. If they stayed at home there would be no work for them. They had to go somewhere else to obtain employment.

Mr. CURTIS. That is what I mean. What steps did the Belleville unions take to assist employers in securing defense contracts?

Mr. FORAYT. That is all in the brief.

Mr. CURTIS. In other words you worked along with them?

Mr. FORAYT. We made two trips to Washington with these gentlemen on this matter.

Mr. CURTIS. What is the average age of your members?

Mr. FORAYT. Forty-five years.

Mr. CURTIS. Have any of your laid-off members left the city?

Mr. FORAYT. Yes.

Mr. CURTIS. I am referring to members laid off because of age. Did they stay on or go away?

Mr. FORAYT. No. The member that reaches the age of about 65 years and is laid off due to old age, takes an honorary card and probably stays. We have about 80 of those members today.

Mr. CURTIS. Mr. Blette, where were you born?

Mr. BLETTE. Columbia, Ill.

Mr. CURTIS. How old are you?

Mr. BLETTE. 52 years.

Mr. CURTIS. What is your occupation?

Mr. BLETTE. I am a molder.

Mr. CURTIS. Are you working at present?

Mr. BLETTE. Yes, sir. Part time.

ROTATION OF LABOR

Mr. CURTIS. What is the reason for the slackening of your work?

Mr. BLETTE. It seems like they can't get enough work to go around so we have a system of rotating. One week one bunch of men are off, and the following week that bunch goes back and there is another bunch off. We do that to keep all the rest of the fellows working a little bit, part time.

Mr. CURTIS. How long have you been a molder?

Mr. BLETTE. Almost 39 years.

Mr. CURTIS. Do you own your home?

Mr. BLETTE. Yes.

Mr. CURTIS. Do you have a mortgage on it?

Mr. BLETTE. Yes, a small mortgage.

Mr. CURTIS. In the event of a complete shut-down of the stove industry, what are your plans?

Mr. BLETTE. I really wouldn't have any plans. I'd have to do the best I could to look for another job.

Mr. CURTIS. Would you have any difficulty because of your age? Have you a family?

Mr. BLETTE. Yes, I have.

Mr. CURTIS. How old are your children?

Mr. BLETTE. I have just one child. She is 22 years of age. She is married.

Mr. CURTIS. If there were a shut-down, either because of lack of materials or lack of defense contracts, that would upset you and your family and your plans for paying for your home, etc.

Mr. BLETTE. Yes, it would.

Mr. CURTIS. Is your story typical of many others?

Mr. BLETTE. It is. Most of the men have their own homes and they are practically in the same fix I am in.

Mr. CURTIS. Gentlemen, I think you have put some very fine material in the record. I believe this committee is convinced that either some changes will have to be made in reference to defense contracts or small business—the backbone of our economic order—will disappear. I am not going to take time to enumerate the advantages which the large concerns have had up to date in these things, but we are very much interested in your problem. It is typical of what we hear in various places. Does anyone else have anything to add?

SUMMARY OF SITUATION

Mr. FOSTER. May I sum up this whole picture—and I am doing it from a community standpoint. Our entire economy is predicated upon the continuous operation of these 22 stove and allied industries. In that connection, the stove industry has shown a decline of at least 33½ percent over the last 10 years. The first real breath of life, of vitalization, that has taken place has occurred in the last year and a half, when we were able to secure many commercial orders. In that connection, many of our plants accepted Government work to provide the Army camps with stoves, predicated on their using material of their own that they purchased for commercial purposes and utilized for Government purposes. This material has never been replaced, which is one of the reasons why the dislocation occurs in so many of the plants at the present time. Mr. Ehret accepted an order for 7,500 stoves and he has never had the material replaced. It was promised to us on one of our visits to Washington. That has occurred several times. The effect of further dislocation on the entire community will be widespread. It will not only go into the channels of trade but into the taxes by which we maintain our schools and Government. It will also have its effect upon home owners. The real estate operators' association secretary reported to me that there is evidence of default because of unemployment among certain people who have made their homes there for years. To sum it all up from the engineering standpoint, based on the building of a community on scientific lines, our community is being transformed from one primarily concerned with production to one concerned with distributing services.

It is being transformed from a primary economy into a secondary economy. We are changing into a residential center. People tell us we are fortunate in having Scott Field near us. We are in a measure, but the measure is very, very small. Of the income that comes to Scott Field, very little comes to Belleville. The reason is obvious. The average income of a selectee is \$5.95 per week. By the time the expenses incurred by him in the post are taken out, he has \$5.95. Cheap transportation was provided for the benefit of the soldiers. Those soldiers get in the bus and it is easier for them to come to St. Louis and enjoy themselves rather than to come to Belleville, because they can come in there most anytime and enjoy themselves to a limited extent. The big city would be the real attraction. Now, in the purchase of supplies out there at Scott Field, when the Government wants to buy supplies, they go to the wholesalers. We just have jobbers. The Government can buy it cheaper from the wholesalers than our man can afford to sell. So, we don't get a great proportion of that business. The over-all picture is that if any further dislocation occurs

in our community from lack of materials—and that seems to be the main reason, lack of material for commercial purposes and for Government purposes—we can readily see a disintegration of a large part of our population with its resultant effect all the way down the line. We, in the chamber of commerce, in fine cooperation with the banks and manufacturers and merchants, have centered our entire efforts toward doing something to help this situation. We have made over 500 briefs, submitted them to many agencies all over the country, briefs concerning our facilities, and the economic, technical, and sociological factors involved within these industries. And we are fortunate in having secured a certain amount of contracts. We have had excellent cooperation from the local defense division here. But the bottleneck seems to be beyond that point.

If we come over here and get the information we require to encourage us to bid, we then have to wire to Jeffersonville, Ind., and have them send us the specifications and bidding forms. There is time lost in getting bidding forms and the result is that we have not been able to analyze the cost and get the bid back in time. Where we have been fortunate enough to be awarded a partial bid—and that seems to be the plan they have—we bid on 75,000 grates. That gives us very little time to get a preference rating, and subsequently very little time to get the material. In many cases our men have utilized material from their own inventories and actually finish the job before they get the material requested on the Government contract. The bottleneck is in that end, and not at this end. The dissemination of information here is splendid. They call us every day. We get all the information desired but are stalemated because we don't know which way to turn. Even if you do attempt to bid, the delays in the Chicago Ordnance, Wright Field, and the Brooklyn Navy Yard and other seaport towns prohibit us in many cases from bidding. To sum it all up, if there is any further dislocation, it is going to end up by affecting all our citizens along the line.

Mr. CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much, gentlemen. We have a record that will be very valuable for us. Our next witness is Mr. Gray.

**TESTIMONY OF WILLIAM GRAY, TRAILER CAMP OPERATOR,
ST. LOUIS, MO.**

The CHAIRMAN. Mr. Gray, will you please give your full name and address for the record?

Mr. GRAY. William Gray, 312 Cotton Belt Building, St. Louis, Mo.

The CHAIRMAN. The prepared statement you have submitted will be placed in the record.

(The statement referred to above is as follows:)

**STATEMENT BY WILLIAM GRAY, 312 COTTON BELT BLDG., ST.
LOUIS, MO.**

The trailer camp at Gray's Grove was established on August 2, 1941. Twelve acres have been set aside to accommodate 250 trailers; and there remain 23 acres more to accommodate 1,000 additional trailers should there be a need.

The facilities consist of 15 showers, 15 toilets, 15 wash basins, laundry equipment for 600 people, hot and cold water 24 hours a day, recreational center for children and adults, which is also used for church and Sunday School services,

electric light, running water and sewers to all trailers, a grocery store, restaurant, and post office. During the coming week, there will be ready for use a first-aid station, library, and information bureau.

The trailer camp is 0.9 mile from the Emerson Electric Co. plant now in process of construction on West Florissant Avenue, the street on which the trailer camp is located. The trailer camp is 4.5 miles from the small-arms plant now under construction at Bircher and Goodfellow Avenues in St. Louis; and the camp is a like distance from the St. Louis Municipal Airport (Lambert Field, Robertson, Mo.).

There are 500 people, adults and children, now living at the trailer camp. For most part, the wage earners are engaged in construction work. They are principally electricians, bricklayers, carpenters, iron workers, steam fitters, insulators, welders. About 20 percent are salesmen, maintenance men for national corporations (wiremen for A. T. & T. and U. P.) and railroads.

According to newspaper reports, Emerson Electric Co. will employ 5,000 to 10,000; the small-arms plants, 25,000 to 50,000; and industry at Municipal Airport, 12,000. There are no housing facilities in the immediate neighborhood for such an influx of labor, or anywhere else for that matter. Therefore, it is anticipated many will live in trailers.

A trailer camp of 500 people is a small city in itself. Indeed, there are many post offices in the country serving a smaller number of people. There is no difference between Americans who live in houses and those who live in trailers. The needs of all are the same. So the people at Gray's Grove need postal service just as those who live elsewhere. And, therefore, they requested stamps, money orders and mail facilities. I communicated this information to the Post Office Department, and the Department established a post office.

Trailer camps are in their infancy. They mark a very definite trend in the life of the American people. Americans like to exercise their freedom. They dislike confinement. The automobile and good roads have given them the opportunity to move around. Taking advantage of this migratory instinct innate in us all, the manufacturers of trailers designed homes on wheels. And the American people have begun to use them. Of course, the terrific demand in given areas for skilled craftsmen has given impetus to migration, but, once a person starts to migrate, he is not satisfied with confinement to a given locality. He will move around from then on. That is not only true of the head of the family. It is equally true of his wife and children. And so I would like to conclude this report with the prophecy that trailers and trailer camps are here to stay. What their effect will be on the future of the Nation, no one will now say, but I am sold on the genius of the American people, and unhesitatingly say that whatever the effect will be it will be for the ultimate good of the Nation.

TESTIMONY OF WILLIAM GRAY—Resumed

The CHAIRMAN. What is your business, Mr. Gray?

Mr. GRAY. Operating a trailer camp.

The CHAIRMAN. You are also postmaster?

Mr. GRAY. Yes, sir.

The CHAIRMAN. And where is the camp?

Mr. GRAY. It is located at Florissant Avenue and Chamber Road, 12 miles from St. Louis.

The CHAIRMAN. I understand that is the first trailer camp post office established in the United States.

Mr. GRAY. Yes sir; it is.

The CHAIRMAN. That is tremendously interesting. Will you briefly describe how many people there are in the camp and its facilities, and give us a sort of picture of the situation?

Mr. GRAY. At present we house 135 trailers which naturally are occupied by 135 families.

The CHAIRMAN. That is about 500 people.

Mr. GRAY. Yes; I would say about 500 people, including children. We have approximately 70 children going to school of which 9 or 10 are going to high school.

The CHAIRMAN. Where are those schools?

Mr. GRAY. One school is known as the Moline District School. It is a grade school. The high school is Jennings, which is about 2 miles to the south of us.

The CHAIRMAN. How do the children get there?

Mr. GRAY. We have bus service right there and they use that service.

The CHAIRMAN. What facilities do you have?

Mr. GRAY. Facilities consist of water and sewers for each trailer. We also have 15 showers of which we allotted ten to the men and five to the women, because men are in a hurry to go to work in the morning and when they come home they always crowd them. We also have the same number of toilets, the finest flushing bowl we could find, recommended by the State sanitary department, I think it is. And we have the same number of wash basins. We also have quite a large laundry consisting of 4 electric machines and 15 or 20 tubs. Sufficient hot and cold running water obtainable 24 hours a day. Then we have a garbage collector with a truck who comes in 7 days a week to remove the waste and garbage. We also have a recreation hall which affords our tenants recreation of various types. There are dances, card games certain evenings, and the ladies have card games certain afternoons in the week and on Sunday. We have a minister who comes there and holds a Sunday School every Sunday, and an interdenominational church service.

The CHAIRMAN. Mr. Gray, how did you happen to select that location?

Mr. GRAY. I happened to own that location. I have owned it for a great many years. Up until July 1940 I operated an amusement park there and due to the break-down of my health, I was compelled to give it up. The business demanded long hours of the operator during the season. This was beyond my physical capacity at the time. I closed down the park due to the doctor's advice which did me a lot of good. I took a long rest and returned to St. Louis last spring. I felt I would not like to be idle any longer and looked around for something to do with this piece of property of 35 acres. The thought occurred to me that a housing project was necessary in that vicinity due to the influx of industrial workers, principally construction workers at this time. I happen to have two small houses I had built there 10 years ago for my help, and those houses were vacant since the time we closed the park. There had been 150 requests for those two little houses, so I really had in mind to build homes but, of course, my financial ability was not there. So I went over to the plants and discussed this matter with a superintendent that I knew and various other people. They suggested to me that I open a trailer camp. Many migrants come here with trailers looking for good locations and I have a very fine location with trees and shade in the summertime. That gave me the idea and I proceeded along those lines and established what I consider one of the finest camps in the country.

The CHAIRMAN. You say the size is about 35 acres?

Mr. GRAY. Yes, sir.

TRAILER SPACE RENTALS

The CHAIRMAN. What do the people who occupy these trailers pay you, Mr. Gray?

Mr. GRAY. It costs them \$4 a week.

The CHAIRMAN. And for that \$4 they get space?

Mr. GRAY. Space, and the electricity is furnished. I might add here that some will consume \$10 worth a month.

The CHAIRMAN. Is there a store in the neighborhood?

Mr. GRAY. Yes, sir. We added a little grocery store to serve those people and we have sundry services such as an outside laundry coming in to pick up laundry. We have quite a few of those.

The CHAIRMAN. What about prices?

Mr. GRAY. I do not operate the store. I simply gave the space to a lady who is a grocery-store operator and I gave her strict instructions that those prices must be the same as any other big chain operator. And so far we have had no complaints whatever.

The CHAIRMAN. What about the control of the camp? Who handles it? Who is the head man?

Mr. GRAY. Well, I am the control. But I have a manager there, and I have several men whom I employ. We have one man who does nothing but police the grounds night and day. We have two of those. We have found no difficulty of any kind, no disturbance of any kind.

The CHAIRMAN. How did you happen to be designated postmaster at this camp?

POST OFFICE AT TRAILER CAMP

Mr. GRAY. Just as soon as we had approximately 50 trailers, many requests came in for various postal services, principally money orders, because all these people are strangers. They have no banking connections yet they have to meet certain payments on their cars, trailers, insurance, and sundry other obligations. So, the rural mail man who brings our mail to us once a day would take the money and go back to the post office with it, secure money orders, and bring them back the next day. That would delay the thing 24 to 48 hours. The thought occurred to me that the post office would be a good thing in the camp. I contacted the postmaster of St. Louis and he was very much on the job. The very next day Postmaster Jackson came out there with two or three inspectors and they made a survey and discussed the matter with me. After 6 or 8 weeks we finally were fortunate enough to have Washington grant us this permission and we now have a post office.

The CHAIRMAN. I am tremendously interested in this first trailer-camp post office for this reason. As we go throughout the country we find thousands of homes being constructed for defense workers and, of course it doesn't take much of an imagination to realize what is going to become of those homes after this defense work is over. The Kearney Mesa project in San Diego, Calif., is built to house 10,000. When that defense work is over they are going to be vacant.

Mr. GRAY. That is right.

The CHAIRMAN. Why isn't this trailer camp more or less a solution to this temporary defense work, because the trailer is never a total loss, is it?

Mr. GRAY. That is right. Not only that, but because of the nature of the house being on wheels, it is a very desirable investment for the worker today. To illustrate, when work is running slack in one of the plants in St. Louis, the men will come in and say: "Mr. Gray, what does it cost to call up Omaha or Milwaukee, or maybe someplace in Utah or Texas?" We look it up and they say: "Let me have enough nickels and quarters and dimes to make the call." Immediately they go to the telephone and call someone they know, a superintendent in the American Bridge Co., or some other company. They say: "What are the chances of getting a job over there? Things are getting slack here in St. Louis." They will get "yes" or "no" for an answer, and invariably in less than an hour or two they will say: "I'm on my way to Milan, Tenn., or Waukegan, Ill." Two or three checked out yesterday to go to Waukegan, Ill. They lose no time in moving home and family. That is why it is a desirable investment for these people and they can always live in them nicely. I started to say awhile ago that the attitude of the American people toward trailerites is entirely wrong, in my opinion. On Sundays or holidays we have people drive in without permission and say: "I'd like to look at these people. Aren't they funny?" I'd like to have this attitude removed if I can because it is an injustice to the people living in trailers. I have followed them along and I find from my experience they are as nice a group as any other American group.

The CHAIRMAN. Let me tell you something, Mr. Gray. You are talking now on a pet subject of mine. That is my hobby. I cannot understand why the American people should call them "Okies" and "Arkies." Now you take the Jones family, for example, in Oklahoma. They have lived on a farm and their father and grandfather have lived on that farm. They pay taxes to maintain this Government of ours and then when they lose that farm and their horses and cattle, and they take the road, they don't change overnight spiritually or morally. Human nature never changes. So when these people drive in there to look at those trailer dwellers, that is a wrong attitude. We heard testimony last year that there were 4,000,000 people who had been forced to take the road. They are not only citizens of Arkansas, Texas, and Oklahoma, but they are citizens of the entire United States.

Mr. GRAY. That is right.

The CHAIRMAN. And if there is anything we are trying to do it is to dissipate that idea about their being just people—they are our people. I think a trailer camp post office is a good thing for the morale of those people. And they might come out of it after this war is over owning their trailer. They certainly wouldn't own their own homes in these defense centers would they? A trailer is a home as well as a means of transportation.

Mr. GRAY. That is right.

The CHAIRMAN. Mr. Gray, I thank you very much. Your testimony is very interesting to us and I think we will have more trailer post offices in the United States before we get through. Mr. Parker is our next witness.

TESTIMONY OF WALTER E. PARKER, SUPERVISOR OF EMPLOYMENT OFFICES, DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION, ILLINOIS STATE DEPARTMENT OF LABOR, DECATUR, ILL.

MR. SPARKMAN. Will you give your name and address and occupation for the record, please?

MR. PARKER. Walter E. Parker, supervisor of employment offices, division of placement and unemployment compensation, Illinois State Department of Labor, Decatur, Ill.

MR. SPARKMAN. I have read the statement you submitted to our committee. You understand that it will be printed in its entirety in our record.

(The statement referred to above is as follows:)

STATEMENT BY WALTER E. PARKER, SUPERVISOR OF EMPLOYMENT OFFICES, DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION, ILLINOIS STATE DEPARTMENT OF LABOR, DECATUR, ILL.

NOVEMBER 21, 1941.

In accordance with your request, Dr. Peter T. Swanish, Commissioner of Division of Placement and Unemployment Compensation, Illinois Department of Labor, has requested me to prepare a statement of facts regarding the Illinois Department of Labor plan for organization of local defense contract procurement committees. This statement is for a period of July 25, 1941, to October 17, 1941.

Defense contract procurement is of vital concern to the entire State of Illinois. It affects every community in the State. The future of Illinois industry and labor is involved. Because of the magnitude of the problem of defense and defense production, there is naturally confusion and lack of information as to how to proceed at the local level. In view of this we have adopted as our thesis or slogan the following: First find out what you have, then do all you can with what you have. We have applied this to the community approach to defense contract procurement.

I. REASON FOR ILLINOIS DEPARTMENT OF LABOR PARTICIPATION

1. The Illinois Compensation Act requires it as stated in section 1, declaration of policy, and in section 20, subsection (e), employment stabilization.
2. Illinois, the third industrial State in the Union, is 13 in volume of defense-contract awards. This situation is entirely unwarranted.
3. To date there is a lack of complete information on the resources of manufacturers in each community, particularly the smaller manufacturers. This situation can first be adjusted by finding out what these resources are, and then organizing them so that the best possible results can be obtained with what is available.
4. The effect of priorities on manufacturing and employment has great bearing on the activities of our department.

II. DEVELOPMENT OF PLAN

1. I was given the assignment of developing a plan and putting it into operation. Two assistants were assigned to me. Mr. R. B. Calhoun and Mr. J. A. Fleming, employer relations representatives. After a thorough analysis of plans used by various communities throughout the United States for participation in the defense program, it was apparent that the York plan of York, Pa., is the most outstanding. It is practical, well organized, and very successful. Mr. Calhoun, at his own expense and on his vacation time, visited York, Pa. He obtained a great deal of first-hand information and advice regarding community participation in the defense program, in an interview with W. S. Shipley, chairman of the board of directors of the York Ice Machine Manufacturing Co. Mr. Shipley informed us that from the year of experience the York plan had definitely indicated that our approach to the problem, that of organizing local facilities and then going out

and get business in line with our facilities and ability to produce, was the proper approach.

2. We contacted several metal working manufacturers and obtained first-hand information about problems they were encountering as a result of the development and extension of the defense program. From these manufacturers we obtained the following information:

A. It required time and considerable expense to keep in touch with all procurement offices where they might obtain business.

B. Shortage of materials and lack of business with high priority ratings was beginning to cause lay-off of workers.

C. They were greatly concerned about the possibility of their being able to maintain their identity and hold their present labor supply.

D. In several communities we found that many opportunities have become available for various individual manufacturers who were unable to take advantage of these opportunities for bidding on defense business because they lacked certain facilities or tools. A further check revealed that the tools were available in the community and had the original manufacturer known of their availability, business might have been obtained jointly by a group of manufacturers thus benefiting the entire community. This indicated a lack of knowledge of facilities and machine tools at the local level, as well as at the procurement level.

E. Manufacturers were disgruntled because of the great amount of time they spent in waiting in the Chicago Office of Production Management, Division of Contract Distribution, to obtain information that could easily have been posted on bulletin boards for ready availability.

F. Defense contracts were large and required a wide variety of equipment. Therefore, many individual manufacturers were discouraged because they lacked some necessary machine tools and felt that they could not bid or did not have sufficient time to locate the tools and then make arrangements for bidding.

G. Many fair-sized manufacturers indicated that the time limit for completion of contracts on items they could manufacture was so short that it would take an extremely large firm, possibly only 10 or 12 of which could manufacture this item in the entire United States. Had community surveys been available, several small firms could have grouped their resources and no doubt obtained some of this business, even though it might not have been possible to have had the procurement office split up the contract into smaller portions.

H. Many manufacturers, particularly the smaller ones, informed us that unless some action was taken to force subcontracting or a greater breaking down of prime contracts, they would find it impossible to continue in business and face the situation of eventually losing their plant because they could not get material to continue in domestic production because of their low priority rating.

I. All manufacturers expressed a willingness to take part in a community organization and approach to the end of greater participation in the defense production program.

From these reactions of the manufacturers it is apparent that a coordinated effort must be made to bring the manufacturer and the procurement offices closer together and into a relationship of better understanding. After all, an overwhelming proportion of our industrial manufacturers are known as small manufacturers. Because most of our facilities and machine tools are located with the small manufacturers, our defense program cannot reach the desired speed or development until these facilities and machine tools are organized at the local level and made use of on a State- and country-wide basis.

3. We studied the procurement procedures of the various procurement agencies serving the Seventh Federal Reserve District, Chicago, Ill., and the Eighth Federal Reserve District, St. Louis, Mo. It was found that procurement offices require a facilities survey and machine-tool list.

Following is an outline of methods and procedures in handling surveys in the major procurement offices in each of the districts:

A. CHICAGO

(1) *Chicago ordnance.*

A facilities survey is requested as well as a machine-tool list describing capacities and complete specifications of each machine owned by a manufacturer. Information requested is outlined on Form CHO N-19. When this information is filed by the employer with the ordnance office, it is reviewed and filed for reference as follows:

(a) By city.

(b) Alphabetically by name of manufacturer.

(c) By type of industry (23 break-downs, such as foundries, machine shops, etc.).

(d) By type of machines, such as lathes, milling machines, broaches, etc.

The War Department, Chicago ordnance, select their own bidders from the four files described above. They use file D type of machines or file C type of industry almost exclusively. Items they have for letting require the use of certain machines. The ordnance office knows what machines are needed, the number of machines, and the number of hours required to produce an item. In view of this they rely greatly upon the machine-list file and notify or contact manufacturers who have the machines to do the work with. This saves their time as well as the time of manufacturers who may wish to make certain items but do not have the equipment necessary to do the job with. The ordnance office has made inspections of plants and obtained surveys of a great many plants in Illinois. They have been doing this type of work for years. Thus, they started this program with a great deal of information, and consequently they rely on their own resources and do not use other sources of information until they have checked their records carefully. In view of this, we urge all manufacturers to see that their facilities record and machine-tool lists are filed in this office.

(2) *Purchasing Division—Quartermaster Corps.*

This office is doing a great deal of reorganizing at the present time and becoming much more active in purchasing. They have a large sample room and planning unit where items they are interested in buying may be reviewed by prospective manufacturers. They are extremely interested in obtaining facilities surveys and machine tool lists from all manufacturers. These surveys are filed as follows:

(a) By city.

(b) By type of industry.

(c) Main articles manufactured.

The Quartermaster's office notifies all manufacturers who are able to produce items being purchased. Consequently, it is extremely important that everyone interested in this type of business have a facilities record and machine tool information list on file.

(3) *British Purchasing Commission.*

This office is interested in having facilities surveys and machine tool information organized by community and available at a central point in the community where it can be reviewed by a representative of the British Purchasing Commission with a view of letting contracts. They have informed me that they will visit each community that prepares a master survey or list of machine tools.

(4) *Division of Contract Distribution (Office of Production Management).*

This office is maintained for the purpose of manufacturers registering information relative to their plant capacity (facilities record and machine tool lists) as it can be evaluated for national defense work either for prime or subcontracting purposes. This means a survey which is prepared on Form 31-58. This office has been primarily serving the Navy Procurement Division. However, its services and record of plant capacities are available for all procurement offices who wish to make use of the same. It is not compulsory that procurement offices use the services of this office although there is that general impression. When facilities records and machine lists are filed in this office they are arranged:

(a) Alphabetically by name of employer.

(b) By type of product manufactured.

This office expects the manufacturers to come to them about items up for bidding.

When facilities records and machine tool lists of a manufacturer are filed with the Division of Contract Distribution and the manufacturer is interested in being placed on the bidder's list for manufacturing items for the Navy, he is first requested to review with a Navy engineer classifications eleven and select all items listed therein that are purchased by the Navy and can be manufactured by this firm, and to fill out mailing list questionnaire which is reviewed and checked against Dun & Bradstreet. This mailing list questionnaire primarily concerns information regarding capitalization of firm, type of business, and gross sales. If, after reviewing the questionnaire, the information supplied is satisfactory, The Director of Division of Contract Distribution requests the Chief of the Bureau of Supplies and Accounts, Navy Department, Washington, D. C., to place the firm on bidder's list to receive schedules and specifications regarding items purchased by the Navy that can be manufactured in view of plant facilities.

The Division of Contract Distribution (Office of Production Management) issues a bulletin three times a week listing invitations and schedules for bidding received from procurement offices. It also lists subcontractors wanted by prime contractors as well as information regarding machine tool equipment available and shortages of the same. This bulletin is mailed exclusively to chambers of commerce, manufacturers associations, defense councils, newspapers, and banks.

(5) *Navy.*

Purchasing by the Navy is done in cooperation with the Division of Contract Distribution. The facilities surveys obtained by this Division are used by the Navy as described above.

B. ST. LOUIS

(1) *St. Louis ordnance.*

A facilities survey and machine tool list giving complete specifications is requested of all manufacturers wishing to do business with this office. A mimeographed outline of information desired is attached. When this information or survey is prepared and filed with this ordnance office it is reviewed and if satisfactory, it is filed as follows:

- (a) Alphabetically by name of manufacturer.
- (b) Type of machine tools: Example: Lathes, broaches, vertical boring mills, etc.

The War Department, St. Louis ordnances, select their own bidders from the type of machine-tool file. Items they have for letting require certain types of machines. They refer to the type of machine-tool file, select the employers that have the necessary equipment and notify them.

This office works closely with the St. Louis office of Office of Production Management, Division of Contract Distribution. When their items are put up for bidding, a schedule outlining specifications and listing manufacturers they are contacting, is forwarded to the Division of Contract Distribution, where a further search for qualified manufacturers is made. If any are found, the ordnance office is notified at once.

(2) *Division of Contract Distribution (Office of Production Management).*

This office is maintained for the purpose of encouraging and assisting manufacturers in registering information relative to their plant capacity (facilities record and machine-tool list) so it can be evaluated for national defense work, either for prime or subcontracting purposes. This means a facilities survey must be made by each manufacturer looking for defense business. When this survey is filed with this office the following action is taken:

- (a) Facilities record card Form 100-D. C. S. (April 1, 1941) is prepared and placed in visible index file arranged by name of employer.
- (b) Cross-index file by type of industry.
- (c) Cross-index file by product manufactured.
- (d) First name is placed on mailing list to receive bulletin issued twice a week for the purpose of furnishing data to all potential prime contractors and subcontractors interested in the national defense program.

This office makes unusual effort to assist and be of service to all procurement offices and manufacturers. They work very closely with the local ordnance offices, notifying them of every manufacturer on whom they have facilities records who might be qualified for bidding on items up for letting.

This office receives galley sheets from at least 27 procurement offices in the Middle West and eastern part of the United States. These galley sheets describing items up for letting, are placed on work tables in the office where they may be reviewed by any manufacturer or his representative. All items up for letting about which this office obtains information and specifications, are handled as follows when they arrive at the office:

- (a) Project sheet or work sheet is prepared on each item. The files described above are checked. Each manufacturer who can make any item is listed and contacted by telephone if he is in the immediate St. Louis area. If manufacturers are located 100 miles or more from St. Louis they are notified by letter of the items that they probably can manufacture. Reactions of each manufacturer are made in the remarks section of the form. When an item has been closed for bidding these work sheets are filed for future reference and prove to be a valuable source of information. At the time project sheet or work sheet is made up on each item, a 3 by 5 card, entitled "Active project" which

briely describes the item, is prepared and placed on large bulletin board in the office where it may be reviewed by manufacturers or their engineering staff who visit the office regularly.

From the above description it is very apparent this office is rendering a real and splendid service.

(3) *Navy.*

The Navy procurement engineers have office space in the Office of Production Management Office Division of Contract Distribution. Manufacturers wishing to be placed on the Navy bidders list have their survey or facilities survey record reviewed. Next a list of Navy items they can manufacture is prepared. Then a mailing list questionnaire is prepared and same checked against Dun & Bradstreet. If references are good the questionnaire and a letter of recommendation from the local Director of Division of Contract Distribution is sent to the Bureau of Supplies and Accounts, Navy Department, Washington, D. C. Then manufacturers will receive schedules on items up for letting that they can manufacture.

(4) *British Purchasing Commission.*

I contacted the British Consulate and various British offices in this area and learned they have no representative located here who handles defense equipment contracts. Such work is handled directly out of their New York office.

From the information set forth in the preceding pages, you no doubt are able to fully appreciate the care that has been taken to thoroughly investigate the problems in connection with defense contract procurement.

We recognize the possibility of entering into several phases of the defense contract program. However, after a review of our analyses, we realized that Illinois' first problem was that of obtaining defense contracts to utilize the facilities, machine tools, and labor now available and rapidly becoming idle. It was agreed that we should concentrate on the development of a defense contract procurement plan and not take up other phases of the work, such as inventory of skilled industrial labor now working in all industrial establishments, survey of nonindustrial employment to determine what persons with industrial skills are now working in other trades, housing problems, etc., because it is much more effective to start out with a plan to correct the basic or main phase of the problem. The other phases will follow in their natural order and sequence, as need develops. After a careful review of all of our information, the attached plan was agreed upon in a conference with Martin P. Durkin (then) director of labor, Dr. Peter T. Swanish, commissioner of the division of placement and unemployment compensation, and me. Following is a list of committees we have organized in Illinois:

List of local defense contract procurement committees and their chamber of commerce representative

Location	Chamber of commerce representative	Committee
1. Bloomington	George Reeder, secretary	Lee S. Wallington, chairman. Walter Oberst, vice chairman. Harry J. McDevitt. Horace Soper. H. J. McGrath. George Reeder, association of commerce, secretary will serve as secretary.
2. Champaign	R. B. McClelland, secretary	Donald M. Vance, chairman. Julian R. Steelman. H. L. Gelvin. Joseph Schmikler. H. B. Maret. Robert H. Bishop. Clyde R. Elvis. Herbert E. Wagner.
3. Danville	Dave Twomey secretary	Dan J. Sheehan, chairman. F. W. Butterworth. Roy Thompson. Pete O'Rourke. R. W. J. Harris. Gale Pate. J. K. Holmes. Secretary Twomey will serve as secretary.
4. Decatur	Henry Bolz, secretary	John Wagner, chairman. William Grady. A. F. Shafter. H. H. Shugart. Everett Mueller.

List of local defense contract procurement committees and their chamber of commerce representative—Continued

Location	Chamber of commerce representative	Committee
5. Jacksonville.....	Roy Welch, secretary.....	Lee Sullivan, chairman. Al Rodems, vice chairman. Roy Welch, secretary.
6. Kankakee.....	M. MacBroom, president....	William L. Cooper, chairman. John P. Wheeler. Frank Chinski. Henry Mackin. Bertrand Amberg. Harry Kuntz. Clarence Kroehler. J. C. Benoit, Momence, Ill. Louis B. Meier, St. Anne, Ill. Mr. Zook, chairman.
7. La Salle.....	H. A. Weller, secretary.....	Donald M. Clark, chairman.
8. Mattoon.....	B. Hoffman, secretary, association of commerce.	John M. Hoag. Francis E. Thatcher, Mattoon, Ill. J. C. Stewart, Paris, Ill. R. E. Kelly, Shelbyville, Ill. R. W. Fitzgarrald, Arthur, Ill. N. Ertlebrick, Greenup, Ill. B. Hoffman will serve as secretary.
9. Ottawa.....	L. C. Carroll, secretary.....	Albert Guthrie, chairman. Howard Adler.
10. Quincy.....	W. A. Fifer, secretary.....	Clarence Gerdes, chairman. Parker S. Gates. Henry Lange. W. J. Brower. E. A. Rapp. W. C. Dowd. William T. Lechtenberg Mrs. Schwab and W. A. Fifer will serve as secretaries.
11. Streator.....	M. Cole, secretary.....	Cecil Worrels, chairman.
12. Waukegan.....	Mr. Galloway, secretary.....	E. B. Sherwin, chairman. Frank Swahlstedt. F. A. Smith. M. W. Osborne. C. R. Smith.

III. METHOD USED IN ORGANIZING LOCAL DEFENSE CONTRACT PROCUREMENT COMMITTEE

1. INTRODUCTORY STEPS TAKEN

A. Contact local office of division of placement and unemployment compensation (employment service) to obtain list of local manufacturers and following information about each manufacturer: Name of person in charge of local plant, type of manufacturing, number of persons employed at present time, number of shifts at present, number normally employed one shift, whether or not they have defense contracts, what difficulties are encountered as result of defense program.

B. Second step is contacting secretary of local chamber of commerce and also Manufacturers' Association, if there are both.

(1) Obtain information as to what steps have been taken locally to assist manufacturers in obtaining defense contracts or solve problems in connection with defense program.

(2) Give secretary of chamber of commerce, or Manufacturers' Association brief outline of our plan, stressing importance of community survey and pooling of community facilities and equipment, laying special emphasis on the advantage of such plan at the local level and also the Procurement Office level.

(3) Emphasize the fact we wish to put our plan into effect with the cooperation and the assistance of the chamber of commerce. In other words, we attempt to make it a program sponsored jointly by the local chamber of commerce and the Illinois State Department of Labor.

(4) Stress the importance of obtaining 100 percent cooperation from all manufacturers and not one group, such as a few of the large manufacturers or a combination of large and small plants, or only members of the chamber of commerce, or Manufacturers' Association. This defense program involves all manufacturers in the United States.

(5) If secretary of chamber of commerce reacts favorably to our plan, offers assistance and cooperation, we will make arrangements for scheduling a meeting

of local manufacturers and obtain information from the secretary as to whom he believes are the key persons who should be contacted first. We lay out routine assignments for both the chamber of commerce and the representatives of the Department of Labor.

(6) If secretary of chamber of commerce does not react favorably to the plan, we inform him that we planned to discuss the matter with a few of the manufacturers to obtain their reactions.

(7) If we find that the manufacturers are not interested in our program, the chamber of commerce is also uninterested, we will terminate our contacts in the community and move on to the next community. It is useless to attempt to put our plan into effect unless there is enthusiasm and willingness to cooperate and a definite desire to put the program over. At a later date, they may wish to get in touch with us when they have encountered priority difficulties, shortage of labor or contracts.

2. PROCEDURE FOLLOWED IN ARRANGING LOCAL MEETING OF MANUFACTURERS FOR PURPOSE OF OBTAINING UNANIMOUS SUPPORT IN POOLING LOCAL FACILITIES AND ESTABLISHING COMMITTEE TO REPRESENT LOCAL MANUFACTURERS

A. When all of the various plans and methods used in calling or arranging meeting of manufacturers for the purpose of discussing various phases of defense program have been reviewed, it is apparent they are only partially successful because they have been based on indirect contacts such as publicity, letter, or have been arranged for by some agency or organization not primarily concerned with the manufacturing problem. Meetings that have been called by indirect methods have not been attended by everyone vitally concerned or interested because they were unable to obtain a clear picture of the purpose of the meeting. Further, most of such meetings when called, served as an opportunity for hearing grievances and not for the purpose of developing a constructive approach to the defense contract problem.

In view of this, it was apparent if our plan was to be successful, it was necessary that we adopt other means of organizing and bringing about a meeting of local manufacturers that would be so effective that approximately 100 percent attendance would be assured. Thus we adopted the plan of individual personal contact, said contacts to be made by representatives of the Department of Labor, who describe in detail our plan and also leave a copy of the plan with each manufacturer called on.

At the time of the personal contact, the representative of the Department of Labor discusses with the manufacturer problems he has encountered and the grievance he has regarding the entire situation. In this way, we are able to obtain background information that gives us an opportunity to prepare for many problems and questions that may develop during a group or committee meeting of manufacturers. We have found that the individual contact greatly reduces general discussion of defense problems and the manufacturers attend our meeting with a definite specific problem in mind, that of organizing locally, pooling efforts and resources to help individual plants, as well as all plants in the community. At the time personal contact with individual manufacturers is made, a tentative day and hour is set for a meeting of the local group, the same to be verified by telephone the day before the meeting at which time representatives of the Department of Labor will have had opportunity to contact practically all the manufacturers in a particular community.

3. MEETING OF LOCAL MANUFACTURERS

A. Place of meeting: If local chamber of commerce has adequate facilities, we endeavor to hold a manufacturers' meeting in their conference room. If this cannot be done, such space can usually be arranged for at a local hotel or local office of the division of placement and unemployment compensation.

B. Time of meeting: Best results are obtained by scheduling meetings for 10 o'clock in the morning. This gives manufacturers time to visit their office and handle any matters that develop in the morning. It is true that all manufacturers are very busy and do not have a great deal of time available for attending meetings, etc. However, the particular meeting we call is extremely important and involves the business of each. The meeting is emphasized as being more important than routine business, thus good attendance is assured. Further, persons who are unable to attend afternoon or evening meetings are nearly always as unavailable at 10 o'clock in the morning.

C. Secretary of chamber of commerce is usually requested to preside at the meeting. A representative of the Department of Labor presents plan for pooling

resources of each local community, the method and advantages of such a plan. After this presentation, the opportunity is given for general discussion, each person attending being urged to give his reactions. During this discussion, the sentiment of the group is carefully analyzed. When it is apparent that practically everyone has had a chance to express himself and is in favor of the plan, the group is asked to go on record in favor of each plant making an individual survey. After they have voted on this question and practically unanimously approved the same, we suggest that a committee of five or seven be nominated by the group to supervise the preparation of a master list or survey of local facilities and equipment. We make the following suggestions regarding the committee:

- (1) To be composed of both large and small manufacturers.
- (2) Committee to have at least one engineer or be represented by an engineer from one of the local plants. Engineering assistance is necessary to adequately analyze individual surveys and also supervise the compiling of master list of machines and tools.
- (3) Committee to act as central clearing house for clearing and disseminating all information coming to the local community regarding defense contracts.
- (4) Local committee assisted by chamber of commerce and Department of Labor to be responsible for the making certain that all manufacturers have filed surveys and are listed with the Procurement Offices and Division of Defense Contract Distribution Office serving the area.
- (5) Local committee to visit Division of Defense Contract Distribution, Planning Division of Ordnance Department, and other Procurement offices serving the area.
- (6) Committee should arrange for regular personal contacting of Procurement Offices in the area, as well as Division of Defense Contract Distribution.
- (7) Representatives of the Department of Labor volunteer assistance to the committee in preparing master list or survey.
- (8) Committee prorates expense of preparing surveys according to size of survey of the individual manufacturer.

Following this, we outline procedure and instructions for preparing individual surveys and preparation of master survey. After nominations have been received for committee, we entertain discussion as to when individual surveys are to be completed. Experience indicates that four to five working days are necessary for preparation of individual survey, these surveys to be turned in to the chairman of local committee representing the manufacturers. After this has been agreed upon, the meeting adjourns, we call the manufacturers nominated to serve on the committee together, they elect a member of their group to act as chairman; secretary of chamber of commerce generally acts as secretary to the committee. This is advisable because there is considerable clerical work involved in obtaining individual surveys and compiling said information into master survey. We supply the committee with mimeographed instructions and forms; these forms and instructions are mailed by the committee to each plant or given out in person at close of meeting.

IV. CONCLUSION

1. Our plan of personally contacting all manufacturers in a given community brought about almost unanimous participation and cooperation.
2. Our meetings included all manufacturers.
3. Our meetings have served a splendid purpose—that of getting the local manufacturers better acquainted with each other and making them realize that they all have and face similar problems.
4. Personal claim of credit, publicity, or emphasis has been entirely avoided. Our program has been based distinctly on manufacturers' participation and leadership because they are the ones that can best solve their own problems.
5. Our plan has had approval and enthusiastic acceptance by procurement offices. This was very much in evidence at the time we assisted various groups in filing their surveys with procurement offices.
6. Results have been very encouraging and definitely point out the merit of the plan, particularly in the case of Bloomington and Champaign where manufacturers with the essential facilities have bid on ordnance items that were in amounts too large for any one of them to handle. While these manufacturers were unsuccessful in their initial bidding because they were not the low bidders they have been greatly encouraged because they have experienced the possibility and results that can be obtained from cooperative effort.
7. Prime contractors find value in the plan because they can contact one point in the community and determine what the total possibilities of subletting are without a wide and time-consuming search. Bloomington, Danville, Champaign,

and other communities received several inquiries from prime contractors as a result of their surveys.

8. These surveys are of genuine aid to the Office of Production Management and procurement offices in determining distress areas and ways of relieving stress in these areas.

9. The committees we have organized make a fine permanent organization for agencies or groups to deal with regarding defense problems. It has been found that rapid clearance on such problems affecting a community has been possible as a result of the establishment of these committees. For example, a special report on priorities unemployment in Decatur and Bloomington. These reports were completed accurately and in a minimum amount of time because contacts with manufacturers had previously been well developed.

We recognize the magnitude of the defense program and the many problems and suggested solutions for the same. We feel we have made a sound practical contribution, particularly in view of the results that are beginning to be accomplished. We hope this information will be of value to you and to other communities throughout the United States.

EXHIBIT A.— PLAN FOR ORGANIZATION OF LOCAL DEFENSE CONTRACT PROCUREMENT COMMITTEE

REPORT BY DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION, ILLINOIS STATE DEPARTMENT OF LABOR,, DECATUR, ILL.

During the development of the defense program, many manufacturers have become interested in procuring defense contracts. They have attempted to do this by using many different methods, some of which have been successful. Generally speaking, many of them have met with incomplete success. This is particularly true of the smaller organizations who must compete with the large manufacturers which are, in themselves, equipped to do a great variety of work. In many communities we find considerable diversification of manufacturing, each individual firm specializing in some particular phase of work. Consequently, many of these firms are unable to handle large defense contracts.

In view of this, it is necessary and essential that a local organized and coordinated effort be put forth to survey and pool all facilities on a city or community basis. This will make it possible for local manufacturers to have complete information available about their entire community, as well as their own particular plant. A central body or committee should be established to represent the entire local group giving the procurement problem daily study and consideration for the purpose of making sure that no opportunities are passed up or overlooked as they become available from the many procurement agencies. The surveying and pooling of local resources will make it possible to study types of work that can be done by local communities with the facilities at their command. A complete individual firm survey and a pooling of the individual surveys will organize the facilities of a community in such a manner that they can be accurately and quickly interpreted in terms of specifications for available defense contracts, whether sub-contracts or prime contracts by a local group or the various Government procurement agencies. It is apparent that the first step is the organization of a local defense contract procurement committee.

Further factors that make the formulation of such a committee necessary and advisable are—

(1) Illinois stands and has stood third among the States in industrial products produced in the United States; however, it stands thirteenth in the total amount of national defense contracts received as of July 1, 1941.

(2) An organized effort must be made at once to protect Illinois' future industrial position, industrial investment, and labor supply.

(3) Manufacturing on private contracts will be reduced proportionately as defense contracts increase. Therefore, if defense contracts are not obtained by local manufacturers, they will lose their identity and probably be forced out of business.

(4) As the defense program develops in the Middle West, it is apparent that the well organized, alert, large industrial organizations are the ones who are obtaining contracts and material priorities. In order to protect all firms, many of whom are located in small communities, cooperation and coordination of all facilities must be planned at once.

(5) The various procurement offices in this area have assured Mr. Murphy, director of the Illinois State Department of Labor, that the individual survey and

the combined individual or total community survey is the first and most important step to be taken in defense-contract procurement. After surveys are made, records of facilities should be filed with all procurement agencies to assure local manufacturers of an opportunity for bidding on items they can manufacture.

A local defense contract-procurement committee may be formed by contacting local manufacturers in the metal manufacturing industry for the purpose of explaining the advantages of organizing and pooling local industrial facilities, equipment, and skills on an individual and community basis, thereby making it possible for local firms to obtain defense contracts, particularly primary contracts, that may be sublet locally when complete knowledge of all local capacities are organized. When several manufacturers have expressed keen interest in such a program, arrangements should be made for a group meeting of all local manufacturers. At this meeting, a permanent local committee for defense-contract procurement may be organized. This committee should be composed of representatives of the outstanding and particularly interested firms.

Each committee should have an engineer appointed to represent them and to carry on negotiations with the various procurement offices. This engineer and the committee should be furnished with Defense Contract Service Bulletin, War Department, Chicago, Ordnance Machine Inquiry Bulletin; these materials to be reviewed currently for the purpose of determining whether or not opportunities are available for local employers in view of the facilities at their command.

The duties and functions of the local committee for defense-contract procurement would be—

- I. Make a complete survey of all local industrial facilities, as follows:

Facilities Record

Record information relative to each plant's capacity, so it can be evaluated for national defense work, either for prime or subcontract purposes.

1. Name of company -----
 (a) Plant address -----
 (b) Office address -----
2. Incorporated (State) ----- Partnership ----- Owner -----
3. Subsidiary of -----
4. Company officials:
 President ----- Vice President -----
 Treasurer ----- Manager -----
5. Official to contact on defense contracts -----
 Phone number -----
6. Line of business -----
7. Products manufactured (show percentage of plant capacity):
 (a) ----- Percent -----
 (b) ----- Percent -----
 (c) ----- Percent -----
8. Estimated maximum annual gross sales, \$ ----- with maximum possible number of employees per 8-hour shift ----- with present plant facilities.
9. (a) Number shifts now operating -----
 (b) Total number skilled and semiskilled employees required for one full shift -----
 (c) Total number skilled and semiskilled employees now engaged -----
 (d) Is additional labor available if required? -----
 (e) Maximum number of shifts possible to work -----
 Hours per shift by department -----
10. If your plant is doing, or has done, any work in connection with the present or previous defense programs, describe type of work -----
11. If interested in doing defense work, what type of defense products could you make? -----
12. Have you subcontracted work to others? -----
13. Subcontractors desired (please list the names of firms from whom you ordinarily obtain the semifinished materials utilized in your production) -----

14. A. Description of buildings (photos of interior of manufacturing floors will aid).

Type construction	Number floors	Area floor space	Percent area now used	Crane capacity

B. Do you have railroad siding? _____ Docks? _____

C. Estimate the amount of power you use annually _____

15. Shipping facilities (please give the names of railroads which are available by means of spur track at your plant for making shipments, also the availability of water transport facilities) _____

16. What percent of maximum capacity are you operating? _____

17. If you have factory space available, would you consider installing production equipment to manufacture defense materials? _____

(a) Would you require financial aid? _____

(b) Could this aid be obtained from local banks? _____

18. How handle planning (give the name of an official, probably a member of your engineering staff who would be designated to discuss technical problems) _____

19. Remarks (please furnish the following information): _____

(a) Tolerances to which you are accustomed to work _____

(b) Principal customers _____

II. Compile master list of machine tool information.—List all machines and tools, by groups or type, giving complete specifications. Sufficient information must be given to enable planning engineer to know what specific jobs each machine can handle. List toolroom equipment separately from production equipment. All surveys should be complete enough so they can meet the maximum requirements of the War Department or the Navy Department.

Example

Quantity	Machine	Make	Size number	Type	Minimum tolerance	Acc and condition	Complete specifications
1	Lathe (turret)...	Warner-Swasey	3	Universal	0.001	4 G	Collet 1½-inches swing over bed 15¾ inches. Distance collet to turret 20 inches.

Information desired from foundries:

(a) Number and capacity of melting equipment.

(b) Size range of castings produced.

(c) Pattern shop equipment.

(d) Kind of metal cast.

(e) Means of chemical analysis.

III. Cut stencils for each individual employers' survey and also for the master list of machine tool information.

IV. File mimeographed copies of individual surveys and master list with procurement offices.

V. Committee will act as local clearing house for defense contract information coming into the community, thus making certain that all opportunities are given proper consideration by those able to handle the same.

VI. After each local industrial employer has completed survey of his own organization, the same to be submitted to the committee and compiled into a master survey for the community. This survey to be broken down by plant and type of machine.

VII. When committee has organized and completed industrial facilities survey other factors to be considered (depending upon success in obtaining defense contracts) are—

(1) Inventory of skilled industrial labor now working in all industrial establishments.

(2) Survey of nonindustrial employment to determine what persons with industrial skills are now working in other trades.

Sample machine list

[List all machines by groups giving complete specifications. If necessary attach additional 8½ by 11 sheets. Sufficient information must be given to enable planning engineer to know what specific jobs each machine can handle]

Quantity	Machine	Make	Size number	Type	Minimum tolerance	Age and condition	Complete specifications
3	Shapers.....	Rockford	16-inch	Hydraulic horizontal.	.003	1 G 1	Stroke 18-inch, table to ram 14¾-inch, horizontal table travel 20 inches, vertical 10½ inches.
1	Punch press...	Bliss...	No. 5	O. B. L.	..	10 P 2	Tonnage 55; stroke 3-inch, die space 10 inches.
1	Lathe (turret).	Warner-Swasey.	No. 3	Universal	.001	4 G 1	Collet 1½-inch rod; swing over bed 15¾ inches; distance collet to turret 20 inches.
1	Grinder (extension).	Cincinnati.	16-inch	Plain	.0001	7 G 1	Swing 10¾ inches; between centers, 36 inches.
	F o u n d r y equipment.	Assorted.	-----				25 tons brass; 5 tons aluminum per day.
	Heat treating.	...do....	-----				General; also stress relieving.
	Plating equipment.	...do....	-----				Nickel, chrome, cadmium.

Machine tool information desired

NOTE. Please separate toolroom equipment from production equipment.
 Engine lathes: No.—Swing x Distance between centers.
 Auto. screw machines: No.—Bar size—No. of spdls.—#, Mfg.
 Punch presses: No.—Ton.—Str.—D.S.—Type—#, Mfg.
 Milling machines: No.—Type—Table movement (L, T, V.)—#, Mfg.
 Grinders: No.—Type—Size—#, Mfg.
 Rolls: No.—Thick. x Width, or Dia.—#, Mfg.
 Shears: No.—Type—Thick. x Width—#, Mfg.
 Brakes: No.—Type—Thick. x Width—#, Mfg.
 Misc. sheet metal equip.: No.—Machine—Cap.—#, Mfg.
 Drop hammers: No.—Type—Lbs.—#, Mfg.
 Turret lathes or hand screw machines: No.—Collet Size—Swing x Length turned—#, Mfg.
 S. S. auto. chuckers: No.—Swg. x —length turned—#, Mfg.
 N. S. auto. chuckers: No.—No. spdls.—No. chucks—cap.—#, Mfg.
 Shapers: No.—Type—Stroke—#, Mfg.
 Drill presses: No.—No. spdls.—Swing x dia.—#, Mfg.
 Radial drills: No.—Arm length—Column dia.—#, Mfg.
 Horiz. boring bars: No.—Bar size—#, Mfg.
 Vertical boring mills: No.—Swing—No. heads—#, Mfg.
 Broaches: No.—Type—Ton.—Str.—#, Mfg.
 Upsetters: No.—Dia.—#, Mfg.
 Bulldozers: No.—Ton.—#, Mfg.

Punches: No.—Type—Dia. x Thick.—#, Mfg.

Hydraulic forging presses: No.—Tonnage—Stroke—#, Mfg.

Gear cutters: No.—Type—Max. D. P., Max. O. D.—#, Mfg.

Planers: No.—Type—Table width x rail height x stroke—#, Mfg.

Thread millers: No.—Swing x Centers—#, Mfg.

Tappers: No.—Type—Cap.—#, Mfg.

Welders: No.—Type—KVA or Amp.—#, Mfg.

Die casting machines: No.—Kind of metal—Wt. of casting—Die area—#, Mfg.

Information desired from foundries.—Number and capacity of melting equipment, size range of castings produced, pattern shop equipment, kind of metal cast, and means of chemical analysis.

NOTE.—Also list all machine tools and other equipment not appearing above.

* Condition: G—Good. P—Poor

Quantity	Machine	Make	Size No.	Type	Minimum tolerance	Age and condition	Complete specifications
						•	

Master list of machine-tool information

Committee chairman ----- City -----
 Address ----- Date compiled -----
 (Street) -----
 Phone number ----- (City) -----

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Complete specifications	Distribution of machines		
									Number	Name of employer	
3	Shapers	Rockford	16"	Hyd.horiz.	0.003	1	C	Stroke, 18"—table to ram 14 $\frac{3}{4}$ "—horiz. table travel 20" vert. 10 $\frac{1}{2}$ ".	1	Jones Mach.	
2	do	do	16"	do	.005	10	P	do	1	Brown Tool.	
	<i>Lathes (turret)</i>										
4	Lathes (turret)	Warner-Swazy	#3	Universal	.001	4	G	Collet, 1 $\frac{1}{2}$ " rd., swing overbed 15 $\frac{3}{8}$ ". Distance, collet to turret, 20".	2	Jones Mach.	
1	Lathe (turret)	do	#3	do	.003	8	P	do	1	Brown Tool.	
									1	Smith Mach.	
									1	King Mfg.	

EXHIBIT B. EFFECT OF PRIORITY AND PRODUCTION CURTAILMENT, REPORT BY
B. A. BOLLMANN, MANAGER, DECATUR, ILL.

OCTOBER 16, 1941.

Priority or production curtailment orders have had or are having a very serious effect upon the labor market of the Decatur area. This does not affect food, wood, leather, or textiles manufacturing in this area, but it does very seriously affect metals and machinery and transportation equipment. These classifications cover all of the important industries of the Decatur area. The following is a brief statistical summary of the findings of a survey conducted in reply to your memorandum:

25 plants surveyed:

Employment now.....	8, 263
Employment year ago.....	7, 543
Anticipated lay-offs.....	2, 331

Anticipated hirings, garment companies only, 1 may close laying off
52 and others can absorb lay-off.

Metal industries, 18 plants:

Employment now.....	5, 593
Employment year ago.....	5, 137
Anticipated lay-offs.....	2, 279
Anticipated hirings.....	None

Only 52 lay-offs are anticipated outside of metal industries. Of the 5,593 now employed in 18 Decatur area metal plants, 2,279 (40 percent) may be laid off by January 1942.

LABOR DEMAND

United States Manufacturing Co. (148 employees) can operate about 1 week.

Mueller Manufacturing Co. (886 employees) will start laying off at once and will have 560 laid off by January unless defense orders are had, because of curtailment of building for which they manufacture basic items.

Model Brass Co. (50 employees) has material for 2 weeks. Unless material can be had, will close about November 1.

Oakes Products Division (825 employees) will reduce by 50 percent by end of December.

Faries Manufacturing Co. (430 employees). Unless British Purchasing Commission contract is renewed, 240 will be laid off in about 2 weeks.

Leader Iron Works (109 employees) have laid off 21 and will lay off 30 more. They have material for about 10 days.

Chambers, Bering, Quinlan have material for 30 days. After that, will lay off whole force of 420 employees unless materials are made available.

These are all metal-working plants and represent a potential lay-off of 1,288 employees within 45 days.

For detailed analyses of individual plants, consult attached sheets.

ECONOMIC CHARACTERISTICS

The only towns of any economic importance within a commuting area of Decatur are—

Clinton, county seat of De Witt County, population 5,920. Here there are the Illinois Central Railroad shops, employing 250, and a small garment manufacturer, employing 50 workers.

Monticello, county seat of Platt County, population 2,378. The only factories in this town are Dr. W. B. Caldwell, a patent medicine manufacturing Company, employing approximately 115 workers, and the Tylac Co., manufacturers of a processed wall board, employing about 50 workers.

Sullivan, county seat of Moultrie County, population 2,339, in which a Brown Shoe Co. factory is located, employing not more than 300 persons.

With the exception of the Illinois Central Railroad shops at Clinton, there is almost no skilled employment in the whole Decatur area upon which Decatur could draw for a labor supply for any of its industries. There is a considerable supply of unskilled labor or very slightly semiskilled labor available in the community.

The major industries in the area will classify as follows:

Metals and machinery, employing 4,800 people. The major establishments in this group are—

Oakes Products Corporation, Division of Houdaille-Hershey, manufacturers of auto bumpers, auto locks, hub caps, and other metal trim, employing approximately 825 people.

Mueller Manufacturing Co., manufacturers of plumbing goods, employing 886 people.

Faries Manufacturing Co., producers of electrical goods, medicine cabinets, and small brass goods, employing 430.

Chambers, Bering, Quindlan Manufacturing Co., job foundry and machine shop, employing 420.

Wagner Malleable Iron Co., job foundry and manufacturers of electrical fittings, employing 410.

Another major industry is transportation equipment and maintenance, which is represented by the Wabash Railroad Co., employing 1,415 workers in Decatur in the car shops and locomotive shops, and the Illinois Central Railroad Co. in Clinton, which employs 250 people.

The foods group is represented by the A. E. Staley Manufacturing Co., employing 1,800 people. This company manufactures starch, sirups, and feeds from corn and soybeans. There is also the Archer Daniels Midland Co., employing 70 people, and the Spencer Kellogg Co., employing 80 people, who process soybeans.

Leather goods is represented by a single plant of the Brown Shoe Co. at Sullivan, employing about 300 persons. This plant manufactures only ladies shoes.

There are 6 garment manufacturers in Decatur and 1 small garment manufacturer in Clinton. These are all concerned in the cotton dress line. O-good & Sons, with an employment of 300, and Home Manufacturing Co., with an employment of 210, are the leaders in this industry in this area.

We estimate that there are approximately 17,000 employed workers in the area of whom 10,000 are employed in the manufacturing industry.

Considering that approximately two-thirds of the unemployed and available labor supply of the area is registered with the Employment Service, which we believe is a fair estimate, we believe that there are about 6,760 workers available in the area. These are divided into—

White, male.....	4, 800
White, female.....	1, 600
Total.....	<u>6, 400</u>
Negro, male.....	240
Negro, female.....	120
Total.....	<u>360</u>

It is to be remembered that with the exception of a few who are trained in the clerical and service lines, the greater majority by far of this 6,760 represent persons in the unskilled or very low semiskilled group.

Count of active file, Decatur office, Oct. 16, 1941

Occupational code	Total	White		Colored	
		Male	Female	Male	Female
	5, 056	3, 456	1, 357	156	87
0-00 to 0-99.999.....	214	153	57	2	2
1-00.....	636	277	356	2	1
2-00.....	875	224	514	59	78
3-00.....	493	490		3	
4-00 to 5-00.....	831	755	64	9	3
4-71 to 4-95.....	106	100	3	3	
4-97 to 5-0.....	17	17			
5-20 to 5-22.....	109	106	1	1	1
5-23 to 5-33.....	270	266	1	3	
4-5 all others.....	329	266	59	2	2
6-00 to 7-00.....	1, 137	856	248	32	1
8-00 to 9-00.....	870	701	118	49	2

A. W. CASH MANUFACTURING CO.

Major products (normal): Pressure control valves, all brass, bronze, or stainless steel.

Total employment: 110.

Total employment same month last year: 90.

Percentage of working force engaged in defense production: Now 75 percent approximately; has been up to 83 percent. Conservative estimates.

Anticipated lay-offs: None, if materials for defense orders continue available. No supply for any definite time on hand.

Skilled: 65.

Semiskilled: 7.

Unskilled: 15.

Other (including office): 10.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Additions gradual over past year; No lay-offs in past year.

Reduced hour schedule, if any, because of curtailed production: None; some overtime.

A. W. CASH VALVE MANUFACTURING CORPORATION

Major products (normal): Automatic valves for plumbing and heating trade.

Total employment: 28.

Total employment same month last year: 28.

Percentage of working force engaged in defense production: Employer estimates 5 percent of present force engaged indirectly in defense production.

Anticipated lay-offs: 28.

Skilled: 11.

Semiskilled: 10.

Unskilled: None.

Other (including office): 7.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Force 2 years ago at this time was 22, at present time, 28 as stated above.

Reduced hour schedule, if any, because of curtailed production: Was working overtime and operating on a 50-hour week, at present time, are operating on a 40-hour week and employer states he is not accepting any orders which do not have an A-1 rating. Enough material on hand to operate 60 days.

CHAMBERS, BERING & QUINLAN CO.

Major products (normal): Gray iron castings, die castings, drop forge, barrel industry. A-5 rating October and November.

Total employment: 420.

Total employment same month last year: 360.

Percentage of working force engaged in defense production: 56 percent barrel fitting; 25 to 30 percent foundry.

Anticipated lay-offs: 190.

Skilled: 115.

Semiskilled: 75.

Unskilled.

Other (including office): 15.

Anticipated hiring: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: June 1940, 254. Gradual increase until present 420 was reached.

Reduced hour schedule, if any, because of curtailed production: None; have scrap iron to last to end of month, pig iron to last to November 15, and steel

for 30 days; received no pig iron since August; if supplies stop, would reduce force to watchman and two or three in office.

DECATUR BRASS WORKS

Major products (normal): Soda fountain equipment, beer equipment, surgical and dental equipment.

Total employment: 41.

Total employment same month last year: 41.

Percentage of working force engaged in defense production: None; however, about 35 percent of their work has A-10 rating on material, although none of this is for defense.

Anticipated lay-offs: None. Enough material on hand to operate until January 1.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings: None.

Skilled:

Semiskilled:

Unskilled:

Other:

Dates and extent of past hirings or lay-offs: Same force for past 3 years.

Reduced hour schedule, if any, because of curtailed production: January to July of this year, operated on schedule of about 50 hours per week; employees could get in as much overtime as they wanted; August 1, operations were cut to 47½ hours per week; will operate on this schedule until December 1, at which time they will go on a 40-hour week; from here on, it depends on material.

DECATUR GARMENT CO.

Major products (normal): Ladies cotton dresses.

Total employment: 115; 110 skilled women, 5 skilled men.

Total employment same month last year: 115.

Percentage of working force engaged in defense production: None (is bidding on defense contract).

Anticipated lay-offs: None (Can operate for 2 weeks with present supply of material. Doesn't anticipate material shortage).

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings: None (Could employ 20 skilled machine operators (female) with abundant supply of material).

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: No peaks; steady employment.

Reduced hour schedule, if any, because of curtailed production: Has cut weekly hours of machine operators to keep all operators on pay roll.

DECATUR PUMP CO.

Major products (normal): Turbine water pumps, small.

Total employment: 65.

Total employment same month last year: 50.

Percentage of working force engaged in defense production: 1 percent now; expect 10 percent in 30 days.

Anticipated lay-offs: None in next 5 months.

Skilled: 30.

Semiskilled: 10.

Unskilled: 10.

Other (including office): 5.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Above increase in employment occurred in July and August 1940.

Reduced hour schedule, if any, because of curtailed production: All on 44-hour week; working on small order of fresh-water pumps for Navy and Coast Guard.

FARIES MANUFACTURING CO.

Major products (normal): Metal products, office lamps, sun lamps, therapeutic lamps.

Total employment: 430.

Total employment same month last year: 209.

Percentage of working force engaged in defense production: 70 to 75 percent.

Anticipated lay-offs: 120.

Skilled: 40.

Semiskilled: 80.

Unskilled.

Other (including office): 5.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: 209 in October 1940; gradual increase to present 430 at present.

Reduced hour schedule, if any, because of curtailed production: None.

Two weeks will complete contract for British Purchasing Commission and unless renewed will cause a lay-off as shown in anticipated lay-offs above. Have materials to run but 3 months, which would reduce force to 200 persons.

GRIGOLEIT CO.

Major products (normal): Bottle caps, handles, and knobs for appliances.

Total employment: 260.

Total employment same month last year: 201.

Percentage of working force engaged in defense production: Employer estimates 5 to 10 percent engaged in defense production working as subcontractor.

Anticipated lay-offs: 132.

Skilled: 10 (male).

Semiskilled: 65 (male).

Unskilled: 16 (male), 35 (female).

Other (including office): 6 (female).

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: 2 years ago this time, total force was 150; July of this year, 300.

Reduced hour schedule, if any, because of curtailed production: Employer states that lack of material for certain items are now causing lay-offs of about 12 people in some departments. A 50-percent reduction is anticipated within the next 60 days owing to lack of material, together with a large number of canceled orders.

HOME MANUFACTURING CO.

Major products (normal): Ladies' cotton dresses.

Total employment: 210.

189 skilled women.

12 skilled men.

7 women (office).

2 Men (office).

Total employment same month last year: 160.

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: None.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings (has adequate supply of material):

Skilled: 55 females in next 2 weeks.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Peaks, January 15 to June 15; August 1 to December 15.

Reduced hour schedule, if any, because of curtailed production: None.

A. F. KEATING CO., INC.

Major products (normal): Ladies' cotton and rayon dresses.

Total employment: 100.

94 skilled women.

2 skilled men.

2 women (office).

2 men (office).

Total employment same month last year: 150 (capacity).

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: None. Material on hand to operate 1 month. Enough on order to operate through February.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings: 50.

Skilled: 50 females next week (machine operators).

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Peaks, March to June, September, November to December.

Reduced hour schedule, if any, because of curtailed production: None.

LEADER IRON WORKS

Major products (normal): Steel fabrication for process industry.

Total employment: 109.

Total employment same month last year: 97.

Percentage of working force engaged in defense production: 80 percent—all sub-contracts, some twice or more removed.

Anticipated lay-offs: 17.

Skilled: 3.

Semiskilled: 10.

Unskilled: 4.

Other (including office).

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: October 1940, 97, up to September 1941, 130.

Reduced hour schedule, if any, because of curtailed production: 4,000 less hours of production over month before. Material to operate only 10 days. Twenty-one laid off from September to October, 4 skilled, 13 semiskilled, 4 unskilled.

MISSISSIPPI VALLEY STRUCTURAL STEEL CORPORATION

Major products (normal): Structural steel for building and bridges.

Total employment: 175.

Total employment same month last year: 150.

Percentage of working force engaged in defense production: Over 80 percent.

Anticipated lay-offs: None for 3 months at least, but thereafter depends on ability to get materials.¹

Skilled: 60.

Semiskilled: 20.

Unskilled: 80.

Other (including office): 10.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Increase has been gradual over period of last 5 months. No lay-offs.

Reduced hour schedule, if any, because of curtailed production: Working 50 hours per week since April 1911.

MITS GARMENT CO.

Major products (normal): Ladies cotton dresses.

Total employment: 55.

50 skilled women.

2 skilled men.

2 semiskilled men.

1 other (woman).

Total employment same month last year: 46.

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: Within 10 days or 2 weeks.

Skilled: 50 female, 2 male.

Semiskilled: 2 male (has material for 10 days' to 2 weeks' work; some on order.

Will close plant unless he can get material).

Unskilled: None.

Other (including office): 1 female.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Steady employment; no peaks or valleys.

Reduced-hour schedule, if any, because of curtailed production: None.

MODEL BRASS CO., INC.

Major products (normal): Brass, bronze, aluminum castings (rough only).

Total employment: 50.

Total employment same month last year: 21.

Percentage of working force engaged in defense production: 30 percent in defense production. However, this work is for a regular customer who has a subcontract

Anticipated lay-offs: None, if can secure material. Has enough material on hand at present to last 2 weeks.

Skilled: 21.

Semiskilled: 9.

Unskilled: 16.

Other (including office): 4 (3 male and 1 female).

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Total force in July 1939 was 120. In July 1911 total force was 72.

Reduced-hour schedule, if any, because of curtailed production: Now operating on 40-hour week. Have had no overtime within the last 30 days. Employer states that he has enough material on hand to last about 2 weeks.

¹ Have been and are now getting materials for defense work and expect to continue. Civilian work declining rapidly, but defense orders are taking up the loss.

MUELLER CO.

Major products (normal): Plumbing—water-gas-distribution products.
 Total employment: 886.
 Total employment same month last year: 656.
 Percentage of working force engaged in defense production: None.
 Anticipated lay-offs: 560. (Operate 3 months and gradual sifting out before that.)
 Skilled: 165.
 Semiskilled: 275.
 Unskilled: 110.
 Other (including office): 10.
 Anticipated hirings: None.
 Skilled.
 Semiskilled.
 Unskilled.
 Other.

Dates and extent of past hirings or lay-offs: June 1939 normal force of 565 employed, then gradual increase in employment to date, totaling at this time 886.
 Reduced-hour schedule, if any, because of curtailed production: Not yet, but expected less than 3 months.

OAKES PRODUCTS DIVISION OF HOUDAILLE-HERSHEY CO.

Major products (normal): Automobile bumper guards, hub caps, locks, and plated trim.
 Total employment: 825.
 Total employment same month last year: 1,125.
 Percentage of working force engaged in defense production: 10 percent.
 Anticipated lay-offs: 50 percent reduction in December; may go higher.
 Skilled: 85.
 Semiskilled: 100.
 Unskilled: 300.
 Other (including office).
 Anticipated hirings: None.
 Skilled.
 Semiskilled.
 Unskilled.
 Other.

Dates and extent of past hirings or lay-offs:
 Low, April 1941: 700.
 Peak, June 1940: 860.
 Reduced-hour schedule, if any, because of curtailed production: 32 hours per week in paint shop and receiving department. Most material stringency in sheet and strip steel and plating materials. If nickel and copper are cut off and supplies requisitioned, 400 platers, polishers, and buffers would be off next day.

ORNAMENTAL METAL WORKS

Major products (normal): Miscellaneous iron and light structural steel.
 Total employment: 24.
 Total employment same month last year: Same as of today. Try to keep same force year round.
 Percentage of working force engaged in defense production: None, direct or otherwise.
 Anticipated lay-offs: Enough material to last about 60 days.
 Skilled: 15.
 Semiskilled: None.
 Unskilled: 6.
 Other (including office): 3 (2 male and 1 female).
 Anticipated hirings: None.
 Skilled.
 Semiskilled.
 Unskilled.
 Other.

Dates and extent of past hirings or lay-offs: Employer states January and February are slow months, but total force is maintained the year round.

Reduced-hour schedule, if any, because of curtailed production: Regular schedule has been maintained up to the present time. Enough material on hand to last about 60 days.

OSGOOD & SONS, INC.

Major products (normal): Ladies' cotton and rayon dresses.

Total employment: 300.

263 skilled women.

15 skilled men.

17 women (office).

5 men (office).

Total employment same month last year: 215.

Percentage of working force engaged in defense production: None.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Can operate 30 days with present supply of material. Enough on order to operate through January.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

With abundant supply of all types of material, could use 65 machine operators (female).

Dates and extent of past hirings or lay-offs: Slack period—October, November, and December.

Reduced-hour schedule, if any, because of curtailed production: None.

JOHN W. SHAW CO., INC.

Major products (normal): Ladies' cotton dresses.

Total employment: 90.

84 skilled women.

4 skilled men.

2 semiskilled men.

Total employment same month last year: 120.

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: None; material on hand to operate 2 weeks; has material on order and expects no lay-offs.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings: None; could employ 30 skilled machine operators (female) if had adequate and even distribution of material.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Employment fairly steady.

Reduced hour schedule, if any, because of curtailed production: None.

A. E. STALEY MANUFACTURING CO.

Major products (normal): Processors of corn and soybeans.

Total employment: 1,800—1,350 hourly, 200 monthly, 250 general office.

Total employment same month last year: 1,600.

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: None.

Skilled.

Semi-skilled.

Unskilled.

Other (including office).

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Seventy-three laid off July 30 at insistence of employees to reduce extra board workers.

Reduced hour schedule, if any, because of curtailed production: None. Some difficulty getting chemicals and some metals, but substitutions may keep production at normal operation.

UNION IRON WORKS

Major products (normal): Corn shellers and grain conveying machinery for grain elevators; also job foundry.

Total employment: 75.

Total employment same month last year: 75.

Percentage of working force engaged in defense production: 5 percent.

Anticipated lay-offs: None anticipated before January 1, 1942.

Skilled: 25.

Semiskilled: 15.

Unskilled: 20.

Other (including office): 5.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Dates and extent of past hirings or lay-offs: Employment has been steady, with slight fluctuation since 1936.

Reduced hour schedule, if any, because of curtailed production: None, but entering slack season which may reduce to 35 hours in November. Because now entering normal slack season can operate until January 1, 1942, if very small quantities of light sheet steel and rolled shafting can be had from time to time (all bought through warehouse, not from mills).

Normal pig-iron inventory 250-300, present supply of 150 tons will run for 3 months. Use 45 tons per month. If supplies noted above are not available will start curtailment, 15 skilled, 30 unskilled, about December 10. If no further supplies are available will close about January 1, 1942.

UNITED STATES MANUFACTURING CO.

Major products (normal): Electrical appliance metal stamping.

Total employment: 148.

Total employment same month last year: 225.

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: 138. Operate 1 week.

Skilled: 10.

Semiskilled: 100.

Unskilled: 28.

Other (including office): None.

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: May 1941, beginning of lay-off from 225.

Reduced hour schedule, if any, because of curtailed production: Cut from 3 to 1½ shifts.

WABASH RAILROAD CO.

Major products (normal): Locomotive and car building and repair.

Total employment: 1,415.

Total employment same month last year: Not available, but lower; February 1940: 1,344.

Percentage of working force engaged in defense production: None.

Anticipated lay-offs: None.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings:

Skilled: 15 machinists; 15 boilermakers, if available.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Hired (mostly recalls). Locomotive shop and 120 in car shop in last 3 months.

Reduced hour schedule, if any, because of curtailed production: All on 6 day week.

Material for extensive car building program became available in last 3 months
Locomotive sent for rebuilding in that time.

WAGNER MALLEABLE IRON CO.

Major products (normal): Malleable iron castings.

Total employment: 410.

Total employment same month last year: 350.

Percentage of working force engaged in defense production: 73 percent September on 80 percent capacity operation; 55 percent actually.

Anticipated lay-offs: Although getting large portion of subcontracts on national defense have difficulty obtaining materials. Should they stop entirely, would reduce force to 3 watchmen and 8 in office.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other.

Dates and extent of past hirings or lay-offs: Gradual increase from 350 to 410 in past year.

Reduced hour schedule, if any, because of curtailed production: None.

WILLIAMS SEALING CORPORATION, DIVISION OF CROWN CORK AND SEAL

Major products (normal): Bottle caps and can tops.

Total employment: 122.

Total employment same month last year: 91.

Percentage of working force engaged in defense production: 5 men in machine shop now engaged in tooling for defense contract.

Anticipated lay-offs: None.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Anticipated hirings: None.

Skilled.

Semiskilled.

Unskilled.

Other (including office).

Dates and extent of past hirings or lay-offs: A year ago this month, the total force was 77. They reached their peak in employment in September of this year, with a total force of 115.

Reduced hour schedule, if any, because of curtailed production: Employer states that they are now tooling for a defense contract and will be in production within 2 weeks if the material arrives. It has not been necessary to make any reduction in operations so far.

EXHIBIT C.—DECATUR DEFENSE INDUSTRIES

MACHINE TOOL SURVEY SPONSORED BY THE ASSOCIATION OF COMMERCE, DECATUR, ILL., SUBMITTED BY RICHARD B. CALHOUN, EMPLOYER RELATIONS REPRESENTATIVE, DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION, ILLINOIS STATE DEPARTMENT OF LABOR, DECATUR, ILL.

OFFICE OF PRODUCTION MANAGEMENT,
DEFENSE CONTRACT SERVICE,
SEVENTH FEDERAL RESERVE DISTRICT,
Chicago, October 14, 1941.

To Whom It May Concern:

This is to certify that the Decatur Defense Industries has complied with the requirements of the Group Resources Unit, Office of Production Management, and is capable and willing to contract or subcontract within the range of its facilities and financial capacities.

CHARLES F. FRYE,
Group Resources Unit,
Division of Contract Distribution,
Office of Production Management.

A. W. CASH CO., DECATUR, ILL.

Manufacturing is carried on in a one-story brick building having a floor space of 25,000 square feet. Facilities include a railroad siding.

Present operation.—Plant is now operated at near capacity, using a day shift of 40 to 60 men and a small night shift.

Principal products manufactured.—Automatic valve specialties, 70 percent; combustion control equipment, 30 percent.

Defense work has been manufacturing standard equipment such as automatic valve specialties, combustion control, etc.

Defense work wanted.—Anything which can be manufactured with present plant facilities.

No additional production equipment can be added, as no space is available.

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age condition	Description
1	Turret lathe	B. & O	4	Screw machine	0.005	20	18-inch by 6-foot hollow spindle, wet
1	Rip saw	Delta	54 by 40 inches	Tilting table		10	14 by 32-inch arbor.
1	Drill press	South Bend	16 inches by 7 feet	Motorized	.001	6	Hand-lever feed.
1	Engine lathe	do	do	Quick change	.001	10	Regular equipment.
1	do	do	do	do	.001	5	Do.
1	do	do	do	do	.001	5	Taper attachment.
1	Nitrating furnace	L. A. N.	18 inches by 7 feet	Homo	.001	(2)	12 draw in collets.
1	Engine lathe	South Bend	10½ kilowatts	Motorized		5	Recording pyrometer control
1	Drill press	Buffalo	18 inches by 8 feet	Swing table		5	Taper attachment.
1	Vacuum pump	Beech-Ross	15-inch	Chain drive		5	Hand feed.
1	Drill press	Buffalo	20-inch	Swing table		5	Oil submerged type
1	Engine lathe	Hendy	36 inches by 8 feet	Swing table		10	Taper attachment, relieving attachment
1	Tool grinder	Gallmeier & Livingston	16 inches by 5 feet	Toolroom		3	Motor drive.
1	Squaring shear	Niagara	36-inch	Universal		13	On C. I. stand.
1	Double disk grinder	Gardner	36-inch	Foot power		15	Attachments
1	Circle shear	Niagara	21 inches by 8 feet	Plain slide		10	26-inch diameter disk.
1	Engine lathe	Reed-Prentice	20 inches by 8 feet	Hand power		15	Motor drive.
1	Flexible grinder	Haskins	11	Gear head		10	Motor drive.
1	Power hacksaw	Atkins	14-inch saw	H1.5		8	Attachments
1	D. C. motor generator set	G. E.	1½-kilowatt.	Motor drive		10	250 volts.
1	Drill press	Delta	14-inch	B. D.		15	Lever feed.
2	Arbor press	Sheldon	14-inch	Swing table		3	Hand power.
1	Turret lathe	Warner Swasey	1	Floor stand		2	Gear head, power feed, wet.
1	Engine lathe	Monarch	16 inches by 6 feet	Universal	.001	6	Quick change motor drive.
1	S-spooler drill	Bausch	15-inch	Gear head		20	Motor drive, power feed, 30 by 32-inch table
1	Shaper	Porter & Johnson	15-inch	20-inch lay-out		15	10-inch swivel vise.
1	Milling machine	Rockford	1½	Universal		2	9 by 36-inch table, motor drive, back geared
1	Drill press	Delta	14-inch	Quick change		2	Lever feed
1	Precision bench drill	H-E-Ed	A-104	Swing table		5	6-inch overhang, variable speed motor.
1	Engine lathe	South Bend	12 inches by 5 feet	Highest-speed ball-bearing.	.002	3	Thread dial-indicator stop.
1	Screw machines	B. & O	18 inches by 6 feet	Quick change	.005	20	Overhead motor.
1	Turret lathe	Millbroad	18 inches by 6 feet	Back gear	.005	25	Power feed, motor drive.
4	Key-seater	Colburn	3	Hollow spindle, back gear	.005	30	Quick change gear, hand feed cross slide.
1	Milling machine	Kemp Smith	3	Tilting table	.001	20	Belt drive.
2	Turret lathe	Greenlee	2	Universal	.005	20	Back geared, quick change, dividing head
1	Engine lathe	South Bend	16 inches by 6 feet	Plain	.005	25	Regular equipment
1	do	Filsmith	13 inches by 5 feet	Back gear	.010	30	Tapping only.
1	Drill press	Canady-Otto	20-inch	Quick change	.005	25	Power feed.
1	Hand miller	Chicago	388	Swing table	.005	25	7 by 20-inch table.
1	Turret lathe	Rivett	8 inches by 3 feet	Plain	.005	22	Hand feed.
1	Crank shaper	Flather	12-inch	Plain precision	.005	25	Motor drive, power cross feed.
1	Hand miller	Manufacturers	6	Universal	.005	25	
1	Engine lathe	Carroll-Jamison	13 inches by 7 feet	Plain	.005	20	

1	Drill press	Cincinnati	32-inch	Back geared	25	P
2	Engine lathe	Vernon	12 inches by 5 feet	Plain	22	P
1	Punch press	Whitney	124		2	G
1	Engine lathe	South Bend	16 inches by 8 feet	Quick change	.002	G
2	Drill presses	Delta	17-inch	Swing table	2	G
2	..... do	do	14-inch	do	1	G

1 G- Good, F- Fair, P- Poor.

1 horsepower motor drive.

A. W. CASH VALVE MANUFACTURING CORPORATION, DECATUR, ILL.

Manufacturing is carried on in a new brick and steel building containing 15,000 square feet of floor space; 70 percent of available floor space is now in use. No railroad siding is available.

Present operation.—Plant is now operating one 8-hour shift of 18 employees. Capacity could be tripled by adding 2 additional shifts.

Principal products manufactured.—Automatic valve specialties for plumbing and heating trade. Defense work to date has been indirect, but a survey of customers indicates that about 32 percent of our regular products are going into defense work.

Defense work wanted.—Interested in anything which can be produced with our present equipment. Would consider installing production equipment to manufacture defense materials. This is a new plant, and has considerable available floor space for expansion. Additional labor is available and financial aid would be required. Power facilities for three times the present machines is available.

Quantity	Machine	Make	Size	Type	Minimum tolerance	Condition	Description
	PRODUCTION MACHINES						
1	Turret lathe.....	Foster.....	0.....	Plain.....	-0.005	F	3/8-inch bar capacity, Cullman variable drive, lever cross slide, hand-operated bar feed; used to fabricate brass rods 1/4 to 3/4 inch long.
1	do.....	Electric Warner-Swasey.....	1.....	do.....	-.002	G	3/8-inch bar capacity, 4-inch swing, 1 cross slide, electric bar feed, 4-inch maximum stroke, finer type, 4-speed, 600-3,600 revolutions per minute, fixed and revolving, used to fabricate brass rod 1/4 to 4 inches long. Lever cross slide.
1	do.....	Millholland.....	.....	do.....	-.07	F	1-inch bar capacity, revolving Cullman drive, lever cross slide. Hand bar feed. 4-speed top, 1,800 revolutions per minute; used on stock and castings, brass, mostly second operation work.
2	do.....	Warner-Swasey.....	4.....	Universal.....	-.005	F	Gear'd friction head cone, revolving Cullman drive, 1 1/2-inch bar capacity; hand bar feed. 8-speed top, 1,400 revolutions per minute and power longitudinal feed to turret 15-inch swing over bed. 1 lever and 1 screw, hand-operated, cross slide, used on brass rod and castings.
1	do.....	do.....	2.....	do.....	-.002	G	G. H. motor in base. V-drive 1-inch bar capacity, 14-inch swing over bed. Hand-operated, bar feed and lever cross slide, 6 speed 134-1,480. Power longitudinal feed to turret, used on brass bar and casting in extra capacity collet.
1	do.....	do.....	4.....	do.....	-.0015	G	24-speed (30-1,532) pre-selector controlled geared head, 2-inch bar capacity, 15 3/4-inch swing over carriage guides. Power feeds to cross slide and turret.
	TOOLROOM EQUIPMENT						
2	Engine lathes.....	.....	.....	Belt drive.....	(14)	F	15-inch swing, 8-foot bed with taper attachment. Steady and follow rest.
1	do.....	.....	.....	do.....	(16)	F	13-inch swing, 6-foot bed with taper attachment. Steady and follow rest.
1	Shaper.....	Sellew.....	.....	do.....	23	G	15-inch shaper with longitudinal and cross feed.

G—Good. F—Fair. P—Poor.

Quantity	Machine	Make	Size	Type	Minimum tolerance	Condition	Description
TOOLROOM EQUIPMENT--							
continued							
1	Milling machine	Niagara	3	Belt drive		F	C. S. Machine Tool Co. hand milling machine (small) producing machine.
1	Punch press					G	Single action 1 1/2-inch stroke motor, V to flat driven).
1	Grinder	B. & D		Pedestal		F	1/2 by 6 inches.
1	do	Companion		do		F	Do.
1	do	Delta		do		G	Do.
1	do	Pumore	2xG	Portable		G	Carbide tool grinder.
1	Drill press, motor-driven	Avey	2				With internal attachments.
1	do	Delta	4				3-speed, 2-change, 1/8 to 3/4 by 3/8 inches.
1	do	do	17 to 18 inches				1-speed, 1-change, 1 1/2-inch drill.
1	Drill press, belt-driven	Silver Manufacturing					1-speed, 1-change, 1-inch drill.
1	Drill press, motor-driven	Excelsior					1-speed, 1-change, 1-inch drill.
1	do	Lealand-Gafford					1-speed, 1-change, 1 1/2-inch drill.
1	Drill press, belt-driven	Barnes	15-inch				Do.
1	Drill press, motor-driven	Champion	18-inch				Do.
1	do	Manning, Maxwell & Moore.	20-inch				1-speed, 1-change, 1 1/2-inch drill.

3 New.

CHAMBERS, BERING, QUINLAN CO., DECATUR, ILL.

Manufacturing is carried on in three buildings as follows: A one-story brick building containing 46,482 square feet, a one-story frame iron-clad building containing 7,224 square feet, and a one-story frame building containing 11,481 square feet. Facilities include a railroad siding.

Present operations.—Plant is now operated at 100-percent capacity as follows:

Foundry: Two shifts of 12 hours each.

Drop forge: Two shifts of 9 hours each.

Machine shop: Two shifts of 8 hours each.

Principal products manufactured.—Gray-iron castings, fittings for steel-barrel industry, and drop forgings. Gray-iron castings represent 45 percent of output and fittings for steel-barrel industry 55 percent of output. Defense work has been on subcontract and approximately 80 percent of barrel fittings have gone to defense program. Estimated 20 percent of gray-iron casting output for defense work.

Defense work wanted.—Drop-forged parts, gray-iron castings (small easily machinable type).

For the immediate future feel that our part in the defense program lies in our producing fittings for the steel-barrel industry, which is considered very essential for defense.

Would be interested in installing production equipment for the manufacture of defense materials. Additional labor is available and no financial aid would be needed.

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description
	BARREL FLUG SHOP							
6	Turret lathes.....	Special.....	2.....	Reversible spindles.....	0.005.....	20.....	P.....	Used for threading 3/4-inch barrel plugs only.
8	do.....	2 Reed..... 3 Fosters..... 3 Warner-Swasey.....	.....	4 plain.....	.005.....	20.....	P.....	Used only for threading 2-inch barrel plugs.
2	do.....	Foster.....	.....	3 plain.....	.005.....	20.....	P.....	Used only for threading 1 1/2-inch barrel plugs.
6	do.....	2 Warner-Swasey.....	.....	2 plain.....	.005.....	20.....	P.....	Used only for threading 3/4-inch barrel plugs.
4	Drill presses.....	Canady-Otto.....	14.....	Bench.....	.....	5.....	G.....	
2	do.....	Detroit.....	14.....	5 spindles.....	.....	30.....	P.....	
1	Hand miller.....	Brainard.....	2.....	.....	.003.....	30.....	P.....	Used for drilling 1/8-inch holes.
1	Disk grinder.....	Besly.....	17.....	.....	.....	10.....	G.....	Do.
	ONE CASTING DEPARTMENT							
1	D. C. machine.....	Schultz.....	18.....	Hydraulic.....	O. K.....	2.....	G.....	
1	do.....	Faith.....	14.....	Pneumatic.....	.....	20.....	G.....	
4	Foot presses.....	Excelsior.....	15.....	.....	.....	10.....	G.....	
1	Tapper.....	Special.....	3/4-inch.....	Vertical.....	.....	20.....	P.....	
	TOOL ROOM							
	ELECTROPLATING DEPARTMENT							
1	Cadmium plating tank.....	.....	.....	.....	.....	.....	.....
1	White zinc plating tank.....	.....	.....	.....	.....	.....	.....
1	Copper plating tank.....	.....	.....	.....	.....	.....	.....
1	Acid zinc plating tank.....	.....	.....	.....	.....	.....	.....
1	1,500-ampere generator for above plating.....	.....	.....	.....	.....	.....	.....
	FORGE SHOP							
1	Drop hammer.....	Erie.....	2,000.....	Board drop.....	.....	1.....	G.....	
4	do.....	Bliss.....	1,500.....	do.....	.....	10.....	G.....	
1	Punch press.....	Consolidated.....	62.....	Gap press.....	.....	20.....	G.....	
1	do.....	.....	4.....	Inclinable.....	.....	15.....	G.....	
	FLANGE SHOP							
3	Punch presses.....	McDonald.....	1-2.....	do.....	.....	10.....	G.....	
4	do.....	Consolidated.....	.....	2 5/4 straight side, 2 6/4.....	.....	15.....	G.....	
1	Punch press.....	Toledo.....	55.....	Straight side, back geared.....	.....	15.....	G.....	

1	do	Niagara	57½	do	15	G
2	Thread rollers	Bliss	119	Hand operated	20	G
2	Drill presses	Camady-Otto	14-inch	Bench type	5	G
1	do	Acme	14-inch	do	6	G
1	Nut taper	Acme	3½-inch	6 spindle	20	G
2	do	do	2-inch	do	20	G
8	Nut-facing machines	Victor	1-inch	Horizontal	20	G
2	Foot presses	Excelsior	15		10	G
FOUNDRY DEPARTMENT						
13	Molding machines	International	10-inch	Jolt squeeze	4	G
1	do	do	8-inch	do	5	G
6	do	Milwaukee	10-inch	do	2	G
4	do	Arcade	do	do	15	F
1	do	do	8-inch	do	15	P
2	do	Niehols	10-inch	do	10	F
2	do	Milwaukee	142	Jolt strip	15	F
1	do	Davenport	22	Jolt roll-over	15	F
1	do	Champion	26-8	do	15	F
1	do	Milwaukee	112	Jolt squeeze strip	1	G
2	Truck type core ovens	Maehler			1	G
1	Cabinet type core oven	do			1	G
1	Truck type core oven	do			15	F
1	Core blower	Demmler	2		7	F
2	do	International	SB-10		3	F
2	Core draw machine	do	14-inch	RJ 8-inch draw	5	G
1	Core hooking machine	Republic			3	G
1	Wheelabrator tumbler	American	48 by 42	Mill	3	G
1	Sandblast	Sty	(0)	do	6	F
1	do	Pancho	3	Mill GH-1	8	F
1	Cupola	Whiting	6-48 inch		15	G
1	do	do	4-42-inch		6	G

1 G—Good, F—Fair, P—Poor.

2 Good toolroom, well equipped with good machine tools for a force of 15 tool and die makers. Will furnish kind and make of machinery if desired.

DECATUR BRASS WORKS, DECATUR, ILL.

This company is a subsidiary of The Bastian-Blessing Co., Chicago, Ill. Plant consists of one 3-story brick building having a floor space of 15,000 square feet. Eighty percent of available floor space is in use. No railroad siding or dock.

Present operations.—Plant is now operating at 60 percent of capacity, employing one shift of 60 skilled and semiskilled employees.

Principal products manufactured.—Metal parts: Machine shop operated 70 percent of capacity; plating and polishing, 70 percent of capacity; iron machine shop, 50 percent of capacity.

Defense work wanted.—Surgical anesthesia machinings; brass, bronze, steel, and iron machine parts.

Would be interested in installing production equipment for the manufacture of defense materials. Additional labor is available and no financial aid would be needed.

Quantity	Machine	Make	Size	Type	Age (Year)	Condition	Description
1	Power press	Rockford	4	Open back	15	G	18 by 27 inches.
1	Plating generator	Edger Electric	1,500 amperes	Direct connected	6	G	15 horsepower A. C. motor, 575 revolutions per minute, 200-volt, 60-cycle, 3-phase—D. C. belt-driven exciter 1/2 kilowatt, 1,725 revolutions per minute 125-volt 4 amperes, 1,200 revolutions per minute, 2,400 weight, with G-E 3-horsepower A. C. motor, 1,200 revolutions per minute, 220-volt, 60-cycle, 3-horsepower A. C. motor, 1,200 revolutions per minute, 220-volt, 60-cycle, 3-phase.
1	Plating dynamo	Hanson & Van Winkle	5X		10	G	36 inches long.
1	Polishing lathe	do	18-inch	Double end	10	G	8 by 12 inches.
4	Disc grinder	L'Hommedieu	7	Double end	15	P	1 1/2 by 50 inches.
1	Polishing lathe	do	1 1/2-inch	Spindle	15	G	Belt drive.
1	Polisher	Hanson & Van Winkle	2-quart	Horizontal	10	G	3 2-quart copper pots.
1	Glue heater	Turner Foundry & Machine Co	7-inch	Overshang	6	P	40-inch centers, hand feed, movable heads 14 by 36 inches, movable table.
2	Cock grinding machines				20	P	Stationary head 7 by 10 inches.
1	Bevel drill	Federal	5-inch	do	10	G	5 1/2 by 13 inches, spindle 1 1/2 inches swivel bed.
1	Grinder	Strong, Carlisle & Hammond	7 1/2 by 13 inches	Spindle	10	G	16-inch swing, 7 1/2-inch-diameter turret, with 1-3 jaw 4-inch universal chuck, 1-12 inch box chuck.
1	Turret lathe	Warner-Swasey	2	Hand	15	G	18-inch diameter table, stationary heads.
1	Drill	B. F. Barnes	24-inch	Upright	18	G	7-foot bed.
2	Key lathe	Warner-Swasey	12-inch	Double head	6	G	Stationary head, 16-inch diameter movable table.
1	Drill	Canady-Otto	21-inch	Upright	18	P	Single spindle, on pedestal.
1	Grinder	Warner-Swasey	3	Horizontal	20	P	Electric.
1	Arbor press	Sheldon	6-inch	Double end	10	G	Do.
1	Bevel grinder	Sunlight	12-inch	Single disk	10	G	5 by 22 inches.
1	Grinder	Hanson	3	Bench	21	G	
1	Arbor press	Bristol	1	Hand	24	G	
1	Milling machine	J. G. Blount	12 by 48 inches	do	22	P	
2	Speed lathe	Warner-Swasey	12 by 52 inches	do	20	G	
1	Power press	Ferracite	8 by 19 inches	Inclined	24	G	
1	Turret lathe	Warner-Swasey	12-inch	Hand	24	G	
1	do	do	do	do	18	P	
1	Screw machine	do	4	do	15	G	
1	Turret lathe	do	14-inch	Universal	18	G	
1	Screw machine	do	2	Hand	15	G	
1	Turret lathe	Bardons & Oliver	1	do	24	P	
1	do	Warner-Swasey	16-inch	do	24	G	

G. Good. F. Fair. P. Poor.

Quantity	Machine	Make	Size	Type	Age	Condition	Description
1	Grinder	Eclipse	6-inch	Gas-fired	8	G	3/4-inch spindle 6 1/2 inches between flanges.
1	Heat-treating furnace	Monarch	14 inches by 6 feet	Back gears	24	G	16 by 12 by 12 inches.
1	Engine lathe	W. B. Knight	1 1/2		20	G	1 7/8-inch 3-jaw universal chuck, 1 9/16-inch 4-jaw independent chuck.
1	Milling machine	Garvin	1	Universal	15	G	8 inches overhand spindle, 7 1/2 by 28 1/2 inch table.
1	do.	Thompson	12-inch	Double-wheel	20	G	11 by 37-inch table, 12-inch diameter table attachment.
1	Cutter grinder	Hendey	20-inch	Metal cutter	24	P	24 inches between flanges, 5 by 21-inch table.
1	Shaper	Peck, Stow & Wilcox	Acme No. 2		20	G	
1	Shear	Armstrong-Blum	12-inch	Power	12	G	
1	Hacksaw	Excelsior	6-inch	Upright	20	G	
1	Drill	Diamond	1-inch	Double-end	9	G	With Century 1/4-horsepower D. C. motor, 1,750 revolutions per minute.
1	Grinder	Mueller	4-foot		24	P	15 inches between flanges.
1	Radial drill	Ballard	24-inch	Vertical	14	P	Hexagon turret on top rail.
1	Turret lathe	Warner-Swasey			24	G	12 inches by 4 feet by 6 inches.
1	Speed lathe				20	G	

DECATUR PUMP CO., DECATUR, ILL.

Manufacturing is carried on in a one-story brick and steel building of 25,000 square feet floor space. Facilities include a railroad siding.

Present operation.—Plant is operating at near capacity, using 1 shift of 60 employees.

Principal products manufactured.—Farm pumps, water-supply systems, and condensation return units. About 20 percent of present output goes to the Navy for defense, and the amount is increasing.

Defense work wanted.—Building of pumps, our own or similar pumps, for which our equipment is best suited.

No additional floor space to accommodate production equipment is available.

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age division	Description
1	Turret lathe	Warner-Swasly	2		.001	2	Collet 1-inch radius. Swing over bed 14 inches. Distance collet to turret, 18 inches.
2	do.	do.	3	Universal	.001	2	Collet 1½-inch radius. Swing over bed 17½ inches. Distance collet to turret, 21 inches.
1	do.	do.	4	do.	.003	15	Do.
1	do.	do.	4	do.	.001	3	Collet 1¼-inch radius. Swing over bed 18½ inches. Distance collet to turret, 30 inches.
1	do.	do.	5	do.	.002	6	Collet 1¾-inch radius. Swing over bed 16 inches. Distance collet to turret, 29 inches.
1	do.	Gisholt	4	do.	.001	1	Collet 2-inch radius. Swing over bed 18½ inches. Distance collet to turret, 26 inches.
1	Drill press	Allen				20	4 spindles. Belt-driven No. 2 Morse taper spindles.
1	do.	Leland-Gifford				5	2 spindles. No. 2 Morse taper. 20- by 15-inch table. 1 reversing spindle for tapping.
2	do.	Barnes				20	No. 4 Morse taper spindle. 20-inch diameter table.
1	Drill and tapping	Nateo				12	16-spindle. No. 2 Morse taper 26- by 40-inch table. Reversing attachment for tapping.
1	Punch press	V. O.	2½-inch			12	¾-inch pipe, ⅝-inch N. C. 25-ton capacity. 2-inch stroke. Maximum die space 8½ inches, 10- by 30-inch bed plate.
1	Boring and milling	Giddings & Lewis	32		.005	20	3-inch spindle.

G—Good, F—Fair, P—Poor.

FARIES MANUFACTURING CO., DECATUR, ILL.

Manufacturing is carried on in mill-type buildings of from one to three floors having a total area of 175,000 square feet. Facilities include a railroad siding.

Present operation.—Some departments operating at 100 percent of capacity; others as little as 25 percent. Three shifts of 8 hours each are employed in some departments. Total number of skilled and semiskilled employees now engaged is 400.

Principal products manufactured.—Portable electric lamps, metal shades and reflectors, lighting equipment, fixture parts, brass fittings. Automatic screw-machine work, stampings, spinings, brass, bronze and aluminum, and nickel-silver castings.

Defense work includes stamping- and screw-machine work for Picatinny Arsenal, also primers for the British and screw-machine work for Dutch East Indies.

Defense work wanted.—Anything for which our facilities are suited.

Would be interested in installing production equipment for the manufacture of defense materials. Additional labor is available and no financial aid would be required.

Quantity	Machine	Make	Size	Type	Description
1	Automatic screw machines	NationalAcme	515	9/16-inch round	
6	do	do	52A	3/4-inch round	
3	do	do	53A	1-inch round	
1	do	do	54A	1 1/8-inch round	
2	do	do	55A	1 1/2-inch round	
1	do	do	56A	2 1/4-inch round	
3	do	Brown-Sharp	00	3/8-inch	
1	do	do	2	7/8-inch	
1	do	Index	1-inch M	1 1/16-inch	
2	do	National Acme	RA-6	1-inch	
2	do	do	20	do	
5	do	do	20	3 1/2-inch stroke	
1	Punch press	Bliss	20	3-inch stroke	
3	do	R. & K	1	1 1/2-inch stroke	
1	do	do	4 1/2	3 1/2-inch stroke	
1	do	do	4	do	
1	do	do	6	2-inch stroke	
1	do	Bliss	600 2	4 to 42-inch stroke	
1	Reducing press	do	11 1/2		
2	Toggle drawing press	do	3 1/2A		
1	do	do	11 1/2C		
2	do	do	0	1 1/2-inch stroke	
5	Punch press	Consolidated	2	2-inch stroke	
3	do	R. & K	3	4-inch stroke	
1	do	Consolidated	2	1 1/2-by 4-inch stroke	
1	do	Bliss	968	3 1/2-inch stroke	
1	Wiring and boring press	do		2 1/2-inch stroke	
1	Farrall foundry open back geared press.	do		Double action.	
1	Toggle drawing press	Bliss	3 1/2 AC	16-inch stroke of punch, 10-inch stroke of blank holder.	
1	Press	do	6700/51716	5 1/2 inch stroke	
2	Reducing press	do	36314	8-inch stroke	
1	Press	do	6	5-inch stroke	
1	do	do	5	5 1/2-inch stroke	
1	do	do	21	do	
1	do	do	1	2-inch stroke	
1	do	Verson	6-C-30	11-inch stroke	
1	do	Stimpson			
1	Utility bench press	do			
4	Hand bench press	do			
1	do	do			
1	Kick press	do			
1	do	Consolidated			
2	Kick press (horn)	Rosworth	1A	3-inch depth of throat	
2	do	do		1 1/4-inch depth of throat	
1	Punch press	Schultz		3-inch depth of throat	
1	do	R. & K	3	6-inch depth of throat	
1	do	Consolidated	2	3-inch stroke	
1	do	Faries		1 1/2-inch stroke	

Melting capacity, about 20 tons brass, 5 tons aluminum per day. No heat treating. Complete plating department for nickel, chromic, cadmium, etc.

6-tool position, 3-inch swing over cross piece, 10-inch swing behind cross piece.

6 tool position, $7\frac{1}{8}$ -inch.

2	Foot lever press	Bliss	7	6-inch depth of throat
1	do	do	7	1½-inch stroke
1	Press	Consolidated	0	
1	Foot lever press	Etna	0	
1	Press	R. & K	1	1½-inch stroke
1	Foundry equipment	Assorted		
1	Hand screw machine	Warner-Swasey	6	$9\frac{1}{8}$ -inch
1	Turret lathe			1½-inch
2	Hand screw machine	Warner-Swasey	4	1½-inch
1	do	do	2	do
1	do	Bardons & Oliver	1	$\frac{3}{4}$ -inch
1	do	Warner-Swasey	1	$\frac{5}{8}$ -inch
1	do	do	2	1-inch
2	do	Foster		do
1	Turret lathe			2½-inch swing
1	Engine lathe			14-inch
1	Hand screw machine	Warner-Swasey		1½-inch
1	Chuck machine		33	
MISCELLANEOUS				
8	Lathes	LeBlonde		14 by 6 inches
1	Engine lathe			1 spindle
1	Beading machine			
4	Drill press			
1	Trim lathe			30-inch
1	Shear, power squaring	Brombacher		
1	Hand slitting shear	Church		30-inch
1	Shear, power square	Excedstor		Foot power
1	Shear, square			
9	Hand spinning lathes	Good Manufacturing		
1	Spinning lathe			
2	do			
1	Power metal splitter			
1	Power shears			
1	Braking machine, hand			
1	Welding machine			
1	Emery grinder			
1	Milling machines			
2	Hand arbor press			
1	Drill press			
2	Shapers			
1	Planer			
1	Engine lathes			
2	Hand screw press			
1	Disc grinder			
1	Oakley grinder			
1	Filing machine			

Quantity	Machine	Make	Size	Type	Description
	MISCELLANEOUS—continued				
1	Hand break				
1	Hand roller				
1	Hand beader				
2	Drop forge hammer				
1	Hammer				
2	Lathes	LeBlonde			
2	do	Henry			
1	Grinder				
1	Drill	Barnes			
1	do				1 spindle
2	Milling machines				do
1	Drill press				
1	Bench filer				
1	Bench lathe	Illinois			Single spindle
1	Slapper	Catacaet			Motor driven
1	Surface grinder	Kelly			7 by 32 inches
1	Bench grinder	B. & S.			16-inch
1	Lathe				2
1	Drill press	South Bend			Hand electric
3	do				9-inch
3	Saw				3 spindle
1	Lathe				1 spindle
3	Lathe				
1	Trimmer				
1	Tapper				
1	Small tapper				
2	Automatic thread roller				
1	Rivet heat machine				
1	Grinder, wheel (2)				
2	Bench break				
1	Thread machine	Bignall-Kveeler			Head
1	Tilted turret	Woods			
2	Tapping machines				
1	Countersink machine	Brown & Sharpe			
2	Pipe-threading machines				
1	Pipe-countersinking machine				
3	Milling machines				
1	Threading machine (tubing)				
2	Emery grinders				
1	Automatic tapping machine				
2	Drill press				
5	do				5 spindle
4	do				4 spindle
1	Countersink				2 spindle
1	Cock grinding machine				

Quantity	Description	Brand	Price	Power
1	Drill press	Barnes		6 spindle
1	Grinding machine			
1	Saw for tubing			
1	Cut-off saw		1000	Foot power
1	Cutting press	Gould & Eberhardt		
1	Foot press			
1	Roller, bench, hand			
1	Router			
1	Saw			
1	Butting machine			
1	Speed lathe			
1	Squaring shears, foot power			
3	Bending table			
1	Foot shears			
1	Hand punch			
1	Crimping machine, grid		7984	
1	Pneumatic mauling machine	Tabor		
1	do		8869	
1	do		9254	
1	Bushing lathe			
1	Paint machine			
2	Circular rip saw	American		Wood frame 36-inch
1	Band saw			
17	Butting machines			
1	Automatic butler			
1	Burnishing barrel			
1	Tumbling barrel			
4	Brushing machines			
3	Brushing lathes			
2	Northampton buffers			
3	Scratch brush lathes			
1	Sand blast machine			
1	Brushing lathe			

THE GRIGOLEIT CO., DECATUR, ILL.

Manufacturing is carried on in a three-story brick building of 45,000 square feet floor space, and a one-story brick building having 1,500 square feet of floor space. No railroad siding nor dock.

Present operations.—Plant is now operating at 75 percent of capacity, using two and three shifts of 8 hours each. Two hundred and forty skilled and semi-skilled employees divided among three shifts.

Principal products manufactured.—Plastic closures, 40 percent; plastic trim for appliances, 55 percent; steel stamping, 5 percent.

Defense work has been subcontracted for auxiliary boosters, on contract No. W-271-ORD-510.

Defense work wanted.—Any kind of plastics and light stamping.

Would be interested in installing production equipment for the manufacture of defense materials. Financial aid needed would depend upon the amount involved.

Quantity	Machine	Make	Size	Type	Age	Condition	Description
4	Hydraulic presses.	Grigolet		Automatic.	1	G	31 tons, 24-inch stroke.
6	do.	do.		do.	3	G	100 tons, 4-inch stroke.
1	do.	Elmes		Semiautomatic	1	G	500 tons, 17-inch stroke.
1	do.	Grigolet		do.	15	G	400 tons, 12-inch stroke.
1	do.	Albert		do.	4	G	400 tons, 8-inch stroke.
5	do.	do.		do.	4	G	200 tons, 18-inch stroke.
3	do.	do.		do.	15	G	200 tons, 14-inch stroke.
4	do.	do.		do.	4	G	200 tons, 14-inch stroke.
2	do.	do.		do.	15	G	125 tons, 12-inch stroke.
1	do.	do.		do.	15	G	125 tons, 12-inch stroke.
13	do.	Albert		do.	5	G	125 tons, 8-inch stroke.
2	do.	do.		do.	10	G	85 tons, 12-inch stroke.
3	do.	do.		do.	10	G	75 tons, 12-inch stroke.
1	Injection press.	Recd-Prentice		10-A	(?)	G	33 tons, 8-inch stroke.
1	Engine lathe.	South Bend			2	G	4-ounce.
1	do.	Heandy			15	G	16 by 60 inches.
1	do.	LeBlond			15	G	18 by 50 inches.
1	do.	Greaves & Klausman			15	G	16 by 33 inches.
1	do.	Recd-Prentice			15	G	18 by 28 inches.
1	Bench lathe	Rivett			15	G	30 by 132 inches.
1	do.	Ames			15	G	10 by 24 inches.
1	Shaper.	G. & E.			5	G	8 by 18 inches.
1	do.	do.			15	G	16-inch.
1	do.	Cincinnati			15	G	17-inch.
1	Milling machine.	LeBlond	4	Horizontal.	15	G	32-inch.
1	do.	Becker	A. B.	Vertical.	15	G	
1	do.	Recd-Prentice	2-V	do.	2	G	
1	do.	Bridgeport	BH170	Vertical HS	1	G	
1	Drill press.	Delta			2	G	17-inch.
1	do.	Cannady-Otto.			3	G	20-inch.
1	Surface grinder.	Walker		Magnetic chuck	15	G	17 by 6 inches.
1	Power saw.	Marvel	2		15	F	14-inch blade.
1	do.	do.			10	G	10-inch blade.
1	Contour saw	Doall			1	G	150 amperes.
1	Electric welder	Lincoln, Jr			3	G	20 kilowatts.
1	Acetylene welder	Rego			4	G	
1	Spot welder	Dyer			1	G	
2	Buffing lathes.	Black & Decker		Double end	7	G	
2	do.	L'Honnmedeu		do.	5	G	
1	do.	Mareske		do.	5	G	
3	do.	Valley Electric		do.	4	G	

1 G—Good. F—Fair. P—Poor.
? New.

Quantity	Machine	Make	Size	Type	Age	Con- di- tion	Description
3	Production tappers	Marvel		Horizontal	3	G	12-inch.
5	Disk sanders	Delta			1	G	For grinding.
1	Drum sander	Companion		Table		G	17-inch center by 6 inches wide.
1	Saw	Delta				G	10-inch.
1	Belt sander	do				G	
1	Disk sander	do				G	
1	Cut-off machine	Fanco				G	
4	Kick presses	do				G	
1	do	do				G	
1	Punch press	Consolidated	2	O. B. J		G	6-inch opening, 6-inch stroke.
1	do	Niagara	3	do		G	7-inch opening, 7-inch stroke.
1	do	Verson	4	do		G	2-inch stroke, 6-inch opening.
1	do	Sawaine	37	do		G	7-inch opening, 3 inch stroke.
1	do	Bless	19/2	do	1	G	3-inch stroke, 7-inch opening.
1	do	Buffalo		do		G	4-inch stroke, 6-inch opening.
1	do	Delta		Floor model		G	3-inch stroke, 4-inch opening.
2	Drill presses	Companion		do	5	G	7 1/2-inch column to drill 1/2 inch chuck.
1	do	Delta			1	G	12-inch.
5	do	Companion			3	G	Do.
1	do	Delta			3	G	10 inch.
1	do	Yates American			3	G	
4	Lining machines	Johnson		Automatic cap	4	G	
2	Spray booths			Drying system	2	G	
1	Oven	Assorted		do	2	G	5 by 6 by 7 feet.
	Plating equipment						Cyanide copper, acid copper, bright nickel, and chromium.
	Heat treating	do					Tools and dies.

MISSISSIPPI VALLEY STRUCTURAL STEEL CO., DECATUR, ILL.

Factory consists of one-story steel and brick buildings containing 70,000 square feet of floor space. In addition, there is a warehouse and loading space in a one-story steel and corrugated iron building containing 75,000 square feet of floor space. Crane capacity in factory, two of 15 tons each. Warehouse equipped with one 15-ton crane. Railroad sidings from both Wabash and Baltimore & Ohio Railroads.

Present operation.—Plant is operating at near capacity, using one 8-hour shift of 140 employes.

Principal products manufactured.—Present output consists of bridges, buildings, and building equipment, hoppers, bins, etc. Defense work has been fabrication of aviation plants, etc. In the 1917 period this plant fabricated ships.

Defense work wanted.—Weldments and riveted structures for which plant is best suited.

Would consider installing production equipment to manufacture defense materials and no financial aid would be required, if amortization is assured. Additional common and semiskilled labor is available.

Quantity	Machine	Make	Size	Type	Minimum Tolerance	Condition	Description
1	Angle shear	Long & Alston		Swivel	1/16-inch	G	6 by 34-inch Roll table and length gages.
1	Plate shear	Berch	1 1/4-inch	O. T.		G	22 by 3/4 swivel base-roll charge.
1	Roll shear	Carlson	1-inch	Alligator		G	Full roll charge and discharge.
1	do	Badger		do		G	
1	Combination punch and shear	Pels	4 by 4 by 1/2	6		G	Double-end machine.
4	Auto burners	A. R. S. Co.		Various		G	Oxyacetylene cartriges.
1	Hot saw	Ryverson	20-inch	Cut-off		G	20-inch standard beams or equal sawed.
2	Band saws	Marvel	18-inch	Metal		G	Bevel tilt.
1	Hacksaws	do	6-inch	Hi-speed		G	6 by 6-inch cap metal.
1	End miller	Cleveland	30-inch	Rotary		F	Horizontal travel 8 feet.
1	do	Newton	48-inch	do		F	Horizontal travel 10 inches.
1	Rod bender	Mississippi Valley Structural Steel Co.	1 1/8-inch	Power		F	
1	Brake	do	36-inch			G	200-ton capacity.
1	Shear rolls	do	16-gage	A		G	5 feet by 16-gage.
1	Plate rolls	do	12-inch	Pyramid		G	Capacity 1 1/2-inch by 10 feet.
1	Angle rolls	Mississippi Valley Structural Steel Co.		Horizontal		G	4 by 4 by 9/8-inch capacity.
2	Pneumatic benders	Underwood		do		G	
1	Beam straightener	Laurie	100 T	Hydraulic		G	10 by 1 1/4-inch cold.
1	Cone brake	Mississippi Valley Structural Steel Co.	200 T	Power		G	50-ton reversible.
2	Punch and shears	Cleveland	EF	O. T. 36-inch		G	Capacity 17 feet by 1 1/4-inch coneing and flanging.
1	Punch	Whiting	8	15-inch O. T.		G	
1	do	do		36-inch O. T.		G	34 by 3/4-inch through 1 inch.
1	do	Cleveland	EF	60-inch O. T.		G	1 1/2 by 1-inch with pin spacer table.
1	Punch and copier	L. & A	B	Beam gap		G	1 1/2 by 1-inch with power spacer table.
1	Punch	Reade		20-inch O. T.		G	22 1/2-ton.
1	do	Kling		12-inch O. T.		G	1 by 1-inch capacity.
1	Punch and spacer	L. & A	B	Beam gap		G	34 by 3/4-inch.
1	Punch press	Swaine		Hi-speed		G	Gang 6 holes 1 by 1-inch with spacer table.
1	Punch	Rock River		36-inch O. T.		G	
1	do	Whiting	8	24-inch O. T.		G	34 by 3/4-inch.
1	Drill gantry	Mississippi Valley Structural Steel Co.		1 1/4-inch		G	Traveling, travel covers 10 by 120 feet.
2	Drill jibs	Natco	14	do		G	18 foot radial limit.
1	Multidrill	Miscellaneous		16 spindle		G	1 inch in steel.
9	Post drills	Miscellaneous		10 to 26 inches swing		G	Capacity varies from sensitive to large hole.
RIVETING							
9	Riveters	Hanna Allen		Jaw and punch-bug		G	Capacity to 1 1/8-inch hot.

	WELDING				
10	Welders generator sets		200 to 400 amp. cap.	G	
	MISCELLANEOUS MECHANICAL MACHINES				
1	Steam hammer	Chambersburg	800	Vertical	G
1	Trip hammer	W. & W			G
1	Upsetter and header	National	2-inch		G
1	Triple bolt threader	do	To 1 1/2-inch		P
1	Pipe threader	do	2 1/2-inch		P
1	Bd plane	D. & H.	36-inch	To 14-inch O. S.	G
1	Emery grinder	Gardner	24-inch	Double disk	G
14	Miscellaneous Power Machines				
	WOOD WORKING				
10	Miscellaneous power and hand wood and templet cardboard machines.				
	MAINTENANCE MACHINE SHOP				
3	Standard engine lathes			14 inch by 6 feet 20 inch by 8 feet 24 inch by 10 feet	G G P G
1	Shaper	Ohio	20		G

G—Good, F—Fair, P—Poor.

MODEL BRASS CO., INC., DECATUR, ILL.

Manufacturing is carried on in a one-story brick building containing 9,600 square feet. No railroad siding is available.

Present operation. Plant is now operated at 50 percent of maximum capacity. One full and one part shift of 8 hours each are working, and there is a total of 60 skilled and semiskilled employees.

Principal products manufactured.—Brass, bronze, and aluminum castings. Aluminum castings make up but 5 percent of the total present output. Present defense work includes producing bronze valves, parts for Diesel engines and bronze bushings for engine lathes. No machining is done.

Defense work wanted.—Brass, bronze, and aluminum castings. Would consider installing production equipment to manufacture defense materials. Additional labor is available and financial aid would be required. This could be obtained from local banks.

Machine	Make	Con- di- tion ¹	Description
Foundry equipment ...	Assort- ed.	G	Four No. 50 crucible type melting furnaces, made by the Fisher Furnace Co. One No. 225 tilting furnace, made by the Fisher Furnace Co. Total capacity of 8,000 pounds brass in one 8-hour shift.

¹G—Good. F—Fair. P—Poor.

MUELLER CO., DECATUR, ILL.

Manufacturing is carried on in a building of brick and steel construction with a floor area of 308,000 square feet and a mill type building containing 42,000 square feet. Also there will be available a one-story brick and steel building containing 250,000 square feet with 10 acres of ground surrounding it. The last named property is now occupied by the Illinois Civilian Conservation Corps district headquarters. All buildings have railroad sidings.

Principal products manufactured.—Water, plumbing, gas, brass and iron goods. Regulators and relief valves.

Defense work at present on contract ORD-22, 210.P11-02-A-1005-.205-02. Fuzes and Navy valves manufactured in last World War in 1918. Work has been subcontracted to others.

Present operation.—Plant is now operating at 75 percent of capacity, using 2 shifts of 9 hours each. One hundred and fifty-six men required for each shift, and total skilled and semiskilled employees is 202.

Defense work wanted.—Boosters M-20, M21, M22, or small brass parts suitable for chucking machines.

Would consider installing production equipment to manufacture defense materials. Labor is available, and no financial aid would be needed.

Quantity	Machine	Make	Size	Type	Age	Condition	Description
15	Monitor lathes	Warner-Swasey	14-inch	3	5	G	Air chucking, direct motor-driven, special built for nonferrous machining.
2	Hand screw	do	1-inch	2	4	G	Brass rod, bar feed, motor-driven.
8	Monitor lathes	Gisholt	18-inch	High production	6	G	Air chucking, direct motor-driven, special built for nonferrous machining.
3	Turret lathes	Warner-Swasey	26-inch	5 Universal, M-1240	5	G	12-speed, all geared heads with bar feed.
1	do	do	do	1A	5	G	Do.
1	do	Gisholt	do	5 Universal	3	P	Do.
1	do	Warner-Swasey	16-inch*	4 Universal	7	P	Air chucking, direct motor-driven, special built for nonferrous machining.
8	do	Warner-Swasey & Gisholt	20-inch	5 Universal, M-1240	5	G	12-speed air chucks, motor-driven, all geared head.
1	do	Warner-Swasey	24-inch	3A-K, F	5	G	Do.
1	do	do	20-inch	2A-K, T	5	G	Brownie & Sharpe automatic screw machine, motor-driven and with oversize feed tubes.
1	Automatic screw	Brownie & Sharpe	1 1/2-inch	OO-G	2	G	Ditto and equipped with motor-driven screw slotting attachment.
1	do	do	3/4-inch	O-G	1	G	Do.
4	do	National Acme	1-inch	53	20	F	4-spindle L. H. screw machine, motor-driven.
1	do	do	1 1/2-inch	Model C	12	G	Do.
1	do	do	2-inch	Model B	16	F	Bliss straight-side, single-gear, 6-inch stroke, 80-ton, 21 by 21 inch table.
1	Punch press	Bliss	do	74 1/2	25	F	Foot-operated Horning & Wiring press with 4-inch stroke.
1	do	do	do	40	16	F	Can type with 6-inch throat and 16 inches between frames.
1	do	do	do	1B	16	F	Inclinable, cam punch press. Double action flywheel type with 13 by 26-inch table.
1	do	do	do	69 N	21	F	Inclinable bench-type punch press with stand and motor drive.
1	do	do	do	6,008	22	F	Do.
1	do	do	do	8	22	F	Inclinable punch press with 8-inch throat.
1	do	Toledo	do	4	20	F	Inclinable punch press with 1 1/2-inch stroke, 30 strokes per minute.
1	do	Bliss	do	3	35	F	Do.
9	Lathes	Mueller Standard	14 inches by 6 feet-0 inches	Special built	15	G	Standard engine lathes with taper attachment change gears, and motor drive.
5	Engine lathes	do	14 inches by 6 feet-0 inches	14 inches by 6 feet-0 inches	25	F	16 1/2-inch swing, 16-speed, geared head, quick change engine lathes.
3	Engine lathes	Monarch	do	14- by 36-inch production	5	G	16-speed, geared head, standard engine lathes, 18 1/2-inch swing, motor.
1	do	do	do	16- by 18-inch model W	2	G	Do.

*G—Good. F—Fair. P—Poor.

Quantity	Machine	Make	Size	Type	Age	Con- di- tion	Description
1	Power miller	Kearny-Trucker		3B	20	G	Universal Milwaukee miller.
1	do	Kemp-Smith		2	10	F	Plain type, power feed, belt-driven.
1	do	Kearny-Trucker		Model K	4	G	Universal Milwaukee miller.
6	Hand millers	Standard engine	2	Hand 1½ or equivalent	23	F	Standard hand feed miller.
1	Vertical turning lathe	Bullard	36-inch		17	F	36-inch Bullard vertical turret lathe.
1	Drill press	American	3 feet by 0- by 9- inch.		4	G	3-foot arm, 9-inch column, 12-speed, 6-feed
3	Automatic chuck machines	New Britain	23-A		12	G	Hole Wizard radial-drill press Geared single head, 4-spindle Gridley with air-operated chucks.
3	do	do	12-A		11	G	Do.
2	Drill presses	Leland-Gifford	1	12-inch	5	G	2-spindle floor type drill presses with motor spindles, 1 tapping.
1	do	do	2	14-inch	5	G	Do.
9	do	do	1	12-inch	12	F	Older type, bench models, 1-and 2-spindle machines, approximate 1½-inch capacity.
1	do	do	3	24-inch	1	G	3-spindle, with motor heads (1 tapping), floor model.
1 12	do	Assorted		4- to 34-inch capacity	25	F	Different types of single to 4-spindle drill presses, old models.

ORNAMENTAL METALWORKS CO., DECATUR, ILL.

Manufacturing is carried on in four buildings as follows: A one-story brick and steel building of 4,000 square feet; a one-story brick and steel building of 2,500 square feet; a one-story steel warehouse of 4,000 square feet; a one-story steel building of 2,500 square feet.

Crane capacity of from 1 to 3 tons is available in all buildings. There is also an open yard of 11,000 square feet with a 5-ton crane. Facilities include a railroad siding.

Present operation.—Plant is now operated at 50 percent of capacity. Eighteen skilled and semiskilled employees are working one 8-hour shift.

Principal products manufactured.—Miscellaneous iron, 75 percent; ornamental iron, 15 percent; structural steel, 10 percent.

Defense work wanted.—Fabricated iron and steel products. Would consider installing production equipment to manufacture defense materials. Additional labor is available and no financial aid would be needed.

Quan.	Machine	Make	Size	Type	Con- di- tion	Description
1	Punch and shear	Smith	E3	Combination	G	5-horsepower motor, capacity 13½ inch through ¼ inch flat. Shear 5 by 1 by ½ inch angle, 1½ inches round and square bars. Split ½ inch plate.
1	do.	Oeking	PLD-L.E.	do	G	3-horsepower motor, capacity 3½ by 3½ by 3½ inch angle, 2½ by 2½ by ½ inch trees, 1½ inch round and square bars, ½ inch round through ½ inch flat.
1	Drill press	Buffalo	½-inch	Large	G	Capacity 1 inch square or ½ by 8 inches flat.
1	do	Shaley		H and	G	2-horsepower.
1	Bar bender	Hurdain		do	G	1-horsepower motor, small.
1	Bender	Hossfeld		Metal cutter	G	1-horsepower motor, 8 by 1¼ inch wheels, double end.
1	Band saw	Armstrong-Blum-Marvel	8		G	2-horsepower motor, 10 by 1½ inch wheels, double end.
1	Hacksaw	Pedestal			G	5-horsepower motor, 12-inch disks, double end
1	do.	do		Disk	G	½-inch horsepower motors, 6 by 1-inch wheel.
1	do	Besley	1	Flexible shaft-portable finishing.	G	15-horsepower motor, 300 amperes, D. C.
4	do	Sioux		Arc	G	100.
1	Arc welder	G. E.		do	G	300 amperes, A. C.
1	do	Hobart		Motor blower	G	Small.
1	Welder	Master Weld			G	High pressure.
1	Oil rivet and forge			Air	G	Medium size on line shaft.
1	do				G	7½ by 6 inch horizontal, 15-horsepower motor.
1	Oil and air forge			Line shaft	G	3½ inch by 5 feet, 5-horsepower motor.
1	Triphammer	Chicago-Pneumatic		Acetylene	G	2-inch capacity.
1	Compressor	Power Boy		do	G	1-inch capacity.
1	Power plate roll			Heavy duty	G	
1	Pipe threader			Finishing	G	
1	Bolt threader			Hand pumps	G	
3	Cutting torches				G	
2	Welding torches				G	
1	Paint spray				G	
1	do.				G	
1	Hydraulic press				G	150-ton.
1	Numerous small tools, punches, dies, etc., for manufacture of building materials, etc.					
1	Numerous dies and jigs for punch press, bending and shaping.					

Condition: G—Good. F—Fair. P—Poor.

U. S. MANUFACTURING CORPORATION, DECATUR, ILL.

Manufacturing is carried on in two buildings as follows: A one-story mill-type building containing 18,750 square feet of floor space, and a three-story mill-type building containing 28,200 square feet of floor space. A 1½-ton crane is in the first building listed. Facilities include a railroad siding.

Present operation.—Plant is now operated at 30 percent of capacity and using 65 percent of available floor space; 100 skilled and semiskilled employees are working one 8-hour shift.

Principal products manufactured.—Iron forming and sheet metal manufacturing as follows: Fly swatters, 45 percent; electric corn poppers and electric food warmers, 40 percent; sheet-metal ware, 10 percent.

No defense work has been done up to the present time.

Defense work wanted.—Wire formed items, sheet metal stampings, deep drawn containers, square, round, or rectangular.

Would consider installing production equipment to manufacture defense materials. Additional labor is available and financial aid would be required.

Quantity	Machine	Make	Size	Size bolster plate	Crank-shaft bearings	Size pin	Stroke of press	Tons capacity
2	Punch press	Bliss Consolidated	1	7 by 14	13 3/4-inch	2-inch	1 1/2-inch	11
1	do	do	3	12 by 21	21-inch	3-inch		22
2	do	do	2 1/2	10 by 18	21-inch	2		18
1	do	Rockford	1	8 by 11 1/2	13 1/4-inch	2 1/2-inch		11
5	do	Cleveland	5	12 by 20	21-inch	2 3/4-inch	4 1/2	22
1	do	Bliss Consolidated	1	10 by 18	13 1/4-inch	2-inch		11
2	do	Cleveland	6 1/2	18 by 29 1/2	31 1/4-inch	4-inch		11
4	do	do	5 1/2	11 by 24	23 3/4-inch	3		37
1	do	Advance	2	8 by 15	2-inch	2 3/4-inch		26 1/2
3	do	Bliss Consolidated	1	8 by 14	13 3/4-inch	2-inch		11
1	do	Cleveland	7 1/2	22 by 32	31 1/4-inch	4 1/2-inch	5 back geared	11
1	do	do	6 1/2	18 by 29 1/2	31-inch	4-inch	do	49
1	do	do	5	18 by 28	31 1/2-inch	5 1/2-inch	7 back geared	37
1	Toggle press	Minster	1	33 by 38	61-inch	7 1/2-inch	20 13-inch cage travel	15
1	do	E. W. Bliss	1	21 by 21	61-inch	7 1/2-inch	8 4-inch cage travel	18
1	do	Toledo Tool	102	21 by 21	4 1/2-inch	4 1/2-inch		63
4	Punch press	R. & K.	2	10 by 16 1/2	2-inch	2 1/2-inch		11
1	do	Bangorier	100	7 by 15	1 1/4-inch	1		5 1/2
1	do	Advance	2	8 by 15	2-inch	2 3/4-inch		11
1	do	R. & K.	1	10 by 16 1/2	2-inch	2 1/2-inch		11
1	do	Cleveland	6 1/2	18 by 29 1/2	31 1/4-inch	4-inch	7 back geared	37

Quantity	Machine	Make	Size	Type	Description
1	Air compressor	Chicago Pneumatic Tool Co.	N-SB	10 by 10	
1	Electric spot welder	Pier Equipment	Ace 82-D	50-ampere	
1	do	Miero Products	P-12	30-ampere	
1	do	do	P-18	40-ampere	
1	do	American Electric Fusion Corporation.	MD-12	70-ampere	
1	do	do	MD-6	75-ampere	
1	do	do	LD-8	50-ampere	
1	Baking oven, enamel	Morrison		Monorail conveyor	Gas-fired, 540-cubic-foot heated area. Temperature range 0° to 600°.
2	Rivet spinners	H. P. Townsend Manufacturing	2	Standard	Capacity (per hour): Parts on 9-inch centers, 1,500 pieces; parts on 12-inch centers, 1,175 pieces; parts on 15-inch centers, 900 pieces.
1	Plating barrel	Crown Rheostatic & Supply	4-A		With continuous conveyor and dry-off oven. 24-inch chain belt conveyor with gas-fired wash and rinse tanks, thermostatically controlled.
1	Automatic paint-spraying machine, spray booth equipped with Dynaprecipitor unit.	Binks Manufacturing		Spray type	1 1/4-inch drill capacity. 4-speed, 1 1/2-inch drill capacity. 5-speed, 1 1/2-inch drill capacity. Interchangeable spindles and compensating accessories.
1	Parts washer, metal	Drying Systems, Inc			
1	Drill press	Upright		8-speed	
1	do	Delta		Floor type	
1	do	do		do	
1	Grinder, lathe	Dumore	5		
1	do	do	85	2-AG	
1	Surface grinder	Brown & Sharp			With Walker magnetic chuck
1	Lathe	South Bend			18 inches between centers, with accessories.
1	do	Sidney	9-inch	16 inches by 8 feet	34 inches between centers, semiquick change gears with accessories.
1	do	do		16 inches by 6 feet	34 inches between centers, semiquick change gears, taper attachment with accessories.
1	do	do		20 inches by 12 feet	89 inches between centers, with accessories.
1	do	do		24 inches by 12 feet	Do.
1	Plain turret lathe	Bradford			
1	do	Blaisdell			
1	do	Warner-Swasey	2		
1	Shaper	Foster	2		
1	do	Wolcott			
1	do	Ohio	10-inch	With swivel vise	
1	Milling machine	Brown & Sharp	20-inch	do	
1	Filing machine	do	2		
1	Power hacksaw	Butterfly	1		
1	Countour saw	Doall	2	Marvel	
1	Hardening furnace	Doall	V-46	Gas-fired	With universal dividing head and accessories. 4 1/2 by 7 by 14 inches.

WAGNER MALLEABLE IRON CO., DECATUR, ILL.

The plant has a total floor space of 307,000 square feet, mostly on one floor. Facilities include a railroad siding.

Present operation.—Plant is now operating as follows: Foundry, 1 shift of 250 employees; machine shop, 2 shifts of 65 employees.

Principal products manufactured.—Malleable iron castings, electrical fittings, and quartermaster field range parts.

Activity on defense orders includes consultant at Rock Island Arsenal on malleable iron application. Also furnish 50 percent of E. M. T. electrical conduit fittings market, operation on PG III 1321-A10.

Defense work wanted.—Malleable iron castings, machining small parts, and steel stampings.

Would consider installing production equipment to manufacture defense materials. Labor is available and no financial aid would be needed. However, operation of foundry on multiple shifts is impractical.

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition ¹	Description
1	Hydraulic press	Hydraulic Press Manufacturing, do	400T	Vertical down moving	.007	5	G	24 by 24 by 36 inches, 20-inch travel.
1	do	do	150T	do	.007	3	G	24 by 24 by 30 inches, 18-inch travel.
1	do	do	400T	do	.007	1	G	24 by 24 by 36 inches, 20-inch travel.
1	do	Williams-White	125T	do	.007	1	G	30 by 30 by 24 inches, 14-inch travel.
2	Automatic reaming tapping machine,	Bodine	48-30	Dial-vertical spindle	.0025	2	G	2 reaming spindles, 2 station dials, 2 tapping spindles.
4	do	Kaufman	60-A	do	.002	1	G	3 reaming spindles, 30 station dials, 3 tapping spindles.
1	Punch press	Marshalltown	3	O, B, I		1	G	Stroke, 2½ inches; die space, 13 inches; with special dial feed.
1	do	Federal	3	do		1	G	Stroke, 2½ inches; die space, 13 inches.
1	do	Swayne	37	do		10	F	Stroke, 4 inches; die space, 20 inches.
1	do	Rockford	4R	do		1	G	Stroke, 3 inches; die space, 15 inches.
1	Turret lathe	Warner-Swasey	4	Universal 6-speed, geared head,	.005	10	F	Barker chuck, swing over bed 16 inches, collet to turret 20-inch.
1	do	do	4	Universal cone head	.005	10	F	Do.
1	do	Acme Machine Tool	4	Plain cone head	.005	10	F	Barker chuck, swing over bed 18 inches, collet to turret 19 inches.
1	Automatic threading machine,	Rickett-Shafer	11S	Horizontal spindle		3	G	1 spindle, 8 station turret, 1-inch capacity die head, 18-by-9½-inch slotted table.
1	Tapping machine	Proconier	AA	Floor		1	G	With No. 2 extension high speed tapping head.
1	Drill press	Colburn Con. Tool Corporation, Barnes	2-20-inch	Vertical stationary head		10	F	Equipped with special 2-spindle drill head on 4-inch centers.
1	do	do	24-inch	Vertical inclining back		5	G	Equipped with special No. 4 Morse taper tapping head.
2	do	Walker-Turner	15-inch swing	2-spindle bench		1	G	17-by-26-inch table.
1	do	Buffalo	15	do		1	G	14-by-27-inch table.
1	do	do	15F	1-spindle floor		1	G	10-by-11-inch table, column stand.
1	do	Delta	14-inch swing	do		1	G	10-by-10-inch table, column stand.
1	Milling machine	United States Machine Tool Co,	1	Hand		10	F	6½-by-27-inch work table, 6-inch cutter.
	Foundry equipment	Assorted						Production of 59 tons malleable iron castings daily.

¹ G—Good. F—Fair. P—Poor.

WILLIAMS SEALING CORPORATION, DECATUR, ILL.

A subsidiary of Crown Cork & Seal Co., Baltimore, Md. Manufacturing is carried on in a four-story steel and concrete building containing 31,104 square feet of floor space. Facilities include a railroad siding.

Present operations.—Plant is now operating at 60 percent of maximum capacity, utilizing 75 percent of available floor space. The plant is operated on two shifts with a total of 120 skilled and semiskilled employees.

Principal products manufactured.—Bottle caps, can fittings, and cap machinery. No defense work has been done up to the present time.

Defense work wanted.—Blanking, forming, and drawing sheet steel up to 16 gage, depending on size. Light or medium assembly, or fabrication work.

Would be interested in installing production equipment to manufacture defense materials. Additional help is available and no financial aid would be required.

Quantity	Machine	Make	Size	Type	Description
4	Punch press	Bliss	2	5-slide	4-1/4-inch stroke, 7-1/4-inch shut height, 5 operations, 5- by 14-inch die shoe, 3-1/2-inch diameter crankshaft, 48 revolutions per minute.
3	do	do	102-S	9-slide	3-inch stroke, 8-1/2-inch shut height, 5- by 13-inch die shoe (5 inches center to center), 3-1/2-inch diameter crankshaft, 62 revolutions per minute.
1	do	do	102-S	7-slide	3-7/8-inch stroke, 8-inch shut height, 4- by 13-1/2-inch die shoe (4 inches center to center), 48-65 revolutions per minute.
3	Slitter Strip feed presses	McDonald do	225 31 SBE		3-7/8-inch stroke, 5-3/4-inch shut height, 10- by 12-inch die shoe, 3-1/2-inch diameter crankshaft, 60 revolutions per minute.
2	Blanking press	Cameron	141		3-7/8-inch stroke, 7-7/8-inch shut height, 12- by 16-inch die shoe, 3-inch diameter crankshaft, 60 revolutions per minute.
2	do	Bliss	821		3-7/8-inch stroke, 5-1/2-inch shut height, 10-1/2- by 15-inch die shoe, 3-1/2-inch diameter crankshaft, 68 revolutions per minute.
1	do	Cameron			2-3/8-inch stroke, 5-1/4-inch shut height, 7- by 9-inch die shoe, 3-inch diameter crankshaft, 60 revolutions per minute.
2	Scrolls Blanking press	McDonald S. & S	9A A225	Open back, inclinable	3-inch stroke, 5-1/4-inch shut height, 12- by 18-inch die shoe, 3-inch diameter crankshaft, 60 revolutions per minute.
	do	do		Open back, inclinable	2-1/2-inch stroke, 5-1/2-inch shut height, 6- by 12-inch die shoe, 2-inch diameter crankshaft, 60 revolutions per minute.
	Press	L. & J	1	Open back, inclinable	1-1/2-inch stroke, 7-inch shut height, 8-1/2- by 12-inch die shoe, 2-inch diameter crankshaft, 112 revolutions per minute.
4	Press, punch	McDonald		Double acting	10- by 10-inch die shoe, 2-inch stroke O. S., 1-1/2-inch stroke L. S., 3-inch diameter crankshaft, 125 revolutions per minute.
3	do	Manville			1-1/2-inch stroke, 3-inch shut height, 6- by 10-inch die shoe, 1-3/4-inch diameter crankshaft.
35	Lining machine	Johnson			2- by 8-inch die shoe, closed 7 inches.
1	Foot press	Niagara	AI ³⁴	Open back, inclinable	1-1/2-inch stroke, 4-1/2-inch shut height, 6- by 12-inch die shoe, 2-inch diameter crankshaft, 25 to 125 revolutions per minute.
1	Band machine	Bliss	68N	Open back, inclinable	4-inch stroke, 6-1/2-inch shut height, 10- by 18-inch die shoe, 3-inch diameter crankshaft, 10 revolutions per minute.
9	Lever wire forming machine	Williams Sealing Corporation			Special to form and twist up to 0.08-inch diameter wire, 3 operations.

Quantity	Machine	Make	Size	Type	Description
1	Foot shear				
1	Drifter				
2	Copper-plating tanks			Centrifugal	36-inch blade
3	Rinse tanks				
1	Nickel-plating tank			2-barrel	
1	Cleaning tank				
5	Butt welders				
1	Ring formers	Baird	2	Large	
2	Embossing presses				
	MACHINE SHOP				
3	Lathes	Hendy			
2	do	do			
1	Shaper, 12-inch			14 inches by 6 feet	
1	Shaper, 24-inch			20 inches by 8 feet	
1	Shaper, 18-inch				
1	3- by 6-foot planer				
2	Universal mills				
1	Radial drill				
4	Drill presses				
1	Surface grinder				
1	Grinder	B. & S.		Internal and external	
1	Furnace	Webster-Perkins		Mufel	
1	Air compressor			9 by 12 inches	Gas fired, 8 by 12 by 24 inches
3	Emery stands (tool grinder)				
2	Bench filing machines				
2	Arbor presses				
1	Cut-off saw				
2	Portable bolts				
3	Toledo scales				
5	Lift trucks			Counting	

MASTER LIST OF MACHINE TOOL INFORMATION, DECATUR, ILL.

COMPILED BY JOHN A. WAGNER, CHAIRMAN, WAGNER MALLEABLE IRON CO., DECATUR, ILL.

November 1, 1944

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description	Name of company
1	Boring and milling	Giddings & Lewis	32	Gridley with air chucks.	0.005	20	P	3 inch spindle	Decatur Pump Co. Mueller Co.
3	Chucking, automatic	New Britain	12A		G	11	G	Geared single head, 4 spindle.	
3	do	do	23A	do		12	G	do.	Do. Decatur Pump Co.
1	Drill and tapping	Natco				12	G	16 spindle, No. 2 Morse taper, 20- by 40-inch table; revolving attachment for 1/4-inch pipe.	
4	Drop hammer	Eric	1,500-pound.	Board drop		10	G		Chambers, Bering, Quinlan. Do. Do.
1	do	do	2,000-pound.	do		1	G		
8	Facing machine, nut	Victor	1-inch	Horizontal		20	G		U. S. Manufacturing Corporation. Williams Sealing Corporation.
1	Filing machine	Butterfly	D						
1	Grinder, internal and external	Webster-Perkins	2			1	G		U. S. Manufacturing Corporation. U. S. Manufacturing Corporation.
1	Grinder, lathe	Dunore	85	2 AG					
1	Grinder, surface	Brown & Sharpe	1	Universal power feed	.001	20	G	Overhead motor	A. W. Cash Co. U. S. Manufacturing Corporation.
1	do	do	2	With Walker magnetic chuck.					
1	do	do	2	With magnetic chuck		1	G		Williams Sealing Corporation. Faries Manufacturing. The Grigolet Co.
1	do	do	2	do				17 by 6 inches.	
1	Grinder, disk	Walker	17	do		15	G		Chambers, Bering, Quinlan. A. W. Cash Co.
1	Grinder, double disk	Resly	6			10	G		
1	Key seater	Gardner	60	Plain slide	.008	30	P	26-inch diameter disk	Chambers, Bering, Quinlan. A. W. Cash Co.
1	Milling machine	Colburns	2	Tilting table	.003	30	P		
1	do	Brainard	388	Hand, plain	.005	25	P	7- by 20-inch table	Chambers, Bering, Quinlan. A. W. Cash Co.
1	do	Chicago							
1	do	Manufacturer	6	Hand, plain	.005	25	P		Do. Mueller Co. Wagner Malleable Iron.
6	do	Standard	1	Hand		23	P		
1	do	U. S. Machine Tool Co.	1	Hand, plain		10	F	61/4 by 27-inch work table	Cash Valve Manufacturing Corporation.
1	do	do	1	do		21	F		

1G—Good, F—Fair, P—Poor.

November 1, 1941

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description	Name of company
1	Milling machine	Becker	A-B	Vertical		15	G		The Grigolet Co.
1	do	Bridgport	BH-170	Vertical, high speed		1	G		Do.
1	do	Brown & Sharpe	2	Universal dividing head					C. S. Manufacturing Corporation.
1	do	Kearney-Trecker	2	Universal "K"		4	G		Mueller Co.
1	do	do	3B	Plain		20	G		Do.
1	do	Kenosmith	2	Universal Milwaukee		10	F		Do.
1	do	do	3	Universal	.001	20	G	Back geared dividing head.	A. W. Cash Co.
1	do	Le Blond	4	Horizontal		15	G		The Grigolet Co.
1	do	Reed-Prentice	2V	Vertical		2	G		Do.
1	do	Rockford	1½	Quick change		20	G	Back geared, 9 by 36-inch table.	A. W. Cash Co.
2	do	Van Norman	2	Universal		8	F		Williams Sealing Corporation.
1	Planer	Putnam	3 by 6 inches.			8	G		Do.
2	Reaming and tapping machine, automatic.	Bodine	18-30	Dial, vertical spindle	.0025	2	G	2 reaming spindles, 2 tapping spindles, 24 stationary dials.	Wagner Malleable Iron.
4	do	Kaufman	60A	do	.002	1	G	3 reaming spindles, 3 tapping spindles, 30 stationary dials.	Do.
1	Contour saw, power	Doall	V-16						U. S. Manufacturing Corporation.
1	do	do	V-16			1	G		The Grigolet Co.
1	Hack saw, power	Alkins	14S	Motor drive		10	F		A. W. Cash Co.
1	do	Marvel	2						U. S. Manufacturing Corporation.
1	do	do							The Grigolet Co.
1	do	do							Do.
1	do	do	14-inch			15	P	14-inch blade	Williams Sealing Corporation.
1	do	do	14-inch			10	G	10-inch blade	Ornamental Metalworks.
1	do	do	14-inch			8	G	14-inch blade	A. W. Cash Co.
2	Screw machine	B. & O	4	Back gear	.005	20	F		Faries Manufacturing.
3	Screw machine, automatic.	Brown & Sharpe	00	¾-inch round					Do.
1	do	do	00	1½-inch G					Mueller Co.
1	do	do	O-G	¾-inch					Do.
1	do	do	2	¾-inch		1	G	Motor driven with oversize feed table.	Faries Manufacturing.
2	do	do		7/8 inch					Do.
1	do	Index		7/16-inch round					Mueller Co.
1	do	National Acme	B	2-inch		16	F	5 spindle.	Faries Manufacturing.
2	do	do	C	1-inch round					Mueller Co.
1	do	do	C	1½-inch		12	G	5 spindle.	Mueller Co.

Quantity	Description	Manufacturer	Material	Dimensions	Weight	Notes	Company
5	do	do	RA-6	1 inch			Faries Manufacturing.
6	do	do	52A	3/4-inch round			Do.
3	do	do	53A	1-inch round			Do.
4	do	do	53A	do			Mueller Co.
1	do	do	54A	1 3/4-inch round			Faries Manufacturing.
1	do	do	54A	1 1/4-inch round			Do.
2	do	do	55A	2 1/4-inch round			Do.
1	do	do	55A	1/16-inch round			Do.
4	do	do	515	Universal			The Grigolett Co.
1	Shaper	Cincinnati	32-inch				A. W. Cash Co.
1	Shaper, crank	Flather	12-inch				The Grigolett Co.
1	Shaper	G. & E	16-inch				A. W. Cash Co.
1	do	do	17-inch				Do.
1	do	Hendey	16-inch				Williams Sealing Corporation.
1	do	do	20-inch				Do.
1	do	Kelly	16-inch				Faries Manufacturing.
1	do	Ohio	20-inch				U. S. Manufacturing Corporation.
1	do	Potter & Johnson	15-inch				A. W. Cash Co.
1	do	do	18-inch				Williams Sealing Corporation.
1	do	Schlew	15-inch				Do.
1	do	Wolcott	16-inch				Chambers, Berlin, Quinlan.
1	Shear, circle	Niagara	11				Do.
2	Scroll, sheet metal	McDonald	No. 9A				Do.
3	Sitter, sheet metal	do	No. 225				Chambers, Berlin, Quinlan.
1	Tapper, nut	Acme	3/4-inch				Do.
2	do	do	2-inch				Do.
1	do	Special	2 1/2-inch				The Grigolett Co.
3	Tapping machine	Marvel	3/4-inch				Wagner Malleable Iron.
1	do	Proemier	AA				Do.
1	Threading machine, automatic	Rickert-Shafer	No. 11S				Chambers, Berlin, Quinlan.
2	Thread roller	Bliss	119				Williams Sealing Corporation.
9	Wire-forming machine	Williams Special					The Grigolett Co.
LATHE ENGINE							
1	Lathe, engine	Ames					U. S. Manufacturing Corporation.
1	do	Blaisdell					Do.
1	do	Bradford					A. W. Cash Co.
1	do	Carroll-Jamison					Faries Manufacturing.
1	Lathe, bench engine	Catatract					A. W. Cash Co.
1	Lathe, engine	Filmsmith					The Grigolett Co.
1	do	Greaves & Klausman					Williams Sealing Corporation.
3	do	Hendey					Do.

November 1, 1941—Continued

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description	Name of company
	LATHE ENGINE—con.								
1	Lathe, engine	Hendey		Tool room		13	G	16 inches by 8 feet taper attachment, relieving attachment.	A. W. Cash Co.
1	do	do				15	G	18 inches by 4 feet	The Grigolet Co.
2	do	do			.002	8	G	20 inches by 8 feet	Williams Sealing Corporation
1	do	Le Blonde				15	G	14 inches by 6 feet	Farnes Manufacturing.
1	do	do				5	G	16 by 33 inches	The Grigolet Co.
3	do	Monarch		Production type		5	G	16 1/2-inch swing, 16 speed, geared head, 14 by 30 inches.	Muehler Co.
1	do	do		Model W		2	G	16 by 18 inches, 18 1/2-inch swing, 16 speed, geared head.	Do.
1	do	do		Geared head	.001	6	G	16 inches by 6 feet	A. W. Cash Co.
1	do	Reed Prentice		do		10	G	20 inches by 8 feet	Do.
1	do	do				15	G	30 by 132 inches	The Grigolet Co.
1	do	Rivett		Bench type		15	G	19 by 24 inches	Do.
1	do	Sidney		Semiquick change gear.				16 inches by 6 feet, taper attachment.	U. S. Manufacturing Corporation.
1	do	do		do				16 inches by 8 feet	Do.
1	do	South Bend	9-inch	Workshop					Do.
1	do	do	9-inch	do					Do.
1	do	do		Quick change	.002	5	G	Thread dial, micrometer stop, 13 inches by 5 feet.	Farnes Manufacturing.
1	do	do		Quick change	.001	2	G	16 inches by 5 feet	A. W. Cash Co.
1	do	do		Quick change		5	G	16 inches by 6 feet, 12 draw in collets.	A. W. Cash Co.
1	do	do		Back gear	.005	20	F	16 inches by 7 feet	Do.
2	do	do		Quick change	.001	10	G	16 inches by 8 feet	Do.
1	do	do		do	.002	2	G	18 inches by 7 feet, taper attachment.	Do.
1	do	do		do	.002	15	P	18 inches by 7 feet, taper attachment.	Do.
1	do	do		Motorized	.001	5	G	18 inches by 8 feet, taper attachment.	Do.
5	do	Standard		Standard		25	F	14 inches by 6 feet, with taper attachment, change gears.	Mueller Co.
2	do	do		Plain		22	P	12 inches by 5 feet	A. W. Cash Co.
1	do	Vernon		Belt drive		14	F	15-inch swing, 8-foot bed, taper attachment.	Cash Valve Manufacturing.
1	do	do		do		16	F	do	Cash Valve Manufacturing Co.

1	do		do	F	13-inch swing, 6-foot bed, with taper attachment.	Do.
9	Lathe, special taper turner.	Mueller		15	For nonferrous turning.	Mueller Co.
1	Lathe, turret.	Acme Machine Tool	4	10	Barker chuck, S. O. B., 18 inches, C-T, 19 inches.	Wagner Malleable Iron.
7	do	Bardons & Oliver	1		3/4-inch collet.	Faries Manufacturing.
1	do	B. & O.	4	20	18 inches by 6 feet, hollow spindle.	A. W. Cash Co.
1	Lathe, vertical turret	Bullard	36-inch	17	5/8-inch bar, cap, reversible	Mueller Co.
1	Lathe, turret	Foster	0	20	drive, lever cross slide.	Cash, Valve Manufacturing Corporation.
4	do	do	2	20	Used only for threading 3/4-inch barrel plugs.	Chambers, Boring, Quinlan.
1	do	do	2			U. S. Manufacturing Corporation.
2	do	do	3	20	Used only for threading 1 1/2-inch barrel plugs.	Chambers, Boring, Quinlan.
3	do	do	4	20	Used for threading 2-inch barrel plugs.	Do.
2	do	do			1-inch collet.	Faries Manufacturing.
8	Lathe, monitor turret	Gisholt	14-inch.	6	Special nonferrous.	Mueller Co.
1	Lathe, turret.	do	High production air chuck.	1	Collet, 2-inch revolving, S. O. B., 18 1/2 inches, C-T, 26 inches.	Decatur Pump Co.
1	do	do	Universal.	3	20-inch, 12-speed, all geared head.	Mueller Co.
1	do	do				A. W. Cash Co.
1	do	Greene	Plain	25	1-inch cap, revolving drive, 4 speed.	Cash, Valve Manufacturing Corporation.
1	do	Millholland	do	25	Hollow spindle, back gear	A. W. Cash Co.
4	do	do	Plain	25	Used for threading 2-inch barrel plugs.	Chambers, Boring, Quinlan.
2	do	Reed	Plain	20	8-inch by 3-foot, hand feed 5/8-inch collet.	A. W. Cash Co.
1	do	Rivett	Plain precision	30	3/4-inch cap, 4-inch swing, electric bar feed.	Faries Manufacturing Co.
1	do	Warner-Swasey	Plain	2	12-speed, all geared head	Cash, Valve Manufacturing Corporation.
1	do	do		5	Collet 1 1/2-inch r.l., S. O. B., 14 inches, C-T 18 inches.	Mueller Co.
1	do	do		2	Used only for threading 3/4-inch barrel plugs.	Decatur Pump Co.
2	do	do	Plain	20		Chambers, Boring, Quinlan.
1	do	do	do			U. S. Manufacturing Corporation.
1	do	do	2		Collet, 1 1/2 inches	Faries Manufacturing.
1	do	do	2	4	Collet, 1 inch	Do.
2	do	do	2	11	1-inch cap, 6-speed, 14-inch S. O. B.	Mueller Co.
1	do	do	2	5	12-speed, all geared head	Cash, Valve Manufacturing Corporation.
2	do	do	2A-KT	2	Collet 1 1/2-inch R., S. O. B., 15 3/8 inches, C-T 21 inches.	Mueller Co.
1	do	do	3	2		Decatur Pump Co.

November 1, 1941—Continued

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description	Name of company
LATHING ENGINE—COL.									
15	Lathic, monitor turret	Warner-Swasey	3	14-inch air chucking		5	G	Special nonferrous	Mueller Co.
1	Lathic, turret	do	3A-KF	Air chuck		5	G	12-speed, all geared head	Do.
1	do	do	4	Universal	.003	15	P	Collet 1½ inches, S. O. B.	Decatur Pump Co.
1	do	do	4	do	.001	3	G	17½ inches, C-T 24 inches.	Do.
3	do	do	4	Plain	.005	20	P	Collet 1¾-inch R., S. O. B.	Chambers, Bering, Quinlan.
1	do	do	4	Universal	.005	20	G	18½ inches, C-T 30 inches.	A. W. Cash Co.
1	do	do	4	do	.005	10	F	Used only for threading 2-inch band plugs.	Wagner Malleable Iron.
1	do	do	4	do	.005	10	F	Geared head, power feed	Do.
2	do	do	4	do	.005	10	F	Geared head, Barker chuck, S. O. B. 16 inches, C-T 20 inches.	Do.
1	do	do	4	Universal		7	P	Cone head, Barker chuck, S. O. B. 16 inches, C-T 20 inches.	Faries Manufacturing.
2	do	do	4	do	.005	15	F	Collet, 1½ inches	Mueller Co.
1	do	do	4	do	.0015	1	G	12-speed, all geared head with bar feed.	Cash Valve Manufacturing Corporation.
1	do	do	4	do	.0015	1	G	Cone head, 1½-inch cap, 8-speed, S. O. B. 15 inches.	Do.
1	do	do	5	do	.002	6	G	Geared head, 2-inch cap, 21-speed, 15¼ inches, S. O. B. power feed.	Decatur Pump Co.
3	do	do	5	do		5	G	Collet 1¾-inch R., S. O. B. 16 inches, C-T 20 inches.	Mueller Co.
8	do	do	5	do		5	G	12 speed geared heads	Do.
1	do	do	6	do		20	P	Air chucking, special built, for nonferrous.	Faries Manufacturing.
6	do	Special	2	Revolving spindle	.005	20	P	9½ inch—Used for threading ¾-inch band plugs.	Chambers, Bering, Quinlan.
DRILL PRESS									
1	Drill press	Allen	20	Radial "Hole Wizard"		20	G	4 spindles, belt-driven, No. 2 Morse taper spindles.	Decatur Pump Co.
1	do	American	4	Bench		4	G	3-foot arm, 9-inch column, 12 speed, 6 feed.	Mueller Co.
1	do	Avey	1½-inch			6	G	3 spindle, 2 chuck, 1½-inch—¾-inch drill cap, ½-inch tap cap.	Chambers, Bering, Quinlan.
1	do	do	2					1 spindle, ¾-inch cap.	Cash Valve Manufacturing Corporation.
1	do	Barnes	15-inch					Do.	Do.

2	do	20-inch	Vertical, including back	20	F	No. 4 Morse spindle, 20-inch table	Decatur Pump Co.
1	do	24-inch	Vertical, including back	5	G	With special tapping head, No. 4 Morse chuck	Wagner Malleable Iron.
1	do	2	8-spindle, 20-inch layout	20	P	Motor drive, power feed, 30 by 32-inch table	A. W. Cash Co.
1	do	15-inch	Swing table	15	G	Hand feed	Do.
1	do	do	2-spindle bench	1	G	14- by 27-inch table	Wagner Malleable Iron.
1	do	do	Floor	1	G	10- by 11-inch table, column stand	Do.
1	do	1/2-inch	Swing table	10	G	Power feed	Ornamental Metalworks.
1	do	20-inch	Bench	5	G	Drilling 1/8-inch holes	A. W. Cash Co.
4	do	1/4-inch	do	5	G	1 spindle, 3/4-inch cap	Chambers, Bering, Quinlan.
2	do	18-inch	do				Do.
1	do	18-inch	Swing table	25	P	Power feed	Cash Valve Manufacturing Corporation.
1	do	20-inch	Swing table	3	G		A. W. Cash Co.
1	do	32-inch	Back geared	25	P		The Grigolet Co.
1	do	No. 2 to 20-inch	Vertical, stationary	10	F	With special 2-spindle drill head on 4-inch centers.	A. W. Cash Co.
1	do	1/2-inch	Floor type				Wagner Malleable Iron.
1	do	1/2-inch	do				U. S. Manufacturing Corporation.
1	do	14	Swing table	6	P	5 speeds	Do.
1	do	14	do	3	G		A. W. Cash Co.
1	do	14	do	2	G		Do.
1	do	14	do	1	G		Do.
2	do	14	do	1	G	10- by 10-inch table, column stand	Wagner Malleable Iron.
1	do	14	Swing floor				Do.
1	do	14	Swing floor				Do.
1	do	14	Swing floor				Do.
1	do	14	Swing floor				Do.
1	do	14	Swing floor				Do.
2	do	17-inch	Swing table	2	G		Cash Valve Manufacturing Corporation.
1	do	do	Swing table	2	G		A. W. Cash Co.
4	do	do	Swing table, floor	2	G		The Grigolet Co.
1	do	do	Swing table, floor	2	G		Williams Sealing Corporation.
1	do	do	Swing table, floor	2	G		Cash Valve Manufacturing Corporation.
2	do	3/4-inch	5 spindle	20	G	Drilling 1/8-inch holes	Chambers, Bering, Quinlan.
1	do	do	Precision bench	3	G	6-inch overhanging, vertical speed motor	Cash Valve Manufacturing Corporation.
1	do	A-104	Precision bench	5	G	2 spindles, No. 2 Morse taper, 1 reversing spindle for tapping, 20- by 45-inch table.	A. W. Cash Co.
1	do	Leland Gifford	Precision bench	5	G	2 spindle, floor type, 1 spindle tapping.	Decatur Pump Co.
2	do	do	No. 1 to 12-inch	5	G	do	Mueller Co.
1	do	do	No. 2 to 14-inch	5	G	do	Do.
9	do	do	No. 1 to 12-inch	12	F	1 and 2 spindle, bench models, 1/4-inch cap.	Do.
1	do	do	No. 3 to 24-inch	1	G	3 spindle, floor type, 1 spindle tapping.	Do.

November 1, 1941—Continued

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description	Name of company
	DRILL PRESS—continued								
1	Drill press	Leland Gifford						1 spindle, 3/4-inch cap.	Cash Valve Manufacturing Corporation.
1	do	Manning, Maxwell & Moore	20-inch					1 spindle, 1 1/2-inch cap.	Do.
1	do	Sibley		Large			G	1-inch cap.	Ornamental Metalworks Corporation.
1	do	Silver	18-inch						Cash Valve Manufacturing Corporation.
1	do	Simplex Upright	36-inch 1 1/4-inch	Radial power feed		8	G	8 speeds	Williams Sealing Corporation.
1	do	Walker-Turner	15-inch	2 spindle swing bench		1	G	17- by 23-inch table	U. S. Manufacturing Corporation.
12	do	Various	1/4- to 3/4-caps.			25	F	Single to 4 spindle	Wagner Malleable Iron. Mueller Co.
	PRESSES								
1	Punch press	Advance	2					14-ton, 2-inch stroke, 8 by 15 bedplate.	U. S. Manufacturing Corporation.
1	do	do	2					do	Do.
1	do	Bangert	00					5 1/2-ton, 1-inch stroke, 7 by 15 bedplate.	Do.
1	do	Bliss	018	Inclinable bench type		22	F	With stand and motor drive	Mueller Co.
2	do	do	1					11-ton, 1 1/2-inch stroke, 7 by 14 bedplate.	U. S. Manufacturing Corporation.
1	do	do	1					11-ton, 1 1/2-inch stroke, 10 by 18 bedplate.	Do.
1	do	do	1					11-ton, 1 1/2-inch stroke, 8 by 14 bedplate.	Do.
1	do	do	1					2-inch stroke	Faries Manufacturing Co.
1	do	do	1B	Cam type		16	F	16 inches between frames, 6-inch throat.	Mueller Co.
4	do	do	2	5 slide		8	G	4 1/4-inch stroke, 5- by 14-inch die shoe.	Williams Sealing Corporation.
2	do	do	2 1/2					18-ton, 2-inch stroke, 10 by 18 bedplate.	U. S. Manufacturing Corporation.
1	do	do	3					22-ton, 3-inch stroke, 12 by 21 bedplate.	Do.
1	do	do	3	O. B. I.		35	F	Stroke, 1 1/2-inch, 90 per minute.	Mueller Co.
1	do	do	5					5 1/2-inch stroke	Faries Manufacturing.
1	do	do	6					5-inch stroke	Do.
1	do	do	8	Inclinable bench type		22	F	With stand and motor drive	Mueller Co.
1	do	do	20					3 1/2-inch stroke	Faries Manufacturing.

3	do	20	do	20	do	3-inch stroke.	Do.
1	do	21	do	21	do	5½-inch stroke.	Do.
1	do	40	do	40	do	4-inch stroke.	Mueller Co.
1	do	60½	do	60½	do	4-to 42-inch stroke.	Faries Manufacturing.
1	do	62	do	62	do	do	Chambers, Bering, Quinlan.
1	do	68N	do	68N	do	4-inch stroke, 26- by 18-inch die shoe.	Williams Sealing Corporation.
1	do	69N	do	69N	do	13- by 26-inch table.	Mueller Co.
1	do	74½	do	74½	do	6-inch stroke, 86-ton, 21- by 21-inch table.	Do.
3	do	102-S	do	102-S	do	13-inch stroke, 5- by 13-inch die shoe.	Williams Sealing Corporation.
2	do	102-S	do	102-S	do	13-inch stroke, 4- by 13½-inch die shoe.	Do.
2	do	303¼	do	303¼	do	37½-inch stroke, 4- by 13½-inch die shoe.	Faries Manufacturing.
2	do	821	do	821	do	8-inch stroke.	Williams Sealing Corporation.
1	do	968	do	968	do	3½-inch stroke, 10½- by 15-inch die shoe.	Faries Manufacturing.
1	do	6760	do	6760	do	1½- by 4-inch stroke.	Do.
1	do	do	do	do	do	5½-inch stroke.	Do.
2	do	141	do	141	do	37½-inch stroke, 12- by 16-inch die shoe.	Williams Sealing Corporation.
1	do	do	do	do	do	2½-inch stroke, 7- by 9-inch die shoe.	Do.
5	do	Cleveland	do	5	do	22-ton, 4½-inch stroke, 12 by 20 bedplate.	U. S. Manufacturing Corporation.
4	do	do	do	5½	do	20½-ton, 3-inch stroke, 14 by 21 bedplate.	Do.
2	do	do	do	6½	do	37-ton, 7-inch stroke, 18 by 29½ bedplate.	Do.
1	do	do	do	6½	do	37-ton, 5-inch stroke, 18 by 29½ bedplate.	Do.
1	do	do	do	6½	do	37-ton, 7-inch stroke, 18 by 29½ bedplate.	Do.
1	do	do	do	7½	do	49-ton, 5-inch stroke, 22 by 32 bedplate.	Do.
5	do	Consolidated	do	0	do	1½-inch stroke.	Ornamental Metalworks.
1	do	do	do	0	do	1½-inch stroke.	Faries Manufacturing.
1	do	do	do	2	do	do	Do.
1	do	do	do	3	do	do	Do.
1	do	do	do	4	do	do	Do.
2	do	do	do	54	do	Inclinable.	Chambers, Bering, Quinlan.
1	do	do	do	64	do	Straight sided.	Do.
1	do	Faries	do	do	do	do	Do.
1	do	Farel Fd	do	do	do	do	Do.
1	do	Federal	do	3	do	1½-inch stroke.	Faries Manufacturing.
1	do	do	do	do	do	Open back geared, 2½-inch stroke.	Do.
1	do	L. & J	do	1	do	2½-inch stroke, die space, 13 inches.	Wagner Malleable Iron.
3	do	McDonald	do	1-2	do	1½-inch stroke, 8½- by 12-inch die shoe.	Williams Sealing Corporation.
							Chambers, Bering, Quinlan.

November 1, 1911—Continued

Quantity	Machine	Make	Size	Type	Minimum tolerance	Age	Condition	Description	Name of company
	PRESSES—continued								
1	Punch press.....	McDonald	31SBE	Stry's feed.		8	G	3½-inch stroke, 10- by 12-inch die shoe.	Williams Sealing Corporation.
3	do.....	Manville				8	G	1½-inch stroke, 6- by 10-inch die shoe.	Do.
1	do.....	Marshalltown	3	O. B. I.		1	G	2½-inch stroke, DS, 13-inch, special dial feed.	Wagner Malleable Iron.
1	do.....	Minster	5					45-ton, 7-inch stroke, 18- by 28-inch bedplate.	U. S. Manufacturing Corporation.
1	do.....	Niagara	A1-¾	O. B. I.		8	G	1½-inch stroke, 6- by 12-inch die shoe.	Williams Sealing Corporation.
1	do.....	do	3	Single action.		21	G	1¾-inch stroke.....	Cash Valve Manufacturing Corporation.
1	do.....	do	57½			15	G	Straight sided back geared.	Chambers, Bering, Quinlan.
1	do.....	R. & K	1					1½-inch stroke.	Faries Manufacturing.
1	do.....	do	1					1¼-inch stroke.	Do.
4	do.....	do	2					14-ton, 2½-inch stroke, 10 by 16½-inch bedplate.	U. S. Manufacturing Corporation.
1	do.....	do	2					14-ton, 2-inch stroke, 10 by 16½-inch bedplate.	Do.
3	do.....	do	2					2-inch stroke.	Faries Manufacturing.
1	do.....	do	3					3-inch stroke.	Do.
1	do.....	do	4					3½-inch stroke.	Do.
1	do.....	do	4½					do.	Do.
1	do.....	Rockford	1					11-ton, 2-inch stroke, 8 by 14½-inch bedplate.	U. S. Manufacturing Corporation.
1	do.....	do	4R	O. B. I.		1	G	3-inch stroke, 15-inch die space.	Wagner Malleable Iron.
1	do.....	S. & S.	A225	do		2	G	3-inch stroke, 12 by 18-inch die shoe.	Williams Sealing Corporation.
1	do.....	do		do		1	G	2½-inch stroke, 6 by 12-inch die shoe.	Do.
1	do.....	Swaine	37	do		10	F	4-inch stroke, 20-inch die space.	Wagner Malleable Iron.
1	do.....	Toledo	4	do		20	F	8-inch throat.	Mueller Co.
1	do.....	do	55	do		15	G	Straight sided, back geared.	Chambers, Bering, Quinlan.
1	do.....	V. O.	2½	do		12	G	25-ton capacity, 2-inch stroke, 8½-inch die space, 10 by 20-inch bedplate.	Decatur Pump Co.
1	do.....	Verson	6-C-30	Double action.		2	G	11-inch stroke.	Faries Manufacturing.
1	do.....	Whitney	129					2-inch stroke.	A. W. Cash Co.
1	do.....	do	6						Faries Manufacturing.

1	Hydraulic press.	H. P. M.	150 T.	Vertical down.		3	G	24 by 24 by 30 by 18 inches.	Wagner Malleable Iron.
1	do.	do	400 T.	do	.007	5	G	24 by 24 by 30 by 20 inches.	Do.
1	do.	do	400 T.	do	.007	1	G	do.	Do.
1	do.	Williams-White	125 T.	do	.007	1	G	30 by 30 by 24 by 14 inches.	Fairies Manufacturing.
2	Toggle press.	Bliss	1 1/2	Drawing				do.	Do.
2	do.	do	3 1/2 C	do				do.	Do.
1	do.	do	3 1/2 A	do				16-inch stroke of punch, 10-inch stroke of blank holder.	U. S. Manufacturing.
1	do.	E. W. Bliss						148-ton, 13-inch OS stroke, 20 1/2-inch IS stroke, 33 by 38-inch bedplate.	Williams Sealing Corporation.
4	do	McDonald		Double acting		8	G	2-inch stroke OS, 1 1/2-inch stroke IS, 10 by 10-inch die shoe.	U. S. Manufacturing.
1	do.	Toledo	162					63 tons, 4-inch OS stroke, 8-inch IS stroke, 21 by 21-inch bedplate.	Chambers, Bering, Quinlan.
1	MISCELLANEOUS EQUIPMENT	Faith Schultz	14	Pneumatic		20	G	Complete equipment for nickel, chrome, cadmium, copper, brass, etc.	Faries Manufacturing.
1	Die-casting machine.	do	18	Hydraulic		2	G	Small equipment for plating bottle cap levers with copper and nickel.	Williams Sealing Corporation.
1	Electroplating.								Chambers, Bering, Quinlan.
1	Electroplating, cadmium, 1 tank.			1 tank				Do.	
1	Electroplating, copper.			do				Do.	
1	Electroplating, acid zinc.			do				Do.	
1	Electroplating, white zinc.			1,500 amperes				Do.	
1	Electroplating, generator capacity.							U. S. Manufacturing.	
1	Electroplating, barrel, crown rheostat.		4-A						
1	Furnace, hardening.			Gas-fired		2	G	4 1/2 by 7 by 14 inches.	Do.
1	do.	Stewart		Gas fired-muffle		10	G	8 by 12 by 24 inches.	Williams Sealing Corporation.
1	Furnace, nitriding.	L. & N.	10 1/2 KW	Hono.		7	G	Recording pyrometer.	A. W. Cash Co.
2	Lathes, bulling.	Black & Decker		Double end.		5	G	do.	The Grigolett Co.
2	do.	L'Honnmedien		do		5	G	Do.	Do.
1	do.	Marscke		do		4	G	Do.	Do.
3	do.	Valley Electric		do		8	F	Inserts liners in bottle caps.	Williams Sealing Corporation.
1	Lining machine, bottle cap.	Johnson						Now used on 1 inch, can be changed.	

November 1, 1941—Continued

Quantity	Machine	Make	Size	Type	Minimum tolerances	Age	Condition	Description	Name of company
	MISCELLANEOUS EQUIPMENT—continued								
1	Oven, enamel baking	Morrison Engine Co.		540 cubic feet				0 to 600°	U. S. Manufacturing.
1	Paint-spraying machine	Binks		Spindle				Spray type with 24-inch chain belt, continuous conveyor, and gas-fired wash and rinse tanks.	Do.
1	Parts washer	Drying System, Inc.						200 tons, 18-inch stroke.	Do.
1	Plastic molding hydraulic press.	Albert		Semiamautomatic		4	G		The Grigolett Co.
5	do	do		do		4	G	200 tons, 14-inch stroke	Do.
3	do	do		do		15	G	200 tons, 12-inch stroke	Do.
4	do	do		do		4	G	125 tons, 14-inch stroke	Do.
2	do	do		do		15	G	125 tons, 12-inch stroke	Do.
1	do	do		do		5	G	125 tons, 8-inch stroke	Do.
13	do	do		do				85 tons, 12-inch stroke	Do.
2	do	do		do		10	G	75 tons, 12-inch stroke	Do.
3	do	do		do		10	G	33 tons, 8-inch stroke	Do.
1	do	Ehnes		do		15	G	400 tons, 12-inch stroke	Do.
1	do	Grigolett		do		1	G	400 tons, 8-inch stroke	Do.
1	do	do		do		1	G	500 tons, 17-inch stroke	Do.
6	do	do		do		3	G	100 tons, 4-inch stroke	Do.
4	do	do		do		1	G	31 tons, 24-inch stroke	Do.
1	Plastic molding injection press	Recd-Prentice	10A4	Automatic		1	G	4 ounces	Do.
4	Press, tench			Hand				3-inch depth of throat	Faries Manufacturing.
1	do			do				1 1/4-inch depth of throat	Do.
2	Press, foot lever	Stimpson							Do.
1	do	Bliss	7						Do.
1	do	do	7						Do.
1	Press, foot	Bosworth						6-inch depth of throat	Do.
2	do	Consolidated	1A					3-inch depth of throat	Do.
1	Press, foot lever	Etna	0						Do.
6	Press, foot	Excelsior	15			10	G	6-inch depth of throat	Chamber, Bering, Quinlan.
2	do	Schultz						2 by 1-inch die shoe, closed	Faries Manufacturing.
35	do							7 inch.	Williams Sealing Corporation.
2	Rivet spinner	Townsend	2	Standard vertical					U. S. Manufacturing.
1	Slitting shear, hand	Church							Faries Manufacturing.
1	Squaring shear, foot	Brombacher	30-inch						Do.
1	do	Excelsior	30-inch						Do.
1	do	Niagara				15	G		A. W. Cash Co.
1	do		36-inch			8	G		Williams Sealing Corporation.

1	Welder, electric spot								50 ampere	U. S. Manufacturing.
1	do	American Electric Fusion Corporation.	LD-8						75 ampere	Do.
1	do	do	MD-6						70 ampere	Do.
1	do	do	MD-12							The Grigolett Co.
1	do	Dyer	P-18					1	G	U. S. Manufacturing.
1	do	Micro Prod	P-12							Do.
1	do	Pier Equip.	82-D							Do.
1	Welder, electric	G. E.			20 kilowatt					Ornamental Metalworks.
1	do	Hobart			40 ampere					Do.
1	do	Lincoln			30 ampere					The Grigolett Co.
1	Welding torch, acetylene.	Rego			300 ampere D. C.					Do.
1	do	do			do					Do.
1	do	do			150 ampere					Do.
1	do	Della								Do.
1	Cut-off machine	do								Do.
1	Sander, belt	do	12-inch						17-inch center by 6-inch wide	Do.
1	Sander, disk	do	10-inch							Do.
1	do	do								Do.
1	Sander, drum									Do.
1	Structural-steel fabricating.								1,500 tons per month (buildings, bridges, hoppers, bins, etc).	Mississippi Valley Structural Steel.
	Foundry, aluminum								10,000 pounds capacity per day.	Faries Manufacturing.
	Foundry, brass								8,000 pounds capacity in 1 8-hour shift.	Model Brass Co.
	do								40,000 pounds capacity	Faries Manufacturing.
	Foundry, grey iron								50 tons capacity in 1 8-hour shift.	Chamber, Bering, Quimlan.
	Foundry, malleable iron.									Wagner Malleable Iron.

MISCELLANEOUS EQUIPMENT (FARIES MANUFACTURING)

8 lathes.	1 Woods tilted turret.
1 beading machine.	2 tapping machines.
4 drill presses, 1 spindle.	1 countersink machine, Brown & Sharp.
1 trim lathe	1 pipe countersinking machine.
9 hand spinning lathes.	2 machines for threading pipe.
1 Good Manufacturing Co. spinning lathe.	3 milling machines.
2 spinning lathes.	1 threading machine for tubing.
1 power metal slitter.	2 emery grinders.
1 power shear.	1 automatic tapping machine.
1 hand braking machine.	2 5-spindle drill presses.
1 welding machine.	5 4-spindle drill presses.
1 emery grinder.	4 2-spindle drill presses.
2 milling machines.	1 countersink.
1 hand arbor press.	1 cock-grinding machine.
1 drill press.	1 6-spindle Barnes drill press.
2 shapers.	1 grinding machine.
1 planer.	1 saw for tubing.
2 engine lathes.	1 No. 1600 cut-off saw, Gould & Eberhardt.
1 hand screw press.	1 foot press.
1 disk grinder.	1 roller bench, hand.
1 Oakley grinder.	1 reamer.
1 filing machine.	1 saw.
1 hand brake.	1 buffing machine.
1 hand roller.	1 speed lathe.
1 hand beader.	1 square shear, foot power.
2 drop-forge hammers.	3 bending tables.
1 hammer.	1 hand punch.
2 LeBlonde lathes.	1 foot shear.
2 Hendey lathes.	1 grid crimping machine.
1 grinder.	1 molding machine.
1 Barnes 1 spindle drill.	1 Tabor molding machine.
2 milling machines.	1 molding machine.
1 single spindle drill press.	1 bushing lathe.
1 Illinois motor-driven bench filer.	2 paint machines.
3 3-spindle drill presses.	1 wood circular saw.
3 1-spindle drill presses.	1 36-inch band saw.
1 saw.	17 buffing machines.
3 lathes.	1 automatic buffer.
1 trimmer.	1 burnishing barrel.
1 tapper.	1 tumbling barrel.
1 small tapper.	4 brushing machines.
2 Automatic thread rollers.	3 brushing lathes.
1 rivet head machine.	2 Northampton buffers.
2 2-wheel grinders.	3 scratch brush lathes.
1 bench break.	1 sand-blast machine.
1 thread machine.	1 brushing lathe.

Facilities to fabricate 50-100 tons per month of miscellaneous iron items ranging up to light structural trusses and angle framing. Also sheet and plate work, 16 gage to ½-inch plate. Tube and pipe work up to 3-inch inside diameter. (Ornamental Metalworks.)

TESTIMONY OF W. E. PARKER—Resumed

The CHAIRMAN. I have some questions prepared to ask you, but I hope you will not feel yourself restricted by those questions. I wonder if you would tell us the reasons for your becoming interested in this matter.

Mr. PARKER. I became interested in this work in July of this year. I was called into the assignment by Martin P. Durkin, who was director of the Illinois State Department of Labor at that time. The reason that he called me in and turned this assignment over to

me was because of the large volume of complaints and requests for help and advice from small manufacturers, particularly throughout the State of Illinois, that were facing difficulties as a result of the defense program. The complaints involve primarily curtailment of materials or lack of information as to how to go about placing their facilities on the files of the Procurement Agencies in order to get business. They presented their problems to him hoping that he would be able to give them some assistance and advice. The other reason for the Department of Labor's activity in connection with the defense program is the position held by Illinois in volume of defense contracts in relation to other States in the Union and also in relation to their industrial position in relation to the other States. We are the third industrial State, and thirteenth in volume of defense contracts.

Mr. SPARKMAN. When you speak of defense contracts do you mean only the purchase of supplies or do you include construction work such as that done in Belleville?

Mr. PARKER. It also includes construction. Everything in the defense program.

Mr. SPARKMAN. In other words you feel that there was a desire on the part of procurement agencies to get certain facilities and supplies; that the people in Illinois had those facilities; and it was a matter of getting the two together.

Mr. PARKER. Yes; it amounts to that. Take a typical Illinois county with a city of 30,000 to 75,000. It is a matter of the manufacturers there finding out exactly what they have available in the way of facilities and machine tools, and then pooling their efforts to do something with those facilities. If one manufacturer finds he hasn't the total facilities necessary to bid on a particular item which is up for letting, by the time he locates some other manufacturer to assist him in the bidding that does have the facilities the expiration of the date of letting is over and he hasn't got in on the procurement procedure at all.

Mr. SPARKMAN. You say that Illinois is the third industrial State in the Union. How does it compare on a population basis?

Mr. PARKER. It is also third.

Mr. SPARKMAN. Then if you measure it in terms of the migration of people, it would be your contention that your defense contracts ought to place you in approximately the third position also.

Mr. PARKER. Yes; but not entirely.

I am aware of the large shipbuilding facilities located in New Jersey and the aviation industry in California. I understand those things and so does everyone else in Illinois.

Mr. SPARKMAN. But I think that there is too great a disparity between third and thirteenth.

Mr. PARKER. And there are other Midwestern States comparable to ours in location which have more business than we have although they are way down the line in facilities. There is something wrong with that picture.

Mr. SPARKMAN. When you started with this work, what different plans did you analyze and what steps did you take to familiarize yourselves with the various aspects of subcontracting and procurement procedure?

Mr. PARKER. We reviewed information that we were able to obtain by writing to the various localities that had tried different plans

for getting defense business for their manufacturers. There is the York County plan, various plans in communities in Ohio and Wisconsin, and some in the Southwest. There was information in the press about these plans which we followed and reviewed and obtained from the libraries. The most outstanding plan at that time was the York plan, at York, Pa.

Mr. SPARKMAN. What was the York plan?

THE YORK PLAN

Mr. PARKER. Briefly, the York plan boils right down to one simple statement: find out what facilities your community has, and then set up a committee and go out and get business. As Mr. Shipley, head of the York Ice Machine Co., said:

We realized that we were in the position of a beggar. Our workers were being laid off, and we had to get business, and we knew that we wouldn't get business sitting in the back streets of our communities, yelling about it. We found out what we had. We took our tin cup and shoved it in the belly of anybody who had any defense business. We knew what we had and we knew what we could do, and we went out to get business.

But it was based on organizing their facilities and their labor supply, and really finding out what they had.

Mr. SPARKMAN. Does it include also the pooling of those facilities?

Mr. PARKER. Yes; it does.

Mr. SPARKMAN. Was it effective?

Mr. PARKER. Very effective. At the time Mr. Calhoun, who was assigned to assist me, visited York, a community of approximately 60,000 or 75,000; they had over \$130,000,000 in defense contracts. Some companies had as high as 19 different defense contracts.

Mr. SPARKMAN. Were those contracts awarded to individual companies or were they awarded to the pool?

Mr. PARKER. They were awarded to an individual company. This company may only have had facilities sufficient to produce 15 or 20 percent but had the financial backing and financial resources and the management and engineering staff to supervise the contract and sublet it locally.

Mr. SPARKMAN. In other words, the one company was selected as the contract agent for the benefit of orderly procedure, and responsibility.

Mr. PARKER. That is correct.

Mr. SPARKMAN. But it was understood that he in turn would share that work.

Mr. PARKER. With the others. And they agreed on that before he submitted the bid. They sit down and figure the bids together.

Mr. SPARKMAN. And though a bid was made in the name of one company, there was a pooling of facilities and resources.

Mr. PARKER. That is right.

Mr. ARNOLD. Has this plan been effective in Decatur, Ill., in getting prime contracts and subcontracts?

Mr. PARKER. It has been effective to this extent. They have bid on a great deal more business. The fact that they have not been awarded the business does not mean that they have not put forth the effort to get the business. This effort has brought the manufacturers much closer together and has also assisted in disseminating information between them. They have set up the procedure and started to

work. It just happens that their first efforts have not been successful in getting business.

Mr. SPARKMAN. You feel confident that if they continue they will get the business?

Mr. PARKER. Yes, sir.

Mr. CURTIS. Do you feel there should be some changes in regard to giving small manufacturers more time to get bids submitted and negotiate contracts?

Mr. PARKER. If there are not some changes, we won't get very far with the defense program. After all, where are our facilities? You can spot the big plants all over the country, but when you get into a community and get 15 to 30 small firms together you have as large a pool of facilities as some of the larger organizations and if you don't go in and use them you will never get the kick and push into the program or the production you expect.

Mr. CURTIS. You take the position that the Government does not need to change any of its policies and plans and that it is entirely a matter of pooling resources from the standpoint of industry?

INFORMATION ON CONTRACTS SHOULD BE EASILY AVAILABLE

Mr. PARKER. No; I think the Government, particularly in the Contract Distribution Service, should make the information much more available to the local communities and get the information to the local manufacturers. Let us take, for example, the district in which northern Illinois is located. The 40,000 manufacturers in that area can't all get into Chicago to look over specifications. The few that do attempt to go there have to wait hours to get service, and so they are not going to come back very often. We should go to them and keep them constantly informed. Just sending this information to one point in a community of 60,000 population is not adequate distribution of information. It doesn't get down to every fellow that has a possibility of bidding on that business. He doesn't know where to go to get it.

Mr. SPARKMAN. Your plan involves setting up a clearing house for all of the manufacturers in each community?

Mr. PARKER. That is right, and we do recommend that a representative of the group regularly contact the procurement offices and the Division of Contract Distribution.

Mr. SPARKMAN. Mr. Parker, may I get down to the development of your plan? You have described its character and mentioned other plans. I understand you have analyzed those plans for the purpose of arriving at a conclusion in your own mind as to which one would best suit Illinois. Will you give us some idea as to the main features of your own plan and why you think that it is superior to the other proposals that you studied?

MAIN FEATURES OF PLAN

Mr. PARKER. After we had studied the various plans, then we went to the manufacturers. We got in touch with a great many of them to determine what their problems were, particularly the small manufacturers. Then we went to the procurement offices to determine what a manufacturer had to do to get information about items that were up for letting: the steps that he went through, what size

organizations were usually able to bid on this business, and that sort of thing. Then, after making those three studies, we agreed on the plan that we recommend and have introduced in 12 communities in Illinois: First, find out what facilities are available in a community, then organize them in a manner that will be readily usable by the various procurement offices. Report the facilities in such a way that they can be readily interpreted by the procurement office in relation to the various items which are up for letting from time to time. In that way the opportunity for getting business is greatly increased and local groups are stimulated to put forth greater organized efforts in getting contracts.

Mr. SPARKMAN. You say that there were 12 towns surveyed under your plan?

Mr. PARKER. Yes.

Mr. SPARKMAN. And this plan was accepted by all 12 of them?

Mr. PARKER. Yes.

Mr. SPARKMAN. Do you contemplate a still further spreading of this plan?

MUST WITHDRAW FROM WORK

Mr. PARKER. No; we do not; for this reason: The men working with me and I are employees of the Division of Unemployment Compensation, under the supervision of the Regional Social Security Board. Ninety-two percent of our expenses are paid by that organization, and they have requested us to discontinue this work. They feel that it is very fine work and has a great deal of value but does not justify the expenses according to the regulations governing the use of funds. They feel that the job should be done by some branch of O. P. M. which is handling these facilities and using them and trying to make this information available for both prime contractors and for procurement offices.

Mr. SPARKMAN. Would you name the 12 Illinois towns that have accepted this plan?

Mr. PARKER. Bloomington, Champaign, Danville, Decatur, Jacksonville, Kankakee, La Salle, Mattoon, Ottawa, Quincy, Streator, Waukegan.

Mr. SPARKMAN. Have you been able to follow up how much defense business has accrued as a result of this organization in various communities?

Mr. PARKER. I have no analysis of the volume of defense contracts. I do know that Bloomington, Champaign, and Danville have obtained defense business as a result of their efforts and this plan, particularly from prime contractors. The facilities available there are listed carefully, and a prime contractor does not have to go from plant to plant. He can use the survey and determine who has the facilities to handle certain parts of the business that he can sublet.

Mr. SPARKMAN. Would you care to add something further to what you have already said concerning the adequacy of existing governmental machinery, such as the Contract Distribution Service and the procurement branches of the various armed forces, for bringing the greatest possible number of small businesses into defense production.

Mr. PARKER. I will say that the Division of Contract Distribution here in St. Louis, under Mr. McDevitt, is doing a splendid job for the simple reason that he doesn't sit over here and expect the manufac-

turers to come to him. He goes to them and makes a record of his contacts with them. Consequently the results he has obtained are splendid. However, the other procurement office that serves the other part of Illinois has a different philosophy. Their approach to the problem is: "You come to us. It is here if you want it." Forty thousand manufacturers can't all get into Chicago, and if they got there they could not get the service because the facilities there would not be adequate.

Mr. SPARKMAN. What do you think about the time that is given these people for submitting bids?

Mr. PARKER. I believe the time has been extended on most of the items. If they have the information, as soon as the item is up for letting, they have sufficient time for bidding.

Mr. SPARKMAN. We were in Nebraska the first part of this week. Both in Hastings and in Omaha, and also here yesterday, a number of the manufacturers had this complaint to make: That sufficient time was not given from the moment they received invitations to bid until the time the bid had to be in to allow them to make up detailed estimates and to see if they could get the necessary equipment or supplies to fill the order.

Mr. PARKER. That is probably true. I am making my statement from observations in communities that are relatively close to the procurement office.

Mr. SPARKMAN. Where they can drive in?

Mr. PARKER. Yes; and within a few hours, at the most, they can get to the office where the specifications are available.

Mr. ARNOLD. The time has been extended in the last 2 or 3 months, hasn't it? Some of the complaints are 2 or 3 months old, I believe.

Mr. PARKER. That is correct.

Mr. ARNOLD. But there is need for further extension of time, if possible.

Mr. PARKER. In order to service all of the areas serviced by the major procurement offices, I would say "Yes; further extension of it would be necessary."

Mr. ARNOLD. The present set-up is sufficient for those who are already to go and bid, but for those who have to make inquiries more time is needed.

The CHAIRMAN. Thank you very much, Mr. Parker. We will take a 5-minute recess.

(At this point the committee recessed for 5 minutes.)

AFTER RECESS

The CHAIRMAN. The committee will please come to order, and Congressman Arnold will call the Decatur panel.

TESTIMONY OF DECATUR, ILL., PANEL

Mr. ARNOLD. As I call your names I wish you would step forward. Mayor Charles Lee, Decatur, Ill.; William E. Mueller, president, Mueller Co., Decatur, Ill.; K. T. Livesay, Gebhardt-Gushard Co., Decatur, Ill.; Earl Cooper, chief engineer, Chambers, Bering, Quinlan Co., Decatur, Ill.; Richard B. Calhoun, employer relations representative, Illinois State Employment Service, Decatur, Ill.

Mayor LEE. Mr. E. Voris Conner is here. He is supervisor of the Decatur Township relief office. We have also Mr. Frank Taylor, representing the Mueller Co.

Mr. ARNOLD. I want you gentlemen to feel that the committee is very much interested in your welfare and in your problems and we want you to feel free to outline them here in the hope that our report to Congress, which also is available to and made use of by the interested departments of the Government, may show your situation, which we hope improves. Mayor Lee, will you kindly identify yourself and the other members of the panel?

TESTIMONY OF CHARLES LEE, MAYOR OF DECATUR, ILL.

Mayor LEE. I am the mayor of Decatur. Mr. Mueller is president of the Mueller Co., which is our largest brass goods manufacturing plant. Mr. Taylor is connected with the Mueller Co. Mr. Livesay is a representative of the retail merchants of this city, being the manager of one of the large department stores. Mr. Cooper is one of the main engineers for the Chambers, Bering, Quinlan Co., which has an iron foundry and machine shop in this city. Mr. Calhoun is with the Illinois State Employment Service; and Mr. Conner is the supervisor of Decatur Township, and as such is charged with the relief of the township. Decatur comprises most of the township, a small portion lying outside of the city.

Mr. ARNOLD. We have your statement, Mr. Mayor, and the statements of Mr. Mueller and Mr. Cooper, which will be incorporated in the record of this committee in full.

(The statements referred to above appear with the testimony of the respective witness. Mayor Lee's statement is as follows:)

STATEMENT BY HON. CHARLES E. LEE, MAYOR, DECATUR, ILL.

The city of Decatur, Ill. has a population of approximately 60,000. In the 17 industries classified as metal trades, which includes 1 plastic manufacturing plant, the number of employees as of October 16, 1941, was 4,178. The anticipated lay-off in these industries by January 1, 1942, is 2,279. These anticipated lay-offs, if they occur, will be the result of material shortages, or in a few cases lack of defense contracts giving right to use materials already on hand.

Assuming an average of 4 to a family, the anticipated lay-offs would affect more than 9,000 of the inhabitants of this community, 556 employees have been laid off up to this time, or something like 23 percent of the anticipation. Reduced to man-hours, this lay-off amounts to 25,820 man-hours, with the consequent loss of revenue from pay rolls.

The indication from unemployment compensation claims is that many of these now laid off are looking for work in other communities. It seems obvious that the impact of these lay-offs will be tremendous as to relief and increased migration from the city, and such results would throw the local metal trades out of joint and would probably increase the problem in other localities.

It would seem that Decatur would have to have direct defense contracts in these industries or allocation of necessary materials to be able to maintain any constant level of employment and pay rolls. The effect of such lay-offs upon local merchants would also be quite serious.

TESTIMONY OF MAYOR LEE—Resumed

Mr. ARNOLD. I don't have any prepared questions for you, but I would like you to make any statements you wish here.

Mayor LEE. I will try to make my statement brief because the other men present are qualified and have made investigations and can speak more specifically on various points.

Mr. ARNOLD. What is the population of Decatur?

Mayor LEE. Just under 60,000. It is essentially an industrial city. I should say that more than half the population of the city is directly affected by the following industries:

The metal trades, which will be spoken of, the Wabash shops, the Staley Manufacturing Corporation, a corn and soybean products plant, and six garment factories.

The CHAIRMAN. How far is Decatur from here?

Mayor LEE. About 125 miles northeast on almost a direct line between St. Louis and Chicago.

Mr. SPARKMAN. It is primarily an industrial center?

Mayor LEE. Yes. Nearly half of the population is affected by the metal-trades industries, by the food product factories, the Wabash shops, and the garment factories. We have a number of miscellaneous smaller industries.

Mr. CURTIS. Are your industries local in nature, or are they branch plants of larger Nation-wide manufacturing concerns?

Mayor LEE. The bulk of them are local. We have two major processing plants of soybeans, The Fairschild Annual Midwestern, and the Spencer Kellogg are large chain outfits. The others are local.

Mr. SPARKMAN. Have you already felt the effects of the priority program?

Mayor LEE. Very definitely. Within the past 30 days something over 550 lay-offs have occurred in the metal trades. The total number employed in the 17 metal trades is approximately 4,200. There have been 550 men laid off in the last 30 or 40 days with an anticipated lay-off under present conditions of nearly 2,200 by the 1st of January 1942. Those anticipations, I think, are based upon serious consideration of the material shortages and lack of defense contracts.

The CHAIRMAN. Thank you, Mayor Lee. Our next witness will be Mr. William E. Mueller.

TESTIMONY OF WILLIAM E. MUELLER

Mr. ARNOLD. Mr. Mueller, we have read with interest your prepared statement and would like to ask you some questions based on that material.

(The statement referred to above is as follows:)

STATEMENT BY WILLIAM E. MUELLER, PRESIDENT, MUELLER CO.,
DECATUR, ILL.

Mueller Co. has been in continuous existence for more than 80 years, and now has factories in Decatur, Ill., Chattanooga, Tenn., Los Angeles, Calif., and Sarnia, Ontario. In the previous war period of 1914 to 1918, the Canadian factory and also the Decatur factory produced large quantities of war material, specializing on brass ammunition parts such as fuses. Many executives and other employees who went through that period are still with the company, so that their knowledge and experience is available at this time.

The policy of the company has always been to more or less pool its engineering and executive forces among all of its plants and divisions. When the present war began, the Canadian Government immediately got in contact with our factory at Sarnia and agreements were entered into for the production of war materials. The executives and engineers from the Decatur plant assisted in this work, and the results have been satisfactory both to this company and to the Canadian and British Governments. We have been in frequent conference with the representatives of both Governments, and have enjoyed a high degree of mutual regard and cooperation. Also our Canadian plant, through experience and expanding facilities, has found it possible to reduce its costs to the Govern-

ment on subsequent contracts, and we have not hesitated to do this. At the present time the same items are being supplied to the Canadian and British Governments at a large reduction in the price from the first contracts let 2 or more years ago.

At the time Columbian Iron Works, a division of this company, obtained a prime contract for machining shells, the executives and engineers of Mueller Co. were immediately made available to Columbian Iron Works. The tool making department of Mueller Co. was also utilized and has made all the small tools and gages required for the performance of the contract by Columbian Iron Works.

THE MUELLER CO. AND THE DEFENSE PROGRAM

I

The Mueller Co. was founded in Decatur, Ill., in 1857, by Hieronymus Mueller. His six sons entered the business as they reached a working age. The expansion of the business was very slow at first, and the first real expansion came in the 1890's. Mueller, Ltd., was founded in 1912 at Sarnia, Ontario, to take care of the Canadian business. In 1933 a complete manufacturing plant was built at Los Angeles to take care of the Pacific coast business. Also in 1933 the Columbian Iron Works of Chattanooga, Tenn., which was about closed down, was purchased by the Mueller Co.

The Mueller Co. of Decatur, Ill., of Los Angeles, Calif., and Mueller, Ltd., of Sarnia, Ontario, manufacture complete lines of brass service goods for water and gas installations. We also manufacture the machines and tools for installing the services, together with a complete line of pressure regulators, relief valves, domestic plumbing fittings, such as faucets and stops of all descriptions, to make water or gas available to the ultimate consumer in his residence or place of business. Our main production goes to water works; our second amount of production goes to gas companies; and our third goes to plumbers; these include about 8,000 catalog articles requiring about 35,000 different parts.

In this line there are certain specialties for emergency and repair use, such as pressure-control fittings, service clamps, and welding tees. The use of these items in a number of possible combinations makes it possible to repair a damaged water or gas line rapidly and without shutting down the entire system, thus taking care of repairs of an emergency nature from natural causes, accidents, sabotage, or other casualty.

Columbian Iron Works at Chattanooga, Tenn., which is usually termed the hydrant and valve division of Mueller Co., produces fire hydrants, sluice gates, gate valves, underwriter material, sewage-disposal and water-purifying equipment, and similar articles.

II

At the present time Mueller, Ltd., the Canadian branch of the business, is engaged in a number of prime contracts with the Canadian Government and with the British Government, producing munitions, particularly brass fuzes, boosters, and other ammunition parts. The plant facilities, both as to equipment and employees, have been considerably expanded. This type of work, together with some subcontracts of a similar nature, account for at least three-fourths of the output of that factory. The Mueller Co. plants of Decatur, Ill., while not working on any prime Government contracts or subcontracts, has a lot of orders which have or are entitled to a preference rating of A-10 or higher. The best estimate of orders actually shipped from the Decatur plants for such purposes is approximately one-third to one-half of the entire output. In addition to this, a considerable portion of the company's products is distributed through jobbers; and while it is impossible to trace each individual item, it is felt that a large amount handled by jobbers goes to projects and other users which have or would be entitled to a preference rating of A-10 or higher; so that if each order could be traced to its destination to jobbers and others, it is felt that the percentage of the company's output going into defense work—meaning anything having a preference rating of A-10 or better—would probably run as high as 75 to 80 percent.

The business done by the Pacific coast factory at Los Angeles, Calif., follows closely the general pattern of the business done by the Decatur plants, and the above percentages as applied to the Los Angeles output are approximately correct.

The Columbian Iron Works at Chattanooga, being the hydrant and valve division of Mueller Co., is now engaged in a prime contract for machining 105-millimeter shells which was let through the Cincinnati ordnance district office. Some difficulties have been encountered in the way of obtaining the materials and

machinery, most of which have been overcome, and the output of such munitions is approaching capacity.

In addition to the munitions work, the regular line of Columbian Iron Works is fire hydrants, sluice gates, gate valves, underwriter material, sewage disposal, water-purifying equipment, and similar articles. Taking as a criterion the ratings of A-10 or better, it is estimated that from 75 to 80 percent of the output of Columbian Iron Works is going for defense purposes.

III

The month-by-month employment data in Decatur plants for the years 1939, 1940, and 1941, broken down to production and nonproduction workers, is as follows:

Factory labor analysis

	Plant 1			Plant 2			Total		
	Number of employees	Production hours	Nonproduction hours	Number of employees	Production hours	Nonproduction hours	Number of employees	Production hours	Nonproduction hours
1939									
January	461	51,645	28,293	54	7,434	1,273	515	59,078	29,566
February	462	46,509	25,396	51	6,526	1,107	513	53,035	26,503
March	462	53,998	29,349	50	6,936	1,487	512	60,934	30,836
April	415	44,201	25,519	48	5,720	1,232	463	49,921	26,751
May	420	45,869	30,500	47	5,870	1,912	467	51,740	32,442
June	427	50,664	28,943	49	7,544	1,315	476	58,209	30,258
July	450	48,905	28,522	51	7,170	1,314	501	56,075	29,836
August	454	52,389	31,217	49	7,621	1,355	503	60,009	32,572
September	464	52,786	29,948	47	6,889	1,320	511	59,675	31,269
October	491	57,081	32,508	49	7,057	1,364	540	64,138	33,872
November	489	64,101	32,617	56	8,593	1,537	545	72,694	34,155
December	490	57,144	33,199	56	8,059	1,569	546	65,203	34,768
Total		625,292	356,011		85,419	16,815		710,711	372,828
1940									
January	490	60,873	32,979	55	8,884	1,703	545	69,757	34,682
February	490	52,430	29,725	55	7,834	1,244	545	60,264	30,969
March	489	51,802	30,511	53	7,558	1,254	542	59,360	31,765
April	488	51,664	29,983	53	7,562	1,664	541	59,226	31,646
May	488	46,981	34,176	53	7,186	2,194	541	54,167	36,371
June	477	42,977	29,796	47	5,630	1,472	524	48,607	31,268
July	502	62,781	36,363	46	6,941	1,336	548	69,722	37,700
August	513	66,939	34,718	48	6,832	1,343	561	73,771	36,061
September	515	65,043	34,427	49	6,958	1,326	564	72,001	34,753
October	577	73,579	37,519	51	7,463	1,392	628	81,042	38,911
November	602	71,547	39,311	59	7,378	2,121	661	78,924	41,432
December	617	85,554	38,263	65	11,042	1,503	682	96,597	39,766
Total		732,170	406,771		91,268	18,552		823,438	425,324
1941									
January	616	85,521	37,879	65	10,688	1,603	681	96,209	39,481
February	618	72,348	33,638	57	7,671	1,377	675	80,019	35,015
March	615	77,072	36,399	52	7,252	1,359	667	84,324	37,758
April	623	79,209	38,666	54	7,983	1,516	677	87,191	40,182
May	627	78,614	39,657	65	9,183	1,650	692	87,797	41,306
June	655	79,711	43,633	75	11,143	2,318	730	90,853	45,951
July	707	95,822	46,544	71	12,823	1,919	778	108,646	48,463
August	710	91,873	44,598	71	11,971	1,932	781	103,843	46,530
September	697	96,364	44,843	73	11,414	2,240	770	107,777	47,083
October	705	104,006	44,598	73	12,883	2,669	778	116,889	47,267
Total		860,539	410,454		103,011	18,583		983,548	429,036

IV

The effect of the priorities and allocations programs on Mueller Co. thus far can be summed up in a very few words, viz:

Within the last 2 weeks the Mueller Co. has been compelled to lay off indefinitely approximately 200 workmen at its Decatur plants, and there is no prospect for the immediate rehiring of these people. It is true that if contracts were awarded on

outstanding proposals for munitions work, particularly certain shell jobs, employment could be found for many and possibly even all of those laid off. The lay-off included approximately one-fourth of the total working force at Decatur.

It is impossible to forecast the future course of business, but it is considered a conservative statement to say that unless Mueller Co. is able in the immediate future to obtain prime contracts or subcontracts for national defense items, it will be necessary to make further cuts in the working force.

The chief impact in this direction is to be found in the Order M-9-c as amended, curtailing the use of copper and copper base alloy.

During the past few months Mueller Co. has made an effort to conserve metals, especially copper, by the use of substitutes and changing metal mixtures. A substantial saving has resulted in several materials and ingredients, the most important of which is copper. The company has been successful in reducing its consumption of copper by almost 90 percent, without any material impairment of the quality of its product.

Extending back over a number of years, the established policy of the company has been to carry substantial inventories of raw materials, and at the present time is not faced with any acute shortage of most types of raw material used, but could probably continue in production for perhaps as long as 4 or 5 months. As stated, however, it has been necessary to curtail production in order to comply with the applicable Government orders, and it is impossible to make any definite prediction as to the condition of the company's business after January 1, 1942, in advance of knowledge and information as to any further or additional orders which the Government may issue on the question of priorities, allocation of materials, and kindred subjects.

V

Beginning in about August 1940, Mueller Co. made contact with the Chicago ordnance office and continuously since that date has been in communication with the said office by means of personal interviews, letters, and phone calls at least once a week, in an effort to obtain contracts. For the most part this has been done by Mr. L. W. Mueller, vice president and works manager; and other executives and members of the organization have also made contact. Over the same period 50 to 75 companies, known to have prime contracts, were interviewed with a view of obtaining subcontracts. The company was well represented at the recent clinic on subcontracting held in Chicago, and the representatives attending the clinic reported that most of the other manufacturers whom they met there felt that there were few opportunities for subcontracting being offered through the said clinic.

More recently the company has designated one of its salesmen, who is located in Chicago, to keep in continual contact with the Chicago ordnance office, the Office of Production Management, and the Navy procurement agencies. Mueller Co. also, together with a small group of other metal manufacturers in Decatur, Ill., attempts to make contact with Government procurement agencies, primary contractors, subcontractors, and others through a full-time representative employed for that purpose.

Beginning as far back as the year 1928, the company has been in touch with the War Department and its facilities have been the subject of several surveys by said Department. More recently complete facilities lists have been furnished to the Office of Production Management and to the Navy Department. Also the company has complied with all requisite procedure to be recognized as the bidder by the Bureau of Supplies and Accounts of the Navy Department.

The Pacific coast factory has also made contact with the Ordnance Department of the Los Angeles district, and has been in constant communication with the Decatur plants with reference to making proposals in California.

In addition to these contacts, actual proposals have been made as follows:

Eight written proposals on boosters, in quantities varying from 408,000 to 5,000,000 pieces, on production schedules from 68,000 to 100,000 pieces per month.

Two bids on 105 mm. shells, in quantities of 600,000 and 1,200,000, respectively, on production schedules running as high as 100,000 per month.

Two proposals on 40 mm. shells, in quantities of 80,000 and 150,000, and on production schedules of from 8,000 to 15,000 per month.

One proposal on a bomb nose, in quantities varying from 182,000 to 950,000, on monthly production schedules from 5,000 to 100,000.

Practically all of these were submitted to the Chicago ordnance district, with at least one proposal to the Los Angeles ordnance district.

The company has also carefully considered invitations to make proposals on other items such as fuzes, percussion primers, adapter boosters, cartridges, and other projectiles. In all about 12 such invitations have received most careful consideration and analysis by the company, but proposals have not been submitted because it was not thought that Mueller Co. had available facilities to compete with others on these particular items.

No prime contracts have resulted from these efforts, except one small contract, of a secret and confidential nature, which involved only 10,000 small experimental pieces.

Mueller Co. has information from sources considered reliable, that on certain of its proposals indicated above, the differential between the Mueller Co. proposal and the one on which the contract was awarded was less than 5 percent.

On one occasion, in a special effort to obtain a contract, the company advised the contracting officer that they would take the contract at any price fixed by the Government, but no contract was awarded.

VI

In all contacts thus far, the attitude of the various contracting officers, so far as Mueller Co. is concerned, has been most favorable and cooperative, and there is not even the slightest disposition on the part of the company to complain or criticize the record of any of these gentlemen in that particular. The company feels that these men are sincerely attempting to negotiate contracts, but are required to forward all data to Washington, and the matter seems to make no progress after that step is taken.

Approximately a year ago this company called attention of the Chicago ordnance office to the fact that Mueller Ltd., at Sarnia, Ontario, and also the Decatur factories, had developed a process of forging brass which made it possible to use secondary metals. It was thought that this served a twofold purpose.

In the first place the use of secondary metals would make available castings and forgings, and thus save and conserve the supply of brass rod. The forging process would also make available hand operated motor driven monitor lathes, and would tend to release automatic machines for use on rod stock. There are competent engineers who believe that on forged parts and cast parts, hand-operated machines can compete favorably with automatic machines. It is the best judgment of this company that the cost where the different types of machines are used, would probably be within a margin of 10 to 15 percent.

The Chicago ordnance office evidenced a great deal of interest in the forging process and obtained sample forgings from this company. It was later reported to Mueller Co. that these forgings had been forwarded to Washington for inspection and approval, and had been given the approval of the Ordnance Department.

However the negotiations ended at that point and Mueller Co. received no further information on the status of using the forging process. In anticipation of the Ordnance Department adopting forging process, Mueller Co. acquired one press to use in that connection.

VII

As indicated above, the company has always produced a large variety of products and the individual orders have averaged a relatively small number of items. The manufacturing processes of the company use a certain amount of brass and iron castings as well as brass forgings.

Under this method the automatic machinery is not the best adaptable for the company's purpose. Every effort has been made to keep up the mechanical equipment to a very high degree of efficiency but the company has more or less concentrated on motor-driven monitor lathes which are hand operated. This type of machinery serves to stabilize employment as well as to fit into the production plan of the company. Even though automatic machines could be used in the usual production line, the operation would be irregular, that is, a large quantity would be produced rapidly and in a short space of time, which would be followed by a period of idleness or nonemployment on the part of the machine operator until there was an accumulation of orders for other items to be run through.

However, when costs are computed on proposals for ordnance items, particularly component ammunition parts which are wanted in large quantities machined from rod stock over a short space of time, the hand-operated machines cannot compete with the automatic screw machines, and it is estimated by the cost department of Mueller Co. that there is a differential in cost of approximately 15 percent in favor of the automatic machine on that type of contract, which for the most part is large quantities produced in a short period of time.

VIII

The alleviation of the current situation in Decatur, resulting from priorities and/or allocation programs presents a problem that is becoming increasingly pressing and difficult of solution. The town seems to have factories in the metal trades which are adaptable to produce metal products necessary for the national defense program. From what information is available to this company, it does not seem that any large prime contracts, or in fact any appreciable amount of defense work, has been given to the Decatur area. This is having a depressing effect on the viewpoint of manufacturers, who are becoming quite pessimistic about the possibilities of any considerable amount of defense work being contracted for in Decatur plants. If such contracts are not forthcoming in the immediate future, the only alternative is an allocation program or use of the priorities system to obtain raw materials to keep these factories at work on at least a percentage of their normal production of civilian goods.

TESTIMONY OF WILLIAM E. MUELLER—Resumed

Mr. ARNOLD. Would you tell the committee the types of products manufactured by your company in your Decatur plant?

Mr. MUELLER. We manufacture materials that go into the distribution of water and gas, and we make plumbing products like faucets. As an explanation, when the water main goes into the street, we have nothing to do with that but we make the valve or stop that goes into the water main to connect the water into the home, and the machinery for installing it. That is our main business. We make the same thing for gas and we make plumbing products.

Mr. ARNOLD. And your business is Nation-wide?

Mr. MUELLER. We have four plants. The Decatur plant was started by my grandfather in 1857. In 1912 we built a plant in Sarnia, Ontario. In 1933 we built a plant in Los Angeles. Those two plants manufactured the same type of product which we make in Decatur. Also in 1933 we bought a plant in Chattanooga, Tenn., making valves and hydrants. We have four plants with headquarters in Decatur.

Mr. ARNOLD. What about the situation in the raw materials which you require in the Decatur plant?

Mr. MUELLER. We use brass ingot with a copper content of 85 percent. We use copper; we use tin; we use lead; we use zinc; and in addition we use cast iron, pig iron, and scrap iron in our iron foundries.

Mr. ARNOLD. Are your Decatur plants working on defense contracts of any kind?

Mr. MUELLER. Not actual Government contracts so far as munitions are concerned. The bulk of our business has a priority rating of A-10 or better.

Mr. ARNOLD. Are your facilities registered with the Division of Contract Distribution and the Government Procurement Agencies?

Mr. MUELLER. So far as I know they are registered every place.

Mr. ARNOLD. I am going to have you elaborate later on one specific contract, the bid for ammunition boosters, but I want you to tell me about what attempts the company has made to secure defense business for the Decatur plant.

EFFORTS TO SECURE DEFENSE CONTRACTS

Mr. MUELLER. We made our first bid in September 1940. We contacted the Ordnance Department in Chicago and the different

agencies in Chicago. Since that time we have kept in daily contact with the Ordnance Department. We have kept in contact with all the other departments except the Navy Department. We have traveled all over the country to the different arsenals to find out what their requirements were. We have traveled to different places to find out if we could obtain subcontracts. We have put in a lot of time, and with the experience which we have had in Canada and Chattanooga we have been extremely disappointed and pessimistic about the situation. But in spite of that, we are going ahead just as strong as possible to obtain contracts for Decatur.

Mr. ARNOLD. Will you tell us how many trips you have made to various places?

Mr. MUELLER. Frank Taylor is our representative on all these trips and he knows the details.

Mr. TAYLOR. We have made numbers of trips, mainly to Chicago.

Mr. ARNOLD. And several to Washington?

Mr. TAYLOR. No. Other members have been to Washington. We have members that are there now.

The CHAIRMAN. I want to say to the panel as a whole that I think that is one of the most pathetic things happening in the United States today—people having to leave their homes to go to Washington and then coming back, not having a bit more than before they left. However, O. P. M. is starting out to establish regional offices in every large city in the United States. The American people are all willing to sacrifice on account of priorities and the defense program, but they won't sacrifice unjustly, and there should be an inventory in every regional office, so that these small manufacturers would not have to go to Washington. Such an inventory would tell how much material is on hand, how much labor supply is on hand, and how many facilities for production are on hand. You people, representing small businessmen, are interested in getting an equitable distribution. You don't want to have the edge against you, isn't that the story?

Mr. MUELLER. Of course.

Mr. ARNOLD. In your statement, Mr. Mueller you mention an instance where a special effort was made to obtain a contract. The company advised the contracting officer that they would take the contract at any price fixed by the Government, but no contract was awarded. Was this in connection with your offer to develop a process for ammunition boosters?

Mr. MUELLER. Yes sir.

Mr. ARNOLD. Would you elaborate on that?

OFFERED TO TAKE CONTRACT AT ANY PRICE

Mr. MUELLER. In Canada we have developed a process for making boosters that has been very successful. We had been bidding on contracts and were not getting anywhere. This wasn't a very large contract. I don't remember how many it was for, but the value of the contract was somewhere between \$300,000 and \$400,000. My cousin, L. W. Mueller, making the contract, was to go to Chicago. At our directors' meeting we said: "You make any price that will get that contract. We want to get some business." This was 5 or 6 months ago. I want to say that the Ordnance Department in Chicago has worked beautifully with us, but when we make our bids and put them in they go to Washington and nothing happens

to them. We bid on them, they put in a price, and we never hear about it. More recently we put in a price on a 105-millimeter shell. We were making these shells at Chattanooga, Tenn., and our engineering department in Decatur, being the headquarters of the corporation, did the engineering and got them going. Over a month ago we went to Chicago; we bid on 600,000 of these shells. We took a shot in the dark. They added a heat process which we were not familiar with.

We made a price that was lower than their general prices, not including the heat treating process. Afterward we found we had made a mistake of between \$200,000 and \$300,000 in our costs. Our bid went to Washington and nothing was heard of it. Now we are putting in another bid today on the same thing and we believe that our company and other companies in Decatur are fitted to make certain products and we have been trying to get that business. I am just mentioning this as one example. [Points to shell and small parts on table before him.] We are perfectly willing to take it on the nose on the first contract. We know, from our experience in Canada, there is no money in this thing. So far this year in Canada and Chattanooga our shipments for the past 11 months total \$1,004,000. We have \$800,000 of our capital invested, and our net profit is \$4,000. Through our experience in Canada today we know what to expect and yet we are trying to hold our organization together and that does not mean that we are going to quit trying, because we are going to keep right on trying. Those are two examples of things that have happened.

Mr. ARNOLD. Have contracts been let on those bids?

Mr. MUELLER. Yes, sir. We don't know this to be a fact but we believe that Decatur is not called an emergency area and without proof of our situation we believe that during this period contracts were let for this material at much higher prices to those parts of the country without any experience on this stuff but which were cited as emergency situations on account of their labor situation.

The CHAIRMAN. Mr. Mueller, after all is said and done this committee is a futile gesture to this country unless we do something about it. I have a suggestion to make right now. If you will write our committee in Washington, setting out the facts the way you detail them now, we will transmit them to the War Department and we will ask for an answer.

Mr. MUELLER. That is fine.

The CHAIRMAN. And we will ask why there has been no action on the bids and why they have been turned down.

Mr. ARNOLD. If you will send that communication to the Tolan Committee, Old House Office Building, Washington, D. C.

WORK DONE FOR BRITISH AND CANADIAN GOVERNMENTS

Mr. MUELLER. I wish to say further, that on this type of business we have been supplying the British and Canadian Governments with antiaircraft shells. This [indicating] is what we are supplying the British Government for naval shells. We produce a lot of other shells and that [indicating] is what we are making in Chattanooga for the American Government. In the California plant we have contacted every agency that we know of, the engineering departments of all aviation companies, and we find that we cannot make materials that

go into their production, and we have no contract yet with the Army or Navy.

The CHAIRMAN. How did you contact the English and Canadian Governments?

Mr. MUELLER. In 1937 after a trip to South America I met a number of people and talked to them. When I came back I was convinced that there was going to be war. In May 1937 I went to Ottawa with our general manager and called on the head of the Ordnance Department. In the last war our Canadian plant manufactured munitions somewhat similar to these. We told them we were going to make some changes in our equipment and if they were interested in our making munitions, wouldn't they send a commission down to look over our equipment and see where we stood.

The CHAIRMAN. In your letter to our committee, will you please put a paragraph in there that you are now selling to the Canadian and English Governments?

POOLING OF PLANT FACILITIES

Mr. MUELLER. Yes, sir. After that they sent several commissions there. In February 1940 we got our first order for this [indicating booster]. Of course the Canadian Government was in a lot of confusion for a few months. We combined our American engineering staff with our Canadian staff to get into production quickly. We had a certain amount of equipment in this country and we sent it into Canada. Our first order, which should have been completed in June of this year, was completed in December of last year. We took our first order at 70 cents apiece and as our costs went down we voluntarily reduced the price until today it is sold at 53 cents, which is lower than they are paying for it in England. They have a lot of war material to give us but it is just a matter of capacity, that is all. And our relationship there has been marvelous.

The CHAIRMAN. I don't quite get that. It is a question of capacity. Do you mean your capacity to supply?

Mr. MUELLER. Yes, sir.

The CHAIRMAN. If your capacity is taxed because of your orders for the English and Canadian Governments, what about your capacity for your own Government?

Mr. MUELLER. I am speaking of our plant in Canada. In Chattanooga we bid on this shell [indicating] last September. We never made shells before. Now that we are under production, they want us to expand our facilities tremendously down there.

Mr. ARNOLD. Is that an emergency area?

Mr. MUELLER. No, sir. No more than Decatur. In fact there shouldn't be any unemployment in Chattanooga.

Mr. ARNOLD. Is labor cheaper in Chattanooga than in Decatur?

Mr. MUELLER. Not now, and in fact some of our men from Decatur, 14 of them, went down to get a job with us at the Chattanooga plant.

Mr. ARNOLD. You don't feel like enlarging the Chattanooga plant until the Decatur plant is operating to capacity?

Mr. MUELLER. Oh, no. We would much rather spread it around in making these shells. We are making a thousand a day of these [indicating] and if they want us to increase that to 4,000 a day, we would rather put another 1,000 down there and 2,000 in Decatur.

Mr. ARNOLD. In tooling up for the contract in Chattanooga did your Decatur plant participate?

Mr. MUELLER. Our engineers and toolrooms did the whole job.

Mr. ARNOLD. In Decatur?

Mr. TAYLOR. We couldn't have purchased tools down there.

Mr. ARNOLD. There is no doubt from what you have said, that your firm is thoroughly conversant with certain phases of arms production.

Mr. MUELLER. Yes, sir.

DEFENSE CLINICS VALUELESS WITHOUT CONTRACTS

Mr. ARNOLD. I understand several representatives of your company attended the recent Chicago Defense Clinic. Based on that, what aid do you believe defense clinics can be to small manufacturers?

Mr. MUELLER. I have never attended one, but from the one that members of our company have attended, they haven't been of any aid so far. Mr. Taylor could elaborate on that; he was there.

Mr. TAYLOR. In every instance there was little material to be had. There was a display but there was no contract. It was months before the material would be needed.

Mr. ARNOLD. Do you suspect that these prime contractors might be subcontracting to each other instead of to small manufacturers?

Mr. TAYLOR. No; I didn't get that impression. But there was certain material that could be made. There were certain facilities available but still they were not very anxious at that time for material.

Mr. ARNOLD. In October 1939 you had 540 employees as against 628 the same month of 1940 and 778 in October 1941. What was the reason for this increase of 228?

Mr. MUELLER. Our business went up.

Mr. ARNOLD. Defense business?

Mr. MUELLER. All kinds of business went up. We had the same situation in 1936 and 1937 to a certain extent. We have been through many periods in the last 10 years where there has been such an upturn that we have had to add people. We do it as a last resort because we get them broken in and have to let them out. At that time our whole organization was on a 50-hour week. We could have added 120 more on a 40-hour week, but when you add people for 6 months and a year, and lay them off, it creates bad morale in your organization. Our whole business went up. Waterworks and gas projects for the majority of our camps and bases, for example in Alaska, Iceland, and Trinidad. Then there was a hysterical buying by people and business just poured in.

Mr. ARNOLD. What is your employment at this time?

Mr. MUELLER. Since November 7, we have laid off 200 people, that is in Decatur.

Mr. ARNOLD. What do you anticipate your employment requirement will be 60 or 90 days from now?

COPPER SHORTAGE

Mr. MUELLER. We don't know. Our basic material is copper, and according to Mr. Nelson the shortage of copper is going to be increasingly greater. Therefore we have a budget prepared based on the business of 1938 which will mean a decrease of 75 people. We are preparing another budget on the basis of 1942 which will bring our

total force down to 450. We don't expect relief for materials because I said our basic material is copper. In fact last night we had our annual mass meeting with our organization and laid these figures right before our whole organization. We told them we expected things to get worse before they would get better. Just what is going to happen in 30 or 60 days from now we do not know, but we do not expect conditions to be better in our business. We will make some further cuts in December. In January, if we are able to use the materials, according to the present basis, we can go along fairly well but if not, what happens depends upon the regulations of the Government.

The CHAIRMAN. Speaking about that copper situation, when we were in Detroit, we had evidence that they really have an unlimited copper supply in northern Michigan but it is so deep that it is almost impossible to mine it profitably. There is a whole section there that will benefit from the reopening of those mines. Don't you think it would be a good idea for the Government to interest itself in that mining area to give employment and also produce the copper?

Mr. MUELLER. In the first place you have an element of time in opening the mines. You also have the element of cost. It will be high-cost copper, and then the volume is not going to be so great.

Mr. ARNOLD. The other copper manufacturers throughout the Nation would want to raise their prices up to the Michigan price, I have heard.

Mr. MUELLER. In Canada we are buying copper cheaper than here. The Canadian Government set the price of copper at 11½ cents, Canadian money.

Mr. ARNOLD. Let me ask you, Mr. Mueller, what would be the best means of utilizing facilities such as yours in the defense program?

Mr. MUELLER. Your question is a little difficult to answer. Do you mean what we have done or what we can do?

Mr. ARNOLD. What you can best do, if you know.

Mr. MUELLER. Our company or the whole city?

Mr. ARNOLD. Perhaps the whole city, since you have banded it together.

EFFORTS OF DECATUR GROUP

Mr. MUELLER. In the whole city, I believe it was in July or August, a few manufacturers formed the Decatur group, and since that time we have employed a man to contact the different Government agencies to supplement the work done by the executives and engineers of the companies. We have gotten out a brochure giving the facilities of all of these plants, and we have made a tremendous amount of contacts. I believe that we are all registered with all of the different agencies in Chicago, and so far as getting business we have been unsuccessful, and we don't know what to do. We have put in bids. Many of these bids come down to us and we have a day or two to make them out, and you take a bid like this [indicating yellow booster], in a job that runs \$2,000,000 or \$3,000,000 you can't bid on that in a day. It took us probably 2 weeks with at least 10 engineers to get all the facts even though we are making those in Chattanooga. Now I think that the only way we are going to get business in Decatur is by making ourselves better known all through the country. We put in bids and, as I said, the Ordnance Department worked beautifully with us. The bids go to Washington and they stop. Evidently De-

catgur is not on the list of those localities in trouble, and evidently that business is going to other localities.

The CHAIRMAN. They are called distress areas.

Mr. MUELLER. I believe they are.

The CHAIRMAN. You are not on that list?

Mr. MUELLER. No, I do not think so.

Mr. ARNOLD. Let's hope we will find out about that after we get your letter. Do you think the plan of the State offices of O. P. M., to have the various items comprising approximately 30 different products that they need, laid out and if possible have a price tag showing the price on the last bid attached to each part, would be helpful?

Mr. MUELLER. Any of those things would be helpful.

Mr. ARNOLD. That is the plan of the O. P. M. at present. By December 15 they expect to have it in operation. Each new part of about 30 different articles that might be manufactured in these various areas will constitute an exhibit, and if possible price tags will be right on them so the manufacturer will come in and see an item that may be sold at 45 cents, some little steel item. Do you think he will know better from that kind of exhibit what he can make than he would from the blueprints and specifications?

Mr. MUELLER. I think it would be most helpful if a manufacturer or group of manufacturers could go to certain offices where they have all of these things laid out like they have in Canada.

The CHAIRMAN. That is what they will have by December 15.

ADVANTAGES OF EARLY START

Mr. MUELLER. Another trouble is when we get started on these things, the people who started at the beginning have a tremendous advantage. We charged the Government 70 cents on this item [indicating]. It cost us 68 cents on the first contract. We are now selling it at 53 cents. Another manufacturer would have a devil of a time to meet our 53-cent price. He couldn't do it.

The CHAIRMAN. I see your point.

Mr. MUELLER. Those manufacturers who have gotten in at the beginning of these things already have the experience and it is paid for, and now they are getting into low costs. Now, whether the Government wants a greater production and is willing to pay a higher cost, I don't know.

Mr. ARNOLD. Don't you think that in view of the need for speedy production, that it would be better to pay the additional price than to pay out W. P. A. wages for these men who are thrown out of work.

Mr. MUELLER. It would seem to me that if the requirements are as they are, and they want greater production, it would be wiser to decentralize. I don't mean that exactly, but to get it scattered instead of getting all shells made in 6 places rather than in 20 places, so that eventually there is some real efficiency on this thing.

The CHAIRMAN. You have given us some very valuable testimony, Mr. Mueller. Now, I will ask Mr. Cooper a few questions.

TESTIMONY OF EARL COOPER

The CHAIRMAN. The statement you have submitted, Mr. Cooper, will be printed in the record in full.

(The statement referred to above is as follows:)

STATEMENT BY EARL COOPER, CHIEF ENGINEER, CHAMBERS, BERING, QUINLAN CO., DECATUR, ILL.

PREPARED BY P. L. DAVIS, SECRETARY AND TREASURER

NOVEMBER 14, 1941.

1. Chambers, Bering, Quinlan Co. are manufacturers of gray iron castings and fittings for the steel-barrel industry. The plant is segregated into four major departments which include (a) foundry (b) drop-forge department (c) machine shop (d) die cast department.

The foundry division is engaged in furnishing gray iron castings to the following groups; automobile manufacturers; agricultural implements, including separators, air compressor, pumps and hammermill parts; valve manufacturers, including some valves for merchant and naval shipping; heat manufacturers, including stoker and burner castings and in addition some small electrical castings are produced.

The barrel fittings department, including the drop forge, die cast and machine shop, are engaged in making fittings for the steel barrel industry, including drop forge flanges; drop forge, malleable iron, cast iron, and die cast plugs, as well as cast iron and die cast faucets. From committee meetings of the steel barrel industry, held in Washington, it was determined that approximately 80 percent of the barrels are used for gasoline, lubricating oil and other petroleum products, 18 percent for chemical products and 2 percent for food products. In that meeting it was further determined that from 80 to 90 percent of drums manufactured during months of August and September were for defense purposes, accordingly the industry, including the fittings manufacturers, have been extended a temporary A-5 rating for the months of September, October, November, and December, for two-thirds of their August production, in addition to the blank coverage.

We have received many orders covering preference-rated materials for the steel barrel industry from A-1-A to A-3, subcontract for the largest percent of high-preference rating material originated from the Navy. The actual preference-rated contract higher than A-5 will be covered in another section of this communication.

2. We indicate the month-by-month employment, exclusive of officers, managers, foremen, supervisors, and office workers for the period from January 1, 1939, to October 31, 1941. Unfortunately, it is impossible to distinguish between production and nonproduction worker, except for the exclusion indicated above.

1939		1940		1941	
Month	Number of employees	Month	Number of employees	Month	Number of employees
January	268	January	358	January	345
February	267	February	329	February	391
March	264	March	317	March	394
April	271	April	302	April	398
May	264	May	243	May	413
June	221	June	240	June	410
July	219	July	249	July	422
August	233	August	265	August	416
September	314	September	302	September	407
October	353	October	346	October	398
November	381	November	345		
December	383	December	340		

3. Based on dollar sales for the month of August, September, and October, we have averaged approximately 70 percent on subcontract work. This includes all of our line of fittings manufacturers rated A-5, together with other priority-rated orders.

4. All of our defense work is on subcontracts as we have not had any direct contracts with the Government. We indicate below some of the priority certificate numbers on which we are working, or which we have recently completed:

Preference rating:	Number	Preference rating—Continued.	Number
AN1236772	A-1-B	AN2646472	A-1-A
AN2025899	A-1-B	AN1627235	A-1-I
AN2286284	A-1-B	AN1404672	A-1-B
AN1405241	A-1-I	AN1989028	A-1-C
AN2646466	A-1-A	C-74417	A-1-2
AN2646470	A-1-A	122456	A-3

5. The latter part of August blanket A-5 rating for two-thirds of our August production was assigned the barrel fittings industry for months of September and October, subsequently this has been extended to cover months of October and November. We have secured preference-rating certificates to enable our purchase of steel on this basis, but to date (3½ months since our first preference ratings) we have secured but a negligible quantity of steel. As a matter of fact two of the larger mills as yet have failed to give us even an indication of when this tonnage will be rolled. A third mill has promised us a small tonnage the latter part of the month, or the first of next. We have received no indication whatsoever from any mill as to the possible shipping date of our A-5 rating covering our requirements for November and December. In addition to this we have, as indicated above, several subsequent subcontracts rated from A-1-A to A-2.

One of the larger mills indicated, upon our desire to furnish them with an A-1-B preference rating, that it would be impossible to get any steel for 2 or 3 months and it was problematical as to just when such might be furnished. The second mill has indicated on an A-1-B rated order that delivery will be effected within 2½ to 3 months. A third mill has indicated shipment in about 6 weeks, which is indeed a very excellent shipping promise, but, unfortunately, the certificate covered by this particular order is very small.

Scrap iron is another very critical material. Under order issued about 4 weeks ago this material is to be allocated by the Office of Production Management and it has been indicated to us that an A-5 rating will not be high enough to obtain sufficient quantities of this material, if any, to permit anything like normal production.

Up to about 2 weeks ago we were quite concerned with our inability to obtain pig iron, as we had but 15 days' supply, beginning the first of November; we have since that time received several cars of iron and been advised by our pig-iron source that the Office of Production Management have allotted us two-thirds of our requirements for the month of November. This means we will have sufficient iron for the balance of November and for several days in December and we presume we will get at least a portion of our requirements for the month of December.

We have been obliged to accept any kind of substitute for nickel-bearing steel for the purpose of maintenance in our forge shop and it became quite a question as to whether we would receive any maintenance steel whatsoever until the introduction of P-22 permitting an A-10 rating for maintenance supplies and repairs. This recent order has indeed helped us in maintaining our machinery.

High-speed steels, particularly tool bits and drills, are other critical supplies required for our operation, which are indeed difficult to obtain, but through substitutions we have kept our plant in operation.

6. It is possible that we are crying "wolf" prematurely in believing that our plant will be shut down within the next 30 to 45 days; however, we have less than a 30-day supply of scrap iron, and from all indications we will not secure enough of this material by even stretching the point as to our ability to obtain additional supplies to permit our foundry operation, after December 31. We do not have quite a 30-day supply of steel and from present indications we will not obtain enough steel to operate all of next month; with these two items cut off and the possibility of our pig-iron allowance being further curtailed for December. Our picture is indeed a gloomy one and, of course, employment will be affected in the same degree as our success in obtaining materials and supplies.

If we are able to operate at all in our foundry department, after the first of the year, it appears that such operation will not exceed 50 percent of our operation during the next 2 months. Likewise everything in our forge shop, as well as our machine shop depends upon the steel question (incidentally, the machine shop requires more gray iron castings than steel forgings).

TESTIMONY OF EARL COOPER—Resumed

Mr. ARNOLD. What does the Chambers, Bering, Quinlan Co. manufacture?

Mr. COOPER. We manufacture grey iron castings, job work, and steel barrel fittings for steel drums, the drums being used to take care of such articles as oils, chemicals, and so forth.

Mr. ARNOLD. What basic raw materials do you use?

Mr. COOPER. The raw materials we use are pig iron, rolled steel bars, and die-casting metals. Of course the pig iron goes into the foundry, while the other two products go into steel barrel fittings.

Mr. ARNOLD. What percent of your total business is national defense production?

Mr. COOPER. We figure perhaps 55 percent is national defense production, being called such from the fact that it is a center for defense chemicals and defense oils.

Mr. ARNOLD. You don't receive any contract from the Government?

Mr. COOPER. We have received no contract from the Government. Everything we manufacture is sold indirectly in the line of fittings.

EFFORTS TO RAISE PRIORITY RATINGS

Mr. ARNOLD. You have a good priority rating because those barrels are used for that purpose.

Mr. COOPER. Yes. If I may elaborate, that is one point I would like to bring out, this priority rating. When materials began to get scarce the Steel Drum Association went down to Washington and got together in order to procure materials for the manufacture of so-called drums that was very vital. I sat on the committee with them. We spent the major portion of a couple of months in Washington, trying to get a rating sufficiently high to get materials to manufacture these fittings. They offered A and A-10 after some discussion but we felt that wasn't high enough to get results. So after staying with the job for considerable time, they finally gave us an A-5 rating. That was a temporary rating only, giving us, for the next 2 months, two-thirds of the materials that we had used in the last 2 months, thereby cutting us down one-third. We felt fairly good and put in our orders for that amount of material. We are using an A-5 preference rating. After the 2-month period they gave us an extension A-5 rating and we put in an order for the same amount of materials, two-thirds of what we used in June and July. Up to the present time we haven't received 1 pound of material ordered on the first A-5 rating. That was given us in August for the month of September and extended for November and December, and up to the present time we have not received 1 pound of steel on the A-5 rating. The big reason that we held out for a rating higher than A-10, we told them that A-10 wasn't sufficiently high enough to get the material we needed. They assured us it would be, from then on. However, we stayed until we got A-5. Up to the present time we haven't received any material on A-5. I presume that story has been told you by several other people again and again. We are getting to a point now, where we are laying off men.

Mr. ARNOLD. You are beginning to have to cut your force down. What is your total work force, productive and nonproductive?

Mr. COOPER. You have the figure on that. I recall that it was 420 and I believe we have laid off nearly 50 during the last month.

Mr. ARNOLD. On the basis of priority rating held with the prime contractors with whom you have subcontracts, what rating does your company have?

Mr. COOPER. We have no prime contracts; all are subcontracts. We have an A-5 rating and in the meantime we sometimes get an A-1 and A-2 rating. Here is an example of an order on which we got an A-2 rating. The order was given us August 20 by the British Government order, Asiatic petroleum, and we could not even start to furnish it because we had no certificate at the time, although they issued an A-2 certificate on October 2. We got in touch with the largest supplier of steel. He said it would be the second week in 1942 before we could get an A-2. We got the material through another company which has promised it for the middle of December of this year.

Mr. ARNOLD. How long will the material you have on hand last?

Mr. COOPER. We have a 2 weeks' supply of pig iron, if nothing else comes in. We use pig iron as well as steel for making castings and fittings. Both are very vital and have an A-5 rating. As I say, we have a 2 weeks' supply of pig iron right now.

Mr. ARNOLD. And if you can't get the steel?

Mr. COOPER. Then we can't furnish the steel drums to the petroleum industry. I may tell you also, that the petroleum industry had representatives from all the refineries meet with our committee in Washington. At that time they said that if they didn't get their material, their refineries would be closed down because of lack of shipping facilities.

Mr. ARNOLD. Now we will hear from Mr. Livesay.

TESTIMONY OF K. T. LIVESAY

Mr. ARNOLD. Mr. Livesay, your prepared statement will be incorporated in the record.

(The statement referred to above is as follows:)

STATEMENT OF K. T. LIVESAY, GEBHARDT-GUSHARD CO., DECATUR, ILL.

For purposes of this report I have assembled information from local retail distributors percentage reports showing—

1. The percentage of increase (or decrease) in Decatur's retail business from January 1 to October 31, 1941, compared to the same period in 1940. Approximately 15-percent increase.
2. The percentage of decrease (or increase) in Decatur's retail business in October 1941, compared to October 1940. Approximately 8-percent increase.
3. The percentage of decrease (or increase) in Decatur's retail business from November 1 through November 22, 1941, compared to the same period in 1940. Approximately 10.5-percent decrease.

NOTE.—The foregoing from figures supplied by Decatur's larger retail stores.

4. The percentage of decrease (or increase) in Decatur's home-furnishing stores (furniture, floor coverings, and related lines) from October 1 through November 22, 1941, compared to the same period in 1940. Approximately 25-percent decrease.
5. The performance percentages of Decatur's national stores (chains) compared with national performance.

6. The performance percentages of Decatur's independent department stores compared with independent stores in six other cities in Illinois, Indiana, and Iowa.
7. The percentage of decrease in Decatur's food stores (groceries and meats) September 1 through November 22, 1941, compared to the same period in 1940. Approximately 20-percent decrease.

These reports, indicating a very positive downward trend in retail sales, reflect, in our opinion, the transfer of buying power to other communities, due to the migration of workers to those communities where defense work is available.

EXHIBIT A.—LETTER FROM DECATUR BOARD OF REALTORS TO K. T. LIVESAY, RELATIVE TO EFFORTS BEING MADE TO HAVE DECATUR CLASSIFIED AS A DEFENSE AREA

Mr. K. T. LIVESAY,
Decatur, Ill.

DEAR MR. LIVESAY: On behalf of the membership of the Decatur Board of Realtors, I wish to commend you and your committee for the constructive objectives you are endeavoring to work out to have Decatur classified as a defense area.

A number of Decatur industries recently have had to slow down sharply on production because of being unable to procure material supplies caused by priority regulations. As an example of this general condition, I call your attention to one of our outstanding local industries, the Mueller Co., which, as you know, recently had to lay off over 200 of its employees because of inability to secure certain necessary materials required to fill customer orders.

This condition has affected the real-estate market seriously. The local papers announced the lay-off by the Mueller Co., and it is obvious that this fact, coupled with the general feeling of unrest, has caused many prospective purchasers of homes to hesitate to invest and to pursue the course of waiting until conditions change. This is particularly true of many men employed by other industries who may have to follow the course which the Mueller Co. has been compelled to take.

Quite a number of men formerly employed in our industries here have moved to other points where they have found employment, and this trend is definitely sure to continue unless something is done that will enable our industries to continue somewhere near normal capacity.

As a proof of this trend, on January 14, 1941, we had, by careful survey, 88 vacant homes in Decatur. Late in September a survey showed 166 vacancies. I am of the opinion that vacancies have increased since the last survey.

It is our hope that your efforts will be successful in having Decatur classified as a defense area.

Yours very truly,

DECATUR BOARD OF REALTORS,
C. N. GORHAM, *Secretary.*

TESTIMONY OF K. T. LIVESAY—Resumed

Mr. LIVESAY. I would like to show the effects of these conditions on the retail business of the city. I gathered percentages from a large number of stores during the last week and then tried to compute an average figure. It was a little bit difficult to do because these figures are sent in blind. Retailers are reluctant to tell each other how they are doing, unless they are doing very well. Not knowing how to weight each one of these, the mean figure won't be accurate, but it is close enough. For the first 9 months of 1941, the retail business in Decatur generally ran about 15 percent ahead of the same period in 1940. The month of October showed a gain in dollar sales over October a year ago of only 7 percent. And in November, from the 1st through the 22d, there appears to be a general decrease of 10½ percent in retail sales over the same period of 1940. Now the change

in the pace amounts to 20 percent decrease between September and the present, showing the result of these decreased industrial activities. Decatur generally has not done well at retail business compared to the national pace of retail business. We have developed some interesting comparisons there with the local chain stores, showing their performance locally as compared with the national averages. Here are figures for a chain for the first 9 months of 1941 in Decatur. It operated at a gain of 5.2 percent over the same period in 1940. The national average in that chain was an increase of 22.2 percent. In November that chain shows in Decatur a decrease of 7.5 percent in its sales as against the same period last year. There is no national comparison as yet available on it. That is characteristic of the chain-store reports.

FREEZING RETAIL ACCOUNTS

The higher prices would account for that gain in the first 9 months, and now the trend indicates that the consumption of units is going to be way off from last year simply because buying power has decreased and a lot of it has been transferred to other places through the migration of workers who have gone to other communities to find jobs. In our own business we have sensed that. We have about 5,000 charge accounts of one kind or another and during the last 6 months, particularly, we have had a great many requests by customers, who find it necessary to go to other places, to freeze those accounts until they can get relocated. I find in talking to the other department stores that they have somewhat the same experience.

Mr. ARNOLD. What effect do you anticipate the situation will have on retail business in the next 90 days?

Mr. LIVESAY. We are very pessimistic and we get that pessimism from Mr. Mueller and people like him on the success of whose plants we are dependent.

Mr. ARNOLD. Will it all depend on that?

Mr. LIVESAY. It is bound to cause a decrease in employment in all these retail stores.

Mr. ARNOLD. You mean, laying-off of some of your commercial service people?

Mr. LIVESAY. In the town area there are about 1,000 people employed in retail business regularly and we can look for a very material decrease in that if the trend in decreased sales continues.

Mr. ARNOLD. Mr. Calhoun, I do not have a written statement from you. Will you discuss briefly your knowledge of this situation?

TESTIMONY OF RICHARD B. CALHOUN

Mr. CALHOUN. I have been a sort of liaison man between the State employment service and the employers. In October, Decatur made a formal request for that city to be made a distress area. It happens to be my home town, and, because I am the field representative, I was called from Kankakee to Decatur to make a survey for that purpose. Since then I have made two other surveys to get a trend of what is going on in Decatur. There are 17 plants in Decatur that are metalworking plants. One is a plastic manufacturer. I grouped them all together to show the trend. There is a large railroad shop in Decatur which employs 1,400; the Staley Manufacturing Co.; 2 other food products manufacturers; and 6 garment plants. On

a survey made October 16, I found that there were 4,178 employees in these 18 plants, and those same plants a year ago had 3,644 employees. There had been an increase during the year. At that time the Labor Supply Division of O. P. M., in asking for this survey, requested us to find out the present employment; how many were employed a year ago; what percentage of the workers were working on defense orders; and what anticipated lay-offs were expected. To bring out that picture we asked this question: How long could your plant operate with your present supply of raw materials, and then what will happen? And we got from each of these manufacturers a definite statement as to the amount of inventory on raw materials; how long the plant could operate, how fast the materials were coming into the plant, and what their anticipated lay-off would be under the present conditions, and they anticipated that 2,279 employees would be laid off at these plants by January 1. That was October 16.

On November 14, I made another survey of these same plants and I found that instead of 4,178 the figure had been reduced to 3,851. Then I made another survey in 3 or 4 days by letter and I found an additional number of lay-offs anticipated which increased the total anticipated lay-off in less than 30 days up to 24 percent. So I decided that maybe it would be a good idea to find out in addition to the lay-off problem what the reduction in actual man-hours work per week had been in these plants. To my surprise I found that in these plants there has been a reduction in man-hours per week of 25,820. That is more than twice as much as I anticipated it would be. In other words, if those men had made 50 cents an hour, that would be more than \$12,000 per week pay-roll reduction in Decatur. I find there is one plant, the Faries Manufacturing Co., that has had a prime contract with the British Purchasing Commission running somewhere between one and two hundred thousand dollars. There were no other plants that I knew of that have had a prime contract in Decatur and the rest of these plants have run anywhere from nothing to as high as 80 percent defense business, based on subcontracts, and sometimes these subcontracts are two or three times removed from the prime contractors. This made the picture very serious in the matter of getting raw materials. I got this information from the top official in each one of the plants. I went to the man who made the decisions in the plants to get a definite picture.

The CHAIRMAN. May I make a suggestion? You have given some very interesting figures there. I wonder if you will follow that up with a written statement that I could put in my record.

(The following statement was received subsequent to the hearings:)

STATEMENT SUBMITTED SUBSEQUENT TO HEARINGS BY RICHARD B. CALHOUN, EMPLOYER RELATIONS REPRESENTATIVE, DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION, ILLINOIS STATE DEPARTMENT OF LABOR, DECATUR, ILL.

My position is that of a liaison man between the employment service and the employers. A portion of the work done is the selecting of important data in connection with the employment trend and operating activities of manufacturers. For several months, it has been my pleasure to work with Mr. Walter E. Parker, who had charge of the plan for organizing manufacturers to pool their resources of machines to participate in national defense contract bidding.

On October 15, 1941, representatives from the city of Decatur made a formal request through the proper channels that the Decatur area might be made a

distress area. I was asked by the research and statistics section of the employment service to make that survey.

The survey was made and completed on October 16, 1941. There were 25 plants contacted, of which 16 were the metal-working trades; I was a manufacturer of plastic articles; the Wabash Railway Co., who has a large shop employing over a thousand workers in Decatur; the A. E. Staley Manufacturing Co., processors of corn and soy beans; and 6 garment working plants.

When the survey was made, we asked these manufacturers what their total employee pay roll was as of that day, what the employment figure was a year ago, how many of their employees were working on national defense work, anticipated lay-offs, and anticipated hirings.

It has been noted that when questions are asked of the manufacturer he usually takes the attitude that everything is in fairly good condition, that he has no serious problem, and sometimes it is rather difficult to get a true picture of his condition. I, therefore, developed questions which would bring out the actual condition of the plant. I asked him how long his plant would operate if additional raw material was cut off as of today, or, in other words, how long his present inventory of raw materials would permit the plant to operate, and what would happen at the end of that time. This brought out a line of thinking in which he gave serious consideration to the amount of raw material he had on hand, how often replenishments were received on the supplies, and to what close time limits he had to work because of inability to get these supplies.

On making this survey, I found the following conditions.¹ The number of people employed on October 16, 1941, of the 17 firms, metal working and plastics, there were 4,178. The Wabash Railway had employed 1,415; the A. E. Staley Manufacturing Co., 1,800; and the 6 garment-working plants, which manufacture women's cotton dresses, 870. I found that the last-named firms were in very good condition, were not seemingly hit by shortages of materials, and we excluded those 8 from the report. While we found that 4,178 workers were employed on October 15, 1941, these same 17 firms had employed a year ago 3,644 workers. On the question based about raw materials and the expected activity of the plant, we found that these firms anticipated that they would lay off between October 16 and December 31, 1941, a total of 2,279 workers.

In less than 30 days after the survey was made, a critical situation arose with the manufacturers and on November 14, 1941, another contact was made with these manufacturers and we found that, at that time, there were employed 3,851 workers, or a decrease of 332 workers in 28 days. To bring this report to your committee up to date, another contact was made 1 week later and we found that an additional 226 workers had been laid off, making a total of 558 workers, or 24-plus percent of the anticipated lay-offs these employers expected in the period ending December 31, 1941.

Anticipating that besides the lay-offs of men in these plants, that there would be some reduction in working hours or changes of shifts, we contacted the manufacturers and asked them to give us the figures on the man-hours per week reduced since October 16, 1941, and we found that these firms had reduced their man-hour working time 25,820 man-hours per week. The average wage of these workers laid off is about 50 cents per hour, which makes a total pay-roll reduction in Decatur of \$12,910 per week.

We asked these manufacturers what percentage of defense business they had had in their plants and whether the defense business was prime or subcontracts. We found that one plant had had a prime contract, which amounted to about 70 percent of the plant's capacity, totaling about \$125,000. We found that some of these plants had subcontracts for defense work running from 1 percent to as high as 80 percent of the plant's capacity. We also found that these subcontracts were removed sometimes as far as the third manufacturer from the prime contractor, which, because of "red tape," priorities, and allocations of material, made it extremely difficult for these plants to obtain necessary raw materials to manufacture the items.

The various surveys made on the manufacturers to ascertain the employment situation in Decatur developed, as you see, that there has been, to date, 558 employees laid off of the 2,279 that these firms anticipated they would lay off. In an attempt to find out what is happening to these workers who have been laid off, I made a check with the unemployment compensation department of the local employment office, where I found the following information.²

I had them pick out any week prior to the weeks in November to use as a measuring guide for a determination of what was happening. They showed that

¹ See Appx dix A.

² See Appendix B.

the week ending October 4, there were 64 new claims and 101 additional claims filed in the local office. The additional claims, which would be recognized as new claims, are those people who since April 1, the beginning of the new benefit year in Illinois, had filed a claim and for some reason had not continued that claim at the time of filing. In other words, these additional claims could be people who had filed claims as early as last April and were just now renewing them, or could have filed a claim in September and had a break in their claim activity for 2 or 3 weeks and had reopened them. This total of new claims and additional claims was 165 for the week of October 4, 1941. The continued claims or the active claims in the office were 424. On the week ending November 8, 1941, there was a total of new and additional claims of 148 filed during the week and the claims load or continued claims were 448, which showed an increase of 64 claims over a period of 1 week 30 days previous. For the week ending November 15, 1941, there were 159 new claims and additional claims filed, and the continued claims load amounted to 562, or an increase of 74 claims over the week previous. For the week ending November 22, 1941, there were a total of 159 new claims and additional claims filed, and the load of continued claims was 535, or a drop of 25 claims.

Where there was a lay-off of 558 people during the period from November 10 through November 20, we find that the claims load has not varied materially in the local office, which leads us to presume that many of the workers who have been laid off are scattering or migrating from Decatur to areas such as St. Louis, Indianapolis, Rock Island, Chicago, and other points where national defense activity is large. With that idea in mind, I checked with several of the manufacturers, and they stated that they knew that many of the workers who had been laid off were going into other areas and attempting to find work.

In conclusion, I would like to state that in my work with Mr. Parker in contacting manufacturers in some 12 or 13 cities in Illinois in connection with the setting up of the plan of pooling their machines and tools I found that a great many areas in this State were in the same condition, probably not so stringent as the Decatur area, but each of the areas in which I made contacts with the proper officials of the firms I found that they were quite concerned because of their inability to get any recognition for national defense contracts and that it was getting extremely difficult for them to obtain raw materials, and most everyone was of the opinion that, unless something is done, their firm would probably have to close down.

APPENDIX A

Manufacturer	Number employed Oct. 16, 1941	Number employed 1 year ago	Anticipated lay-off	Number employed Nov. 14, 1941	Decrease last 30 days	Increase last 30 days	Lay-offs since Nov. 14, 1941	Defense business		Man-hours per week reduced since Oct. 16, 1941
								Prime	Sub	
								Per-cent	Per-cent	
A. W. Cash Co	110	90	97	83	27					75
A. W. Cash Valve Manufacturing Co.	28	28	28	28						5
Chambers, Bering, Quinlan	420	420	205	420			49			8,700
Decatur Brass Works	41	41	15	41						36
Decatur Pump Co.	65	50	55	68			2			1
Faries Manufacturing Co.	430		125	365	65			70		2,500
Grigolett Co.	260	201	132	231	29					5
Leadley Iron Works	109	97	17	100	9		3			80
Mississippi Valley Steel Co.	175	150	170	175						80
Model Brass Co.	50	21	50	50			20			30
Mueller Co.	886	656	500	816	70		75			800
Oakes Products, Division H-H	825	1,125	485	750	75		75			10
Ornamental Metal Works	24	24	24	20	4					
Union Iron Works	75	75	65	77		2				5
U. S. Manufacturing Co.	148	225	138	125	23					
Wagner Malleable Iron	410	350	63	402	8					55
Williams Sealing Corporation	122	91	50	100	22		2			1
Total	4,178	3,644	2,279	3,851	332	2	226			25,820
Wabash Railroad Co.	1,415	1,344								
A. E. Staley Manufacturing Co.	1,800	1,600								
6 garment plants	870	806	52							

APPENDIX B.—*Information on unemployment compensation activities*

	New claims	Additional claims	Total	Continued claims
Oct. 4, 1941	61	101	165	424
Nov. 8, 1941	82	66	148	488
Nov. 15, 1941	90	69	159	562
Nov. 22, 1941	83	76	159	535

¹ Might not have been in since April, or might have skipped 1 week.

Totals of new claims plus additional claims show increased load of office each week; however, continued claims, which are the active claims, reflect no material increase of claimants.

MR. ARNOLD. Mr. Conner, you come in on this because of the prospective relief.

TESTIMONY OF E. VORIS CONNER

MR. CONNER. I can be very brief with my statement. The field investigator asked me for a record of our relief in 1939 and up to the present time. I have it here and I will leave it with you.

The CHAIRMAN. Mr. Conner, we will incorporate this material in the record.

(Material referred to above is as follows:)

STATEMENT BY E. VORIS CONNER, SUPERVISOR, DECATUR TOWNSHIP RELIEF OFFICE, DECATUR, ILL.

Following this statement is a chart of our relief load by months through 1939, 1940, and 1941, to November 1. Due to Work Projects Administration assignments, aid to dependent children, and old-age assistance grants, our case load began to be reduced. However, due to loss of private employment and various other reasons, it looks as though our load is again on the upward trend, as the month of October shows an increase.

In asking for funds for next month, we have estimated an increase of 247 cases, and from rumors of lay-off by various institutions, we are holding our breath for fear of underestimating.

We hear that in this city alone, approximately 2,300 men are to be laid off by January 1, due to factories being unable to secure materials. This does not include loss of jobs from other sources.

In Illinois, the funds for administering relief come from the State, supplemented by a 30-percent local relief levy. Legislation enacted by the last session of the legislature makes it practically impossible to raise additional local funds. This makes a trying situation, due to the fact that we receive from the State only 80 to 86 percent of the actual funds needed. A tremendous increase in our load would be hard to meet. It is true that a large percent of these factory people will be eligible for compensation insurance. We may not feel the full effects immediately, but we feel this situation is critical enough to warrant immediate action.

Record of cases served by Decatur Township Relief for years and months as indicated below

Year	Month	Case load	Persons in case	Year	Month	Case load	Persons in case
1939	January	1,949	5,965	1940	June	1,712	5,122
Do	February	2,136	6,809	Do	July	1,962	5,798
Do	March	2,236	7,173	Do	August	1,991	5,764
Do	April	2,061	6,559	Do	September	1,940	5,435
Do	May	1,963	6,018	Do	October	2,012	5,656
Do	June	1,997	6,129	Do	November	2,002	5,713
Do	July	2,022	6,276	Do	December	2,021	5,841
Do	August	1,871	5,711				
Do	September	1,699	5,468	1941	January	2,165	6,375
Do	October	1,605	5,155	Do	February	2,051	5,935
Do	November	1,576	5,111	Do	March	1,936	5,588
Do	December	1,673	5,369	Do	April	1,853	5,323
1940	January	2,266	7,217	Do	May	1,569	4,472
Do	February	2,296	7,239	Do	June	1,367	3,820
Do	March	2,092	6,690	Do	July	1,353	3,707
Do	April	1,911	5,928	Do	August	1,413	3,749
Do	May	1,818	5,499	Do	September	1,379	3,646
				Do	October	1,462	3,816

TESTIMONY OF E. VORIS CONNER—Resumed

MR. CONNER. In 1941, the month of January, we had a case load of 2,165 families comprised of 6,075 persons. In 1940 we had a case load of 2,266, comprising 7,217 persons. That has a gradual decrease to the month of October. It took a sudden drop during the month of April and started again in August. We had only 1,413 cases taking care of 3,478 persons. During the month of October, we reached a total of 1,462 which comprised 3,816 persons. With these various lay-offs because of priority unemployment, we received 88 new cases in the first week of October. We consider the average family to consist of from three to four persons, which would give us about 250 persons to take care of. Mr. Calhoun stated that when these factories go on a limited hourly basis, if any sickness happens to come to a family, a member will come up to our office and apply for some assistance. These doctors do not care to work for nothing. We practically underwrite that bill for them. You wanted to know how we received our money to operate. We receive, on our assessed valuation, \$116,000 from a 30-cent levy. To receive any money from the Illinois Public Aid Commission we have to make a 30-cent levy for relief purposes. It has been the custom for them to furnish us with from 70 to 86 percent of our needs for Decatur Township. We have been very fortunate in the past to have received from 70 to 86 percent of our needs. At the present rate, the major lay-offs will not affect us for at least 16 weeks because they will receive unemployment compensation.

MR. ARNOLD. If they don't receive defense work and can't get materials for nondefense work, then you anticipate a big increase?

MR. CONNER. In a very round-about way. They can't pay a sales tax and in that case we do not get our 86 percent to run on. That is where our money comes from.

MR. ARNOLD. Thank you very much. We appreciate very much your coming here and giving us the testimony. We want to be helpful in any way we can and as Congressman Tolson said, we will do what we can about the situation. Do you wish to make a further statement, Mr. Mueller?

Mr. MUELLER. Of the 200 people that were laid off, Mr. Taylor and our personnel man have looked into that situation and we find that they are endeavoring to find work in such cities as Peoria, Rockford, Rock Island, Chicago, Gary, Louisville, and St. Louis. A few of them have gone back to the farms temporarily. In Decatur we have a rather peculiar situation. A number of our employees come from farms. About twice a year we let them have a leave of absence to work on the farms for 2 or 3 weeks at a time. The day before yesterday 14 of our men moved to Chattanooga. And that is the situation with the 200 that we have had to lay off, and they are fine men, every one of them. If we had work, we would want those men back. We hate to lose them. That is true with all the others.

Mr. ARNOLD. Skilled men?

Mr. MUELLER. Skilled and semiskilled. And while it hasn't created any hardship yet, quite a number of those men are buying homes in Decatur, and buying property, and now if they move to some other place we don't know what will happen.

Mr. ARNOLD. They will probably never come back.

The CHAIRMAN. We appreciate your coming here very much and if something occurs to you, as the result of these hearings here that you want to forward to us, we will then incorporate it into the record.

Mr. ARNOLD. Would you submit that analysis you last read for the record?

Mr. MUELLER. I will condense it a little bit and mail it to your committee in Washington.¹

Mayor LEE. We appreciate the opportunity to be here.

Mr. CALHOUN. In the employment office only 557 persons, or one-quarter of the total laid off, are getting compensation. Our opinion is that they are not filing claims. They are migrating somewhere else, looking for jobs.

Dr. LAMB. I want to introduce this letter from Mr. Burke to Mr. G. M. Grandfield, secretary, Trade and Labor Assembly of A. F. of L. at Decatur, inviting him to submit material for the record, together with a report of an interview by Mr. Burke with Mr. Grandfield, on November 10, 1941.

(The letter and report referred to above are as follows:)

LETTER TO MR. GRANDFIELD INVITING HIM TO SUBMIT MATERIAL FOR THE RECORD

NOVEMBER 2, 1941.

Mr. G. M. GRANDFIELD,

*Secretary, Trades and Labor Assembly, A. F. of L.,
1105 N. College St., Decatur, Ill.*

DEAR MR. GRANDFIELD: This will confirm our recent interview. As you are aware, this committee has been authorized by Congress to inquire into the extent of migration occasioned by the national defense program and to determine the effect of this migration on various community facilities and services. You can appreciate the fact that problems bearing on labor supply, problems such as in- or out-migration or labor dislocation caused by various contingencies, are of vital interest to such an inquiry.

The committee is currently engaged in an investigation of the effect of priorities and the allocations program on employment opportunities, and is interested in learning to what extent materials shortages are causing or are expected to cause unemployment and subsequent dislocation of labor, with a view toward making remedial recommendations to Congress.

¹ See —.

We are anxious to obtain as much information as possible concerning the current situation in Decatur resulting from the priorities and/or allocations programs. If you have any additional data to add to the report issued by the Decatur office of the Illinois State Employment Service on October 16, "Special report on effect of priority and production curtailment," we would be glad to receive it.

The committee does not wish to put you in the position of duplicating effort that has already been expended and we therefore suggest the above procedure.

Please be assured your cooperation is greatly appreciated.

With sincere personal regards, I am

Sincerely,

JACK B. BURKE, *Field Investigator.*

INTERVIEW BY JACK B. BURKE WITH G. M. GRANDFIELD, SECRETARY, TRADES AND LABOR ASSEMBLY—AMERICAN FEDERATION OF LABOR, 1103 N. COLLEGE STREET, DECATUR, ILL., DECATUR—NOVEMBER 10

On all questions concerning the current situation in Decatur with respect to the present and anticipated effect of the priorities and allocations programs on employment opportunities, Mr. Grandfield referred me to the survey recently made by the Decatur office of the Illinois State Employment Service. He stated he has been working closely with Henry Bolz, secretary of the Association of Commerce, who has been in direct contact with the Illinois State Employment Service.

Concerning the effect of the current situation on his membership, Mr. Grandfield stated that he has been thinking in terms of total employment in the community rather than of his own membership.

According to Mr. Grandfield, it was anticipated that on the basis of the report submitted by the local Illinois State Employment Service office on October 16, Decatur would be officially declared a "distressed community" by Mr. Odlum's office. His concern that this has not been done to date took the form of a wire to William Green in Washington on November 9, in which he requested Mr. Green investigate the situation. The following reply, submitted for the committee's information by Mr. Grandfield, was received November 10:

Certification for distressed areas must come through priorities branch, labor division, Office of Production Management, not Mr. Fleming. Employment service first step toward certification. Get your local employment office to fill form ES-223 for each plant laying off workers and urge a city employment survey. Send me complete details by plants of number usually employed. Numbers already laid off, and anticipated lay-offs and dates expected. Will take it up with priorities branch.

(Signed) WILLIAM GREEN.

In reply to this telegram Mr. Grandfield sent the following message to Mr. Green:

Survey made October 16 now in hands of J. Douglas Brown, Chief of Labor Division, Office of Production Management. Letter will follow.

G. M. GRANDFIELD,
Secretary, Trades and Labor Assembly.

The CHAIRMAN. We will stand adjourned until 2 o'clock.
(Whereupon, the committee recessed until 2 p. m.)

NATIONAL DEFENSE MIGRATION

THURSDAY, NOVEMBER 27, 1941

AFTERNOON SESSION

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION,
Washington, D. C.

The committee met at 2 p. m. in the City Hall, St. Louis, Mo., Hon. John H. Tolan (chairman) presiding.

Present were Representatives Laurence F. Arnold, of Illinois; Carl T. Curtis, of Nebraska; Frank C. Osmers, Jr., of New Jersey; and John J. Sparkman, of Alabama.

Also present: Dr. Robert K. Lamb, staff director; John W. Abbott, chief field investigator; Jack B. Burke, field investigator; and Ruth Abrams, field secretary.

The CHAIRMAN. The committee will please come to order. Mr. Snow is our first witness.

TESTIMONY OF THAD SNOW, PLANTER, CHARLESTON, MO.

Mr. OSMERS. Mr. Snow, will you give your full name and address to the reporter?

Mr. SNOW. Thad Snow, Charleston, Mo.

Mr. OSMERS. It was our intention to have Congressman Sparkman conduct the questioning, but in view of the fact that he has been called back to Washington because of his work on the Military Affairs Committee, I am going to substitute for him.

The CHAIRMAN. Mr. Snow, I have the prepared statement you submitted; it will be incorporated in the record.

(The statement referred to above is as follows:)

STATEMENT BY THAD SNOW, CHARLESTON, MO.

NOVEMBER 18, 1941.

I addressed a letter to this committee last month. I assume that it is a part of your record and that it will not be necessary in this statement to rework the ground it covered.

(The letter referred to above is as follows:)

OCTOBER 25, 1941.

The SELECT COMMITTEE ON DEFENSE MIGRATION,
St. Louis, Mo.

DEAR SIR: For reasons not too difficult to understand the cotton country has been and still is a prime source of migratory labor. Cotton-work people are notably fruitful. They not only produce more cotton than other people can use, but also more cotton people than the cotton can use. Accordingly migration of workers is commonly from, rather than to the cotton country.

But not always. Since the 1930 census—the population of the seven South-eastern Missouri cotton counties has increased by one-third. In the four main

producing counties there is no town of greater than 6,000 population. Including the urban population there is one human to about 7 acres of farm land, which I think by comparison with other rural areas of the United States of America, is an extraordinary density of population.

Why have so many come? The clearing and breaking in of new land has made room for a good many. But mainly they have come because the land was so much more productive than the overcrowded hill country that surrounds the lowlands on three sides. Overcrowded but highly productive lowlands no doubt can support more people than overcrowded meagerly productive hills, and feed them better, at least during cotton-picking season and for a brief time thereafter. At any rate migration has been to instead of from the Missouri cotton country in recent years.

Now if these people were all settled in Swampeast, Mo., and attached to the soil, let us say, by the traditional share-crop arrangement, even though they were poorly housed and poorly fed, there would still be no reason why this committee should interest itself in their conditions of life. They would not be migrants, active or potential.

But for the most part they are not attached to the soil. On the contrary recent radical changes in farm practices have broken the traditional ties of the old share-crop arrangement, and turned croppers into unattached occasional laborers who exist in semistarved physical and spiritual idleness during about 8 months of the year. They are therefore potential migrants. They have swarmed into southeast Missouri like bees, and like bees they will swarm out whenever they are given the signal. The signal in their case will not, of course, come from any sort of mystic queen bee leadership, but from the opening up of opportunity for industrial employment at living wages in distant places.

The great movement of cotton people to northern industrial cities during the booming twenties has perhaps not been forgotten. Apparently the stage is in preparation for its repetition. The employment opportunities in defense industry are not yet open to blacks, although white workers are leaving in increasing numbers. So far as the blacks are concerned this committee, I take it, has a proper interest in their condition of life because they are potential if not active migrants at this moment.

Why are they potential migrants, and is it true that they are poised for a flight similar to the notable exodus of the twenties? I think no one familiar with conditions in Swampeast, Mo., doubts that they are. In fact, given opportunity for employment elsewhere, they have much more cause for taking flight than they had in the twenties, because then they were tenant croppers attached by traditional ties to the land, while now in overwhelming numbers they have been demoted to the status of occasional day hands and their root ties to the land have been broken in the process of industrialization that has overtaken the cotton-growing enterprise in recent years.

SHIFT FROM SHARECROPPING TO DAY-LABOR

This notable shift from traditional sharecropping to day-labor cotton, especially in high yield areas like Swampeast, Mo., amounts to a major social upheaval, which no doubt merits the interest of this committee and comes definitely within its scope as defined in the congressional act creating it.

I think, before attempting a very brief and necessarily oversimplified accounting of the causes behind this shift from sharecropping to day-labor cotton growing, that I shall have to ask the committee to accept as true and accurate two general statements which in the nature of the case I cannot take space to elaborate, nor can the committee take time to call a sufficient number of witnesses to prove or disprove them.

First, cotton workers greatly prefer to have share crops than to work as occasional day hands. The money earnings of a sharecropper, of course, are double, and often much more than double that of the day hand. But there is perhaps aside from the money return, an even more important cause for his preference. The cotton worker loves his crop deeply. He is not only bodily improved so he fills out his clothes better, but his self-regard is also improved by his having a crop. His proud half-ownership of a crop makes him a different man from a day hand, so that under an observant eye he may be seen to expand both bodily and spiritually. The while his numbers have been rapidly diminishing, the cotton worker who still has a crop and in addition gets his Government payments to use for spending money, has become the aristocrat among his people—in fact the remaining sharecroppers may be said to constitute a new sort of Southern aristocracy. So I ask you to believe that sharecroppers do not willingly become day hands.

The second general statement I shall ask you to believe, I fear you will find less credible. It is that neither do cotton planters like the shift from traditional sharecropping to an industrialized day-labor cotton growing economy. In spite of greatly increased mechanization and enormous concentration of land ownership, traditional sharecropping is still the peaceful comfortable way to grow cotton. It may be said that the shift from sharecropping to day labor has stimulated mechanization and centralized land ownership rather than the other way around. The planter is uneasy and unhappy over the shift. Possibly is debased spiritually by it to as great a degree as the demoted cropper, himself. But, of course, it is the planter and not the cropper who has made the change. If he doesn't like it then, why has he done it?

DOUBLE GOVERNMENTAL SUBSIDY

To put it bluntly he has made the change because his Government has paid him handsomely for making it. That is to say his Government, through the Agricultural Adjustment Administration program pays a planter, let us say \$10 per acre each year for his cotton if he grows it with sharecroppers, but pays him \$20 per acre if he grows it by day hands. Planters, or course, react like anybody else to a stimulus of that nature. As a matter of fact the pecuniary rewards to a planter for making the shift are much greater than indicated by the simple equation noted above. Certainly three times as great this year and commonly twice as great. But the doubling of the Agricultural Adjustment Administration payment is the only incentive for which Government action is directly responsible. And it is this immediate and certain reward of double governmental subsidy for day-labor cotton that is the operative cause for the wholesale detachment of tenants and croppers from the land.

Without this compelling incentive of double payment there would not be now any reason for this committee to take notice of Swampeast, Mo., because its cotton people would not be potential migrants at all. Instead they would be attached to the soil with a stake in the crop and a status under the cotton control law. Their ties would be much harder to break than was the case in the twenties, because during the control era the cropper who has kept his status has enjoyed a period of relative prosperity and security. He has not grown rich like the planter but he has shared in his prosperity to an extent quite satisfactory to his modest expectations.

The working and misworkings of the cotton-control law are matters too complex for detailed examination in this writing. If the committee desires, I will submit a statement dealing fully with the workings and misworkings of cotton control. They are familiar enough to all cotton growers, but because they are complex, and because the cotton economy remains a dark mystery to the public generally, the social effects of cotton control are little understood. Beyond any shadow of doubt they offer an appropriate field for study by this committee.

If my intimate acquaintance over many years with the ways of cotton people and the workings of cotton control seem to make me useful to the committee, my services are entirely at its disposal.

Yours,

THAD SNOW.

I want to say that I have followed the printed reports of this committee—House Report No. 38—part IV has to do somewhat with agricultural migration. This section records some opinions on the causes of the social disturbances that have developed during the farm-control era. I note that observers not officially connected with the Agricultural Adjustment Administration have placed greater blame for these disturbances upon the crop-control program than has been admitted by the administrators. An administrator should not be expected publicly to make a sweeping admission of "cruel or inhuman treatment," even if he is entirely blameless in the matter. The fact is that the administrators have struggled manfully to apply humanely the tenancy or worker clause of the crop-control law that is unavoidably inhumane in application.

DEFECTS IN CROP-CONTROL LAW

At any rate I can assume from reading your publications that this committee is thoroughly aware that great dislocations have occurred during the crop-control era, and that they are by no means confined to the cotton country, but have appeared to a greater or less degree in all commercial crop-producing areas. Insofar as these are attributable to causes rising out of crop control they suggest that there may be some fundamental defect in that part of the law affecting landlord-tenant relationships.

There is indeed such a defect. I do not know any informed person, including the administrators, who now questions that there is a basic defect. Certainly

aggressive commercial cotton planters, who have got rich taking advantage of the defect, know all about it, and they will ordinarily condemn the faulty tenancy provisions more severely and much more understandingly than a starry-eyed social uplifter. The defect in the law, of course, is that it permits an owner to receive payments set up for the tenants or croppers whom he may displace.

The rise, decline, and fall of tenancy, or worker policy in farm control would make an interesting story of fat book length. What I say on the subject in this writing must be in rigidly abbreviated form. I will make the grave charge that the crop-control law in operation has betrayed its own avowed social objective in respect to farm-work people. Since I make so grave a charge I feel that I must take a moment to reveal my own personal attitudes that may affect my viewpoint. One's personal bias has been known to affect one's statement of a case.

I am a farmer, or planter if you like, living on my farm in Mississippi County, Mo., which I acquired in 1911 when it was in woods and swamp, and which I have cleared and improved; 5 white and 20 Negro families now live and work on the farm. All have cotton sharecroppers, and nearly all work for me all or part of the time as general farm laborers. Practically no outside help is required or employed.

I am a New Dealer by temperament. My conviction of the necessity of farm control goes back to the old McNary-Haugen days. Except for the tenancy or worker debacle I feel that the approach that has been made to solve the problems of agriculture by the New Deal farm law has been about as sensible and realistic as we can expect of human planning for new and unexplored endeavor. Certainly the national resource in the soil has been improved enormously during the control period, and there are, I think, relatively few farm owners who have not enjoyed greater material benefits.

On the whole, I think the administrative personnel of the Agricultural Adjustment Administration from township committees on up to the over-all staff in Washington has been made up of much more able and conscientious men than we sometimes find in bureaucratic service. It happens that I believe that governmental or bureaucratic interference in human affairs is unavoidable. I mean that I am not "agin" things of this sort, generally. I have profited personally to a satisfactory degree during the control era. So my bias is distinctly a friendly bias toward farm control.

It happens however that I have another bias or idiosyncrasy which in honesty I must also disclose. It is that I believe that the worker is worthy of his hire. I believe that it is not only right and decent, but that it is sound capitalistic strategy for the farm worker, tenant, or cropper to be given a place along with ownership in national agricultural policy. Such, then, is my personal bias—friendly to the Agricultural Adjustment Administration, but convinced a grave and dangerous social wrong has grown out of a fundamental defect in the farm control law.

To avoid too wordy an explanation of the nature of the defect, I have submitted numerous exhibits. It is sufficient here to mention that despite conscientious administration of the law, there have been millions of instances in which landowners have secured to themselves Government payments that were supposed (at least so the law reads) to go to tenants and croppers. But so far as I know there is no case on record where a cropper has got away with that portion of the payment belonging to an owner.

The defect is in the law, rather than in administration. The thesis of this statement is that a fault in the farm control law has defeated the efforts of conscientious and often zealous administrators, and defeated even the obvious intent of the lawmakers themselves, to make farm control equitable and socially beneficent all around.

New Deal farm control came first to the cotton country with the plow-up of 1933. The plow-up was done with a religious fervor. In the exhilaration of the plow-up adventure no landowner in the cotton country seemed to question the justice of sharing the Government payment with renters, or even with the lowly sharecroppers.

At that time if human foresight had written into the law of the land that the "parties to the operating agreement" should share in Government payments as they have customarily shared in the proceeds of the crop, this principle would probably have lodged firmly without important protest, in our American way of life. If it had been also written that one "party" could not in any case receive the portion set up for another party then there would have been no scramble for the entire payment by owners. To be more specific, if it had been provided that that portion of the total payment set up for the cotton sharecropper simply would not accrue for a farm worked by day labor, then the law could not now be charged with the wholesale alteration of tenancy arrangements that have occurred. But instead the law has offered a handsome prize to owners for making changes.

Following the plow-up the action of the Bankhead law forcibly impressed planters with the importance of the prize. Later the adverse Supreme Court decision interrupted efforts within the Department of Agriculture to offset defects in the law as they appeared, by administrative action.

The story of the subsequent cumulative defeat of tenancy or worker policy in farm control need not be labored here. The committee is sufficiently familiar with it and I am submitting numerous exhibits that tell the dismal tale. But they do not tell it all. Not all that a student of the migratory farm labor problem ought to know.

It should be recalled that statement of tenancy or worker policy in early farm control laws was made in general terms. It was left to the Secretary of Agriculture and his aids not only to administer the law, but largely to make it. If tenancy policy had remained a matter of administration, no one can say that the administrators might not have profited by early mistakes and evolved a workable tenancy policy by trial and error.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT OF 1938

But along came the Soil Conservation and Domestic Allotment Act of 1938, and wrote into the law of the land the very administrative rulings which had been demonstrated to be utterly unworkable in past administration. It was like salting down a ham that already smelled to high heaven.

It is perhaps desirable here to quote from subdivision (f) of section 8 of the act: "Any change between the landlord and tenants or sharecroppers, with respect to any farm, that would increase over the previous year the amount of payments that would otherwise be made to any landlord shall not operate to increase such payment to such landlord. Such limitations shall apply only if the county committee finds that the change is not justified and disapproves of such change."

That final neatly emasculatory sentence which I have had capitalized to call attention to its merits means exactly this: no particular tenancy or worker policy in farm control is provided for by law. Instead policy making affecting millions of farm workers is turned over to 3 local committeemen in however many farm counties there are in 48 States. So it would appear at first glance that we have as many different policies as we have counties. But that is hardly an adequate statement of the case. County committees are chosen each year, and often new ones are chosen precisely for the purpose of changing county tenancy policy. So the number of different policies we have had or will have throughout our broad land is incalculable.

The result of course, is chaos. But it is democracy. Or at any rate I have heard a very few defend it in the name of democracy for the reason that sharecroppers were supposed to be permitted to vote the same as owners in the election of committeemen. As if they would be allowed to exercise such a function in the cotton country. I have been told that some administrators at Washington, appalled by what was happening in the cotton South, have said that cotton planters must all be thieves. They are not, of course. Landowners in all commercial farming sections, as this committee well knows, are displacing tenants to secure all Government payments to themselves. They are not thieves. Their Government has offered them handsome awards for turning their tenants out, and they are only reacting normally to a stimulus of that nature.

In my own county we have had conscientious, social-minded committeemen from the beginning. I venture to assert that proportionately fewer tenants and croppers have been displaced in my county than in any other high-yield county in the Cotton Belt. But according to best figures obtainable, 40 percent of our land has slipped out from under the tenancy clause; in an adjoining county, 70 percent; while in the largest and southernmost county which borders on Arkansas, probably on not more than 10 percent of the land do sharecroppers still have crops and receive Government payments. What has happened over the line in the greatest cotton-producing county in Arkansas, I am not called upon to say. I happen to know, however, that Missouri landowners have not been more successful than others in alienating payments set up for tenants and croppers.

It might be useful to affix blame for the cockeyed contradictory tenancy clause in farm control. I do not think it can be done. Like Topsy it just grew up. Administrators of the Agricultural Adjustment Administration did not want the law so written in 1938. I tell them they cannot escape responsibility altogether. They did not prevent it. The statesman in Congress who apparently was responsible more than any other could be named. I have talked with him, and I am inclined to believe he didn't know what he was doing when he did it. Certainly very few legislators knew what they were doing when they voted for it.

I think it is important for the committee to know what cotton landowners themselves think of a law which offers them the reward of double Government

payment for turning their renters and croppers into occasional day hands—that is, making potential migrants out of them, with no stake in the land, no status in the farm program. I refer you to exhibit 2, a Post-Dispatch news account, which tells the story very well.

I think, however, a further comment is in order. Probably the members of this committee recall news accounts of the notable roadside sit-down strike of the cotton croppers that they staged in southeast Missouri in January of 1939. I refer you to exhibit No. 5 for an evaluation of this most spectacular roadside demonstration. In one of the special Post-Dispatch articles of this exhibit I have said of the affair that "more than for all other causes combined it was a protest against the miscarriage of tenancy or worker policy in cotton control." I recall at the time planters generally were not pleased by my analysis.

A year later a second anniversary demonstration was threatened, and many kindowners' meetings were called to consider how a second walk-out might be forestalled, and the attendant unpleasant publicity avoided. This time the causes of all the trouble were better understood. Exhibit number two is a Post Dispatch account by a staff reporter who attended one of these meetings. I think you will regard it to be highly significant that planters in assemblies, after thorough discussion, without a dissenting vote have passed resolutions asking their Government to cease offering them the bribe of double payment for kicking their croppers out. It would seem that democratic processes ought already to have sprung into action in response to a petition of this sort. But they haven't moved yet; I suppose the "sign" hasn't been right.

I am informed that an official of the Farm Security Administration will submit to you figures indicating the magnitude of the dislocations that have occurred in the Missouri cotton country. I understand that the Farm Security Administration is caring for about 5,000 families in one manner or another, and has a like number on the waiting list. The Agricultural Adjustment Administration kicks them out, and they land in the lap of the Farm Security Administration. That is what I call extraordinarily good coordination between two departments of Government. The Farm Security Administration lap, however, is anything but adequate.

CENTRALIZATION OF LAND OWNERSHIP

I do not know if the Farm Security Administration witnesses will submit data on the enormous centralization of land ownership and control that has come about in the high-yield cotton country since 1933. I do not have comparative figures. They are obtainable from Agricultural Adjustment Administration records, and they would probably be one of the strongest indictments of the Agricultural Adjustment Administration tenancy law. I do have it on good authority that 75 percent of the farm land in our largest cotton-producing country is owned or controlled by 35 individuals and corporations at this moment. So it can hardly be said of the Missouri cotton country that the action of the Agricultural Adjustment Administration has favored the survival of the family-owned, family-sized farm, which is still a favorite item in the well-known American tradition.

It is agreed, I think, that farm tenants and sharecroppers have suffered undesirable severance from the land during the farm control era. Then the question is what, if anything, to do about it.

I have been shyly getting around to that for a good while. Unfortunately I do not have all the answers to this or any other social problem. But I do have a bill: I refer you to exhibit 4 for a recitation and discussion of this proposed amending act. So far as I know it is the only legislative remedy for the basic defect in the tenancy clause of the crop control law that is now under consideration within or without administrative circles.

Exhibit 4 is a statement that I used in Washington in the spring of 1940. It was prepared in collaboration with the administrators of the Agricultural Adjustment Administration. To interested members of both houses of Congress I was permitted to say that the statement was approved by the Secretary and his aides. The bill itself was evolved out of many days of conferences with the administrators and their legal staff. It may be said to be the child conceived out of the rich experience of those have tried to administer the unworkable clause of farm control.

PROPOSED AMENDMENT OF TENANCY CLAUSE

The exact import of the bill which consists of a single sentence, is difficult to get at first reading. I know this to be true out of considerable experience in explaining it. It is easier to understand it by applying it to a specific case. For example: I am a cotton planter. I furnish land, teams, tools, etc., to grow the cotton crop. My sharecroppers do the work. They get half the proceeds of the crop, and half the Government payments. Under the present law if I chose

to work my cotton by day hands and my county committee found I was justified in changing to day labor, thereafter I would get all of the Government payments, and of course, all the crop. Under my bill I could not possibly get the half of Government payments that my sharecroppers had formerly received. That half would simply not accrue. It would remain in the Federal treasury. In other words if I changed from sharecropping to day labor it would not be because my Government paid me for doing it.

It is so obvious to me that my Government ought not to pay me for demoting my sharecroppers to the degraded status of occasional day hands that I am no little embarrassed to discuss the matter at such length. Yet to complete the record it seems to me necessary to go a little beyond exhibit 4 into what may be called the philosophy of past tenancy policy in farm control, and of the change which I propose.

At the advent of the control adventure there is no doubt that nearly everybody who took part in formulating policy and law accounted it to be right and expedient that those who performed the bodily work of making farm crops should have a stake and status in farm control. Administrative difficulties forbade any attempt to include hands under the control umbrella. But there was no intention on the part of anyone, so far as I know, to leave tenants and sharecroppers out.

I do not need to repeat the futile provisions that were expected to achieve the laudable social objective of keeping them in. But just what is the nature of these provisions? What exactly was it they had to accomplish to succeed in their meritorious purpose? They had to preserve the status quo—a thing that no rule of law or other human bond has ever accomplished.

If an owner changed his tenancy arrangements his payments might be withheld, etc.—if his county committee said so. But if the committee assented to the change, then his Government would pay the planter for making it.

That is not even a creditable effort to do the impossible. The fact is the status quo in tenancy that the Agricultural Adjustment Administration sought to stake down hasn't been seen or heard of in recent years in any commercial farming section. Nobody can find it to preserve it any more.

My one-sentence bill would abandon the feeble, futile attempt to preserve a status quo that nobody can exactly identify. The idea is that removing the incentive of double (or triple) payment to be paid to a planter, if he displaces his tenants or croppers, will be more effective than merely telling him he ought not to do it, but paying him handsomely if he does. If this idea is not sound, then the bill has no merit whatever.

I do not expect, and I am sure that nobody else would expect the enactment of a one-sentence bill to resolve all the dislocations that have arisen out of crop control. It would not at once reinstate and reattach all disinherited tenants and croppers. But it is a significant fact that cotton planters who have in nowise avoided the tenancy clause now have about as many tenants and croppers as in pre-control pre-acreage-reduction days, and they are better housed and better fed. The acreage for each is less, but more cotton is produced per acre. It's picked earlier, which makes the grade better. A genuine sharecropper nowadays is a more stable citizen than ever before in his life. Added now to his precious stake in the crop is his proud status in the farm-control program, with its emoluments sufficient to feed his family for almost half the year. It is not the cotton sharecroppers, but the increasing hoards of ex-sharecroppers and ex-tenants who are potential migrants at this time. I had thought I would take space to describe their sorry plight. But I prefer to avoid a charge of sentimentality.

I ask the committee not to regard this statement as the expression only of my own attitude, opinions, and observations. I have visited with county committeemen in my own and other States, and have talked with planters and croppers from many parts of the cotton South, especially during the past 3 or 4 years. My views are affected also by weeks of conferences with administrative officials of the Agricultural Adjustment Administration in Washington and elsewhere.

Let me repeat that I do not assert that all uprooted tenants and croppers everywhere would be reattached and stabilized on the land within the old time tenancy pattern, upon the enactment of the one-sentence bill, I do believe that it would reattach millions, and have other important salutary effects that I will not mention. For one thing it would make an honest man out of Uncle Sam in his dealings with underprivileged farm people. Probably it would render unnecessary the enactment of minimum wage rates in agriculture, at least for a term of years. In a former statement I think I have explained sufficiently why the reattachment of tenants and croppers to the land would follow my suggested change in tenancy policy.

Obviously democracy is not working very well when government action induces widespread social dislocations for which government has no adequate remedy. I hope the labors of this committee will be the means of making democracy work

better for many helpless, bewildered farm work people. I am sure it is your high intention to help democracy limp along in this critical time. For that reason I make no apology for having addressed to you two rather lengthy statements and offering a good bit of other material on the remarkable miscarriage of tenancy or worker policy in farm control—more particularly in cotton control.

EXHIBIT A.—MISSOURI'S COTTON WORKERS' PROBLEM AND THE ROADSIDE DEMONSTRATION

THREE ARTICLES BY THAD SNOW APPEARING IN THE ST. LOUIS POST-DISPATCH,
ST. LOUIS, MO.

BACKGROUND OF MISSOURI'S COTTON WORKERS' PROBLEM WHICH LED TO RECENT ROADSIDE DEMONSTRATION

JANUARY 22, 1939.

Swampeast Missouri has popped off again. Not a flood or a scandal this time, but a roadside sit-down strike of the cotton croppers. It has made a greater show, or at least attracted more outside observers, than any flood or other local episode of recent years. Probably the show was as important as it was spectacular, because it may possibly bring about changes in agricultural legislative policy affecting all the Cotton South.

Emotion has run high and still runs too high for objective appraisal of the roadside demonstration, but perhaps a look into the background of the show is not premature at this time.

Swampeast Missouri is the delta of Southeast Missouri which heads at Cape Girardeau and extends 100 miles south to the Arkansas line.

The lowlands are mainly a cotton country, but mixed farming in the northern part and elsewhere is still dominant. The cotton areas are thickly populated by white people and black people, by very rich people, by moderately rich people, and by a much greater number of very poor people.

LAND AND ITS PEOPLE

Swampeast Missouri is both old and new. The high and narrow sandy ridges, which indeed rise only a few feet above the surrounding swamps, were settled as early as the Missouri uplands, but the dredging, clearing, and settling up of the broad intervening swamps is an enterprise of very recent years. In fact, it is unfinished business at this moment. It is estimated that as much as 40,000 acres have been broken in during the past three years. Ten years from now the smokes of the clearings will still be blowing in many localities. Perhaps, so long as the breaking in of new land is going on, some of the restlessness and turbulence of a frontier people may be expected in the doings of Swanpeast Missourians.

Even a hurried examination of the social complex of the lowland country ought to be prefaced by some account of where its people came from, what sort they were, and when the most important waves of immigration broke over. Favored parts of the high river banks, and some of the interior sandy ridges, were settled more than a century ago. Soon after the turn of the last century the forebears of many rich and mildly aristocratic families arrived. They came mainly from Virginia, North Carolina, Pennsylvania, and Maryland, some having stopped in central Kentucky for a time. These people usually brought some wealth with them in money, chattels, and slaves, and a strong aptitude for getting on. Also about this time came hundreds of trappers and work people from western Kentucky and Tennessee.

INFLUX OF "PECKERWOODS"

Settlement of the ridges seems to have rocked along without much fireworks, except during the Civil War, until about 1890, when a number of great timber barons found out about the gum, oak, and cypress forests, which, of course, had been growing in Swanpeast, Missouri, long before it was known by that name. Then things began to pop. Many great band mills were set up and hundreds of miles of tram roads cut through the swamps. Thousands of woods workers poured in from the poor and overpopulated hills of Western Kentucky and Tennessee and elsewhere. Woods workers are a pretty distinct type of people. "Peckerwoods" they are called—no doubt of the best human stock, but rough cut on the whole. The timber camps of the swamps were a grand refuge for the maladjusted from every quarter, and the sheriffs from adjoining States seldom sought out a fugitive in a Swanpeast timber camp. It is said that every newcomer who entered a mill camp was assumed to have outwitted a Sheriff, and was greeted with the pointed question, "What did you do?" Meaning, of course, what didn't the Sheriff catch you for doing back home?

LATER IMMIGRATIONS

With the big timber cut out, most loggers remained to clear "cut over" for the plow, and since their numbers were insufficient, another wave of woods workers came in about 1910 when the dredging was getting under modest headway.

These came also from the poor hills across the Mississippi. The numerical importance of immigration of this character may be judged by the statement of Mrs. Audrey Chaney, Social Security worker of Scott County, that nine out of 10 old-age pensioners in the southern half of the county have given Western Kentucky or Tennessee as their place of nativity. In general, these people have not risen in the world. But they have not been at any time entirely reconciled to their low estate, and even to this day are led to cause occasional irritation by their persistent desire to share in the riches produced by the land. Negroes came in as slaves with the earliest settlers, but they were "good" Negroes and not so numerous as to cause friction in the early days.

YANKEES THIS TIME

Along about 1905 to 1915, after the logging was nearly done and the clearing and dredging well begun, Swampeast Missouri suffered a new and disturbing wave of immigration. Yankees this time, from Indiana, Ohio, Iowa, and especially from Northern Illinois, were charmed by the rich black soils and the persuasive land agents. Many came with money to buy and develop farms to live on, and others came with money to help the natives speculate in the newly drained lands. They added a strong Northern spicing to the social hodgepodge which theretofore was definitely of a Southern flavor. It was more than a spicing. They had almost turned the country into a northern wheat, corn, and livestock affiliate, when an amazing thing happened. In 1923, Swampeast Missouri "went South" almost overnight.

Or, better stated, the South came up to envelop and absorb this budding corn-belt garden spot, to make it over into a land of cotton plantations within a year's time. A series of boll weevil years in Arkansas and Mississippi had made believers of both planters and croppers. They had to move north above the boll weevil line, they were convinced, or quit growing cotton, which was the only thing they knew how to do. Cotton, of course, had been grown more or less all over the district in the early days and was fairly well established in the two lower counties, so it was no long-shot bet they were making.

TEN THOUSAND NEGROES

Ten thousand Negroes moved up out of the Cotton South. Ginners, cotton buyers, and what not came along. Resident farmers, even those of corn-belt background, caught the fever (cotton was high, and always would be—they thought) and put up thousands of flimsy shacks for the immigrant croppers, and changed themselves into cotton planters, on credit, in a few weeks time. It was an exhilarating experience, but, of course, it upset any socialst ability that had been previously attained. Cotton growing has steadily expanded since the gold rush of '23, and the Negro population has increased greatly. Social stability is still in the offing.

During the past five years a new wave of immigration has come up out of the South, numerically small but individually impressive. These newcomers are big operators, "rarin' back" planters they are sometimes called, who gather together great bodies of land and show how it is done in a really big way—like working great droves of Negro day hands at 75 cents or a dollar a day from sun to sun, under the eye of a riding boss, and accompanied up and down the cotton rows by a traveling privy on wheels for the convenience of the workers.

WHAT A MIX-UP

What a mix-up—old families and "peckerwoods," cotton Negroes and Yankee corn-belt farmers, small tenants and "rarin' back" planters, aggressive land grabbers, ginners, and traders. Great industrialized plantations alongside small farms worked by quiet honest-to-goodness owners. Shifting land ownership and changing farm practices. Plantations getting bigger and bigger, and wholesale displacement of tenants with teams as stumps rot out to make way for power machinery. Money made and lost in big hunks by large owners, and seen seldom and in trifling amounts by the great mass of workers. Great wealth produced for the successful few and dire poverty for the working many out of the same rich soil.

No wonder Swampeast, Missouri, is interesting and turbulent, and often to be seen in the headlines. No wonder the Missouri lowlands have the highest death rate in the State and perhaps the highest murder rate in the nation. A classic apology for the high murder rate is worth repeating. A pioneer and

philosopher of Swampcast, Missouri, has said, "it is not to our discredit, because as anyone can see, we have so many more people that need killing."

GROWING PAINS

Swampcast, Missouri, has grown up like a 15-year-old boy, in recent years, and growing pains must still be endured because great areas remain yet to be cleared. Farmers' practices and mental attitudes have changed as rapidly in recent years as a boy's mind and body change during adolescence. Let any reader who knows well the good corn section of Illinois stop and imagine the social confusion that would arise if it were to be transformed into a cotton country, and tens of thousands of Negro croppers moved in almost over night.

No doubt the croppers' ideas and habits would be modified by their new environment, but it is a safe guess that the adaptation would not be all on one side. The white owning and ruling classes of Swampcast, Missouri, probably have changed more because of their new contact with the cotton Negroes than the Negroes have been changed by them. The Negroes merely delivered themselves over to new and less sophisticated masters, while the new masters rose to an unaccustomed status of overlordship. The effect of them of their new power over a numerous, underlying and servile population was perhaps not mellowing on the whole.

Adjustments to new crops and new people, both black and white would doubtless have been sufficiently disturbing without the injection in very recent years of two additional upsetting factors. One, of course has been, and is, the crop control legislation, which, as one would expect, has proved puzzling and confounding in this borderland area where all three major farm programs—wheat, corn, and cotton—must be superimposed. Confusion at times has amounted to dismay. The second recent disturbing factor has emerged to the surface within the past two years. A new class-consciousness has developed among the croppers, tenants and laborers.

Quite large numbers of them, both black and white, have joined the Southern Tenant Farmers' Union. They get together frequently in their "locals" to discuss their problems, which, they say, are not complex, but urgent enough in spite of their extremely simple mode of life. The meetings are no longer always held under cover, and little of the sort of terrorism that occurred so widely in Arkansas has afflicted the Missouri cotton country.

Apparently first-rate leadership has arisen out of the ranks, although it is of course too early to appraise the solidarity and enduring quality of the organization. The fact that the workers of the two races seem intent on joining forces in a common effort is somewhat startling, and it is nothing short of amazing to see white membership willing to follow a Negro leader who has seemed to merit their confidence.

CROP CONTROL PROGRAM

An understanding of the sorry plight of the croppers and their state of mind requires some knowledge of what the 1938 crop-control program has done to them. One must also keep in mind that most planters believe deeply, and with entire sincerity, that the croppers are neither entitled to, nor benefited by, a money return for their labor in excess of the minimum required to keep their bodies in going condition during work seasons.

The 1938 program, provided for by new and slightly more rigid legislation and regulation, forced a 40 percent cut from the 1937 cotton acreage in Missouri. The lawmakers saw that four out of every 10 croppers and laborers necessary to grow and pick the 1937 crop would not be needed or that the income of all must be reduced by 40 percent, unless something were done to prevent it. Consequently, they sought to mitigate the shock to the workers, who previously were supposed to have received one-fourth of the crop-reduction payment. Their share was increased to one-half.

CROPPERS' SHARE DIVERTED

The payment is considerable, and is a big help to the cropper who has a crop, and who gets the payment and is allowed to keep it. Many planters, having knowledge of the croppers' simple needs, and having a greater need for money themselves, have managed by various procedures to divert all Government payments into their own pockets. The individual cropper is in a poor position to resist such diversion because his protests may get him in bad repute with planters, generally. He may be blacklisted and find himself unable to get any crop at all. Then he is forced to join the increasing horde of unattached day hands whose low estate is quite the lowest of all.

The 1938 regulations made it slightly more difficult for the planter to "divert" the croppers' payments. On the other hand the doubling of the payment adds a new incentive for such diversion. The croppers believe that the agricultural administration sincerely hopes that they will receive the payments provided by law, and will be allowed to get the actual money to use for spending purposes. But they have small admiration for loose-made provisions that facilitate the diversion. The fact that many of the less-sophisticated planters make no attempt to defeat the purposes of the law and come clean with their own croppers only serves to increase the dissatisfaction of croppers less fortunately situated.

SHIFT TO MECHANIZATION

The croppers and small renters are even more deeply concerned over the shift to mechanized and industrialized large-scale operations, and the displacement of both renters and croppers that takes place on the substitution of machines and day labor in their stead. The move toward day labor was exceedingly rapid until checked somewhat by declining prices in 1937. When cotton is low in price even the ambitious planter finds the traditional share cropping more desirable than day labor, but whenever the return from cotton, including the Government payments, rises to 11 or 12 cents, the incentive to go day labor is very great. Growing cotton by day labor then is cheaper. Also, it permits the planter to retain all Government payments for his own in a perfectly legal manner. No exercise of ingenuity is required.

To be sure, the rulings under the 1938 law, as in former acts, provide that a planter's payments may be withheld if he has shifted from share cropping to day labor for the purpose of securing to himself payments set up for the croppers. County committees are to judge as to the nature of his intent, and the committees in some cases have been unable to detect the presence of any intent at all.

It is said that many eviction notices, effective Jan. 10, had been received by tenants, croppers and day hands and reported to group leaders, and that the recipients of these holiday greetings had met together to consider how, in the absence of any place to go, they might meet the legal requirements of these notices as good citizens ought to do. Undoubtedly, if it is true, as indicated by the roadside sit-down, that the workers now think of their problem as a matter for group consideration, that is a new way of looking at it altogether.

ALL FACTORS FOR MILD UPHEAVAL

From all this, it is obvious that elements favorable to a mild social upheaval were not lacking on Jan. 10 in Swampeast Missouri—the day laborers were hungry, many small renters and croppers were displaced, and many others were apprehensive. They were more effectively organized than heretofore to make protest against what they regard as the unfair and intolerable insecurity of their position. Then, the farm programs have had an educational value for cotton growers high and low. Most croppers have learned from published "allotted acre yields" that the Missouri cotton country makes the highest acre yield of all the cotton belt States. They had begun to wonder if rich land and poor people go together immutably.

Many other forces, shifts and changes, unnoted herein, contribute to the relative social instability of Swampeast Missouri, but informed observers, including the writer, were no little amazed to see anything noteworthy in the way of group action come out of it on Jan. 10.

MISSOURI ROADSIDE SIT-DOWN IS DRAMATIZATION OF ONE OF AMERICA'S BIGGEST SOCIAL PROBLEMS

MARCH 5, 1939.

Swampeast Missouri's roadside demonstration is now largely hid from the public view. Only one camp in a Negro churchyard can be seen from a main highway. If it was all a matter of small moment, then it would be proper and comfortable now to forget all about it. Most observers, however, have not found it easy to believe that several hundred families had moved with their small belongings to the shelterless roadsides in midwinter for no cause at all.

Outside "agitators" had no hand whatever in the demonstration. It was entirely spontaneous, even if beautifully organized. There was a sweet simplicity about it that almost passed belief. Undoubtedly the thing had been brewing for months, but apparently no rumor of it had escaped up to a social level above that of the lowly conspirators themselves. Not a single planter or other respectable citizen has claimed that he had an inkling of what was planned until shortly

before the event. It all came off like a batter stealing first, ahead of the first pitched ball—not in accordance with any rules whatsoever.

Spokesmen for the planters have called for an investigation to show to the world that no unfair treatment of the croppers exists. They are getting the investigation—two of them, to be accurate—one by the Department of Agriculture, and another by J. Edgar Hoover's agents, on orders of the President and Attorney General Frank Murphy.

NOT BAD MEN, BAD SYSTEM

Perhaps the spokesmen had a different sort of investigation in mind, but the fact that they called for any inquiry at all ought to convince anybody that their deep feeling of injured innocence is perfectly sincere. Neither the planters nor others, who rise to the defense of the social order, are conscious of any misdoing at all. Why should they be? If abuses really exist in the worker-planter relationship to justify the roadside protest, they are abuses having their roots in ancient and respectable tradition, and therefore only semiconscious now, at the most. It is, of course, not a matter of bad men, but of a bad system, unfortunately changing rapidly for the worse under the new conditions that have arisen during the farm-control years since 1933; and in a new world, where perhaps even the docile cotton labor of the South can be no longer expected to starve unprotestingly.

The recent roadside sit-down was not just a queer midwinter holiday excursion. Instead it was an important and effective dramatization of what President Roosevelt has called America's No. 1 social problem. The causes of the demonstration are too numerous and complex even to enumerate within the space of this writing. Of necessity, and at the certain risk of over-simplification this discussion, applicable mainly to the high-yield areas, must be confined to the most obvious causes, which are to be found in the more recent social changes that have taken place during the period of farm control since 1933.

SHIFT TO MACHINERY RAPID

The shift toward mechanized, industrialized power farming in the cotton country has been exceedingly rapid during the past six years. The trend was evident, but not marked, before the farm-control era. There are reasons to believe that cotton growing would have yielded slowly to power farming except for the stimulus of farm control. At any rate, the effect of the cotton-control administration has been to speed up the movement, and to intensify the social dislocations which the movement has entailed. Power machinery, of course, is unfriendly to the traditional planter-cropper arrangement.

The simplest explanation for the roadside demonstration would be that many workers were cast adrift, unneeded and unwanted because the cotton acreage was greatly reduced by action of the law. Acreage reduction, however, had little to do with it, because cotton growing in the Missouri lowlands had expanded so rapidly in recent years that there are few, if any, more workers than are required to serve the present "allotted" acreage. The explanation of the roadside show must be sought elsewhere than in mere acreage reduction. A point of theory in the several farm laws, as well as their practical workings must be explored.

Theory and practice don't always run together in human affairs. If they had run together in the cotton program there would have been no roadside demonstration, and no need to explain it.

RESULTS OF 1933 CONTROL

New Deal cotton control began with the spectacular plow-up of 1933. The Government payments set up for the sharecropper were then in theory and in fact labor payments, because sharecropping was the normal, almost universal arrangement, at least in the high yield areas at that time, just as it had been ever since the Civil War. The labor payments went to the sharecropper because he was in fact the laborer. In the main the croppers were permitted to receive their payments in 1933.

But it was found that a planter who had grown cotton by day hands, or who neglected to turn in his list of sharecroppers was enabled to receive and retain the "labor" payment for his own. This set his neighbors thinking how they might manage to fare better in respect to future subsidy payment. Thus it would appear that the causes of the Missouri road-side sit-down had their origins at least as far back as 1933.

A series of Agricultural Adjustment Acts have followed the plow-up. In each law, or in the administrative rulings under it, payments have been set up

for the sharecropper. Always the "sharecropper," on the assumption, no doubt, that the term would continue to embrace nearly all cotton laborers, except for small owners and renters, who were appropriately cared for also in the laws and rulings. Payments were set up for the sharecropper on the theory that his individual crop acreage would be reduced—say from 20 to 15 acres—proportionately as the total acreage for his state and county was curtailed.

AT COMMITTEE'S DISCRETION

In all laws the intent has been clear to give cotton labor a status and stake in national agricultural policy. Rulings have always set up payments for the croppers, and sought to deter planters from reducing their numbers. Likewise the rulings have enjoined penalties to prevent a planter changing from sharecropping to day labor cotton growing, and thereby adding the "labor" payment to his own. But always the local county committees have had broad discretion in the enforcement of these penalties. Very naturally they have acted according to their own, or the prevailing viewpoint in their communities. Since this viewpoint has varied a good bit, no general statement as to the extent of the miscarriage of the "labor" payment is now desirable. The investigation now in progress should bring forth interesting comparisons between counties, and many surprises all around. Any investigation worth the name ought to determine the proportion of the cotton payments that cotton labor is actually getting. In short, since it appears to be the policy of the present law to allot one-half of cotton payments to cotton labor, it ought now to be made public whether one-half or a much smaller fraction, is in fact so allotted.

During the period of crop control the shift from sharecropping to day labor cotton growing has been very great in many counties—rules and regulations to the contrary notwithstanding. Thus we have had cotton control laws apparently always seeking to give a proportion of the cotton subsidies to the cotton worker, calling him, however, always the "sharecropper"—meanwhile the very institution of sharecropping, in many localities, has been slipping out from under the laws, and the croppers made over into occasional day hands with no stake in the crop, and no status in the law.

FROM BAD TO WORSE

The recent road-side demonstration, more than for all other causes combined, was a protest against the changes that have come with power machinery and against this shift from traditional sharecropping, always regarded by outside observers as a bad system, to day labor cotton growing, regarded by all the croppers as a far worse system.

The protest is not new, only hitherto it has been individual and silent. The dramatization of it was new, and came off when it did because the shift to day labor was to be speeded up in 1939. The doubling of the croppers' main payment in the law of 1938 obviously doubled the planter's incentive to turn to day labor in 1939, or adopt some other device to divert the increased labor payment into his own pockets.

If the payments set up for the sharecropper are genuinely intended by Congress and by the administrators to be labor payments, it is difficult to see why a land owner should ever be permitted to receive them at all, unless he had performed also the bodily work of making the cotton crop. The practical difficulty of getting any sort of payment to the day hand is, of course, an unsolved problem. Pending its solution, however, there appears to be tenable grounds for turning the labor payment over to ownership in reward for a little shrewd head work.

TRUST SELDOM BETRAYED

These considerations, of course, are not new to the Agricultural Administration, but they have induced no important administrative reforms. Their presentation hitherto has lacked entirely the dramatic quality of the recent roadside demonstrations, which, very probably will induce very important reforms.

A further look into agricultural administrative policy seems to be needed in order to see why the croppers' sit-down may get them something besides the righteous indignation of all respectable, right-thinking people. The administrative set-up in the counties is strictly democratic—farmers by secret ballot elect township committees of three, who in turn select a county committee of three. Now the elected county and township committees have had broad discretion in allotting crop acreage and acre yields (on which payments are based) to individual farms. Obviously the temptation to show favoritism could be very great. It was anybody's guess in the beginning whether this democratic procedure in the counties would work at all. It has worked astonishingly well.

Mistakes have been made, but only in few and scattered counties have local committees knowingly failed to perform uprightly under their heavy responsibilities. Even in the much-maligned cotton country, where farmers are said to be more ambitious than elsewhere, the local committees have seldom betrayed their trust in the matter of acreage and yield allotment.

HIGH-YIELD AREAS SORE SPOTS

But when it came to administering the rulings intended to allot a portion of the payments to the cotton workers, many committees just haven't seen it that way at all, and they are just as honest about this as about anything else. The high-yield cotton areas have been the sore spots in the Agricultural Administration from the beginning. A cotton headache has been a favorite ailment in administrative circles. The pain, as one might expect, has taken on a new throbbing quality since the Missouri sit-down. Probably the only cure for this new throbbing will be found in a redefinition, a clarifying, of cotton-labor policy in the law and in administrative rulings.

Scattered over the South there have been many planters and others who have observed with considerable uneasiness the conflict between the benign theory and unsavory application of the cotton-control laws. Many have thought that planters were not serving their own best interests by striving to divert the labor payments into their own pockets.

Cotton was given a special status in farm legislation because it was our greatest export crop, becoming the first and sorriest victim of our own tariff excesses, and the nationalist madness all over the world. The cotton legislation of 1933 and all later cotton provisions have had the support of Northern agriculture, and what was, perhaps, even more important, the unfailing political support of organized labor.

COTTON AND LABOR

Long before the cropper roadside-exodus a few forward-looking planters had expressed concern lest the political support of organized labor, and even of northern agriculture, might some day be alienated by the short-sighted sabotage of the cotton-labor policy of the farm laws. Since the roadside demonstration many more Southern leaders are wondering how much longer organized labor and the American public will support cotton legislation so unrealistically worded that the labor policy of the law may be increasingly defeated in local administration.

Not a few Southerners are thinking, now that the problem has been dramatized, that a reconsideration of cotton-labor policy in the law and rulings cannot be safely delayed, and that a move for reform out of the South itself might be, politically, more astute than to wait uneasily for political repercussions to come down out of the North.

THAD SNOW BELIEVES COTTON LAW SHOULD SPECIFY THAT ONLY LABOR CAN GET THE PAYMENTS FOR LABOR

APRIL 30, 1939.

The cropper roadside-sit-down strike, staged on Jan. 10 in the Missouri cotton country, has got the lowly participants nothing but economic exile and slow starvation. However, while many of the demonstrators suffer belly pains, probably an equal number of administrators in the Department of Agriculture at Washington suffer head pains over the problems that the croppers paraded to the highways.

The cropper exodus of January 10 dramatized, among other things, the miscarriage of the labor policy in cotton control. No one concerned with the administration of cotton control laws has been unaware of the conflict between the theory and the application of the labor provisions of the law and rulings. All were deeply and properly concerned about it long before January 10. The conflict was already clear enough, and now it has been sufficiently dramatized.

THE REMAINING QUESTION

The question only remains how to resolve it without violating too outrageously our religious taboos against unsealing vested property interests, no matter how acquired.

The writer recently spent two hard weeks within the great agricultural buildings at Washington and on Capitol Hill, bothering his own and other people's

heads over the difficult problem. Out of many conferences with department executives and with elected representatives on the Hill, a tentative bill, designed to resolve this conflict between theory and practice, consisting of a single sentence, emerged. It is the purpose of this writing hurriedly to put the problem, then to recite the bill and briefly to discuss its aims and probable effects. The wisdom or unwisdom of cotton control is not under consideration at the moment.

The social problem of the cotton south is doubtless recognized generally as one of our greatest national dilemmas, but it must be shrouded with mystery for many observers. Perhaps those of us who live with it sometimes understand it the least of all. Cotton control laws did not create the problem. Probably it would now be far graver without cotton control, but certainly the ineffectiveness of the labor provisions in the administrative rulings of former years and now in the law itself has helped move the problem into an acute position.

FAULTS OF LABOR POLICY

That the labor policy in cotton control has been and is now largely ineffective is no longer to be debated. Seven years ago cotton planters and cotton croppers alike were down and out. Now after six years of control, land owners and planters generally are riding pretty high, while the croppers are still scraping bottom. If it was the purpose of the laws to bring owners and workers up together, then the laws have been at least 50 percent failures, because only the land owners have risen noticeably. Many observers have said that neither the Congress nor the administrators have ever intended that the labor provisions should be effective. This writer strongly dissents from this cynical view. Forces quite beyond the control of the Secretary of Agriculture and the lawmakers have worked against the cotton cropper during the years of farm control.

In the writer's opinion, however, a fundamental error was made in the rulings governing the spectacular plow-up of 1933. This mistake has been continued in all later administrative rulings and is now written into the present farm law. Unless this basic error is corrected the administration of labor policy in cotton control will continue to be a chaotic farce, until it explodes in the faces of planters and croppers alike. No criticism of anyone is here intended. It is merely that hindsight is better than foresight in farm control, as in most human affairs. What is this basic error? It requires a little explaining.

EXPLAINING FUNDAMENTAL ERROR

In 1933 payments were set up for cotton growers to secure their compliance with the acreage reduction program. Growers were either small owners and small renters doing the bodily work of making the crop, or large owners and large renters having sharecroppers who did the bodily work, and who received half the proceeds of the crop as payment for their labor. Except in special localities and in a limited way there was no cotton grown by day hands. Cotton subsidy payments were mostly divided into three parts—one for the land owner, one for the tenant and one for the sharecropper. If the small owner performed also the functions of tenant and sharecropper, then he received the entire payment. If the tenant in addition to furnishing teams and equipment, and also the bodily work, he received his own and the portion set up for the cropper. All this, of course, was logical and proper. But in the event an owner, large or small, listed neither tenant nor cropper on his application for payment he was permitted to receive it all—including the sharecropper or "labor" portion.

Obviously, a planter growing hundreds or thousands of acres of cotton could not have done it by the labor of his own hands. Why, then, should he have been permitted to receive the "labor" portion of the payment merely for neglecting to list his sharecroppers, or even for actually growing his crop by day hands in the limited areas and instances where this was done? Why should ownership ever have been permitted to take down the "labor" payment except for labor performance? The question remains unanswered.

The "original sin" of the cotton program was the failure to make the labor payment accrue only for labor performance. Doubtless it would have been equally unwise to have allowed the sharecropper, by making changes in his habits, to take down the payment set up for ownership. But this error was happily avoided.

INEFFECTIVE PROVISIONS

To be sure, rulings and now the statute have sought to deter planters from making shifts that secure to themselves the payments set up for the croppers. These well-intended provisions have been partially effective in spots, but ineffec-

tive on the whole. One needs to know the cotton country only slightly to understand why.

Quoting from the law of 1938 which follows closely, but is even more futile than the administrative rulings of former years: "Any reduction in the number of tenants (or croppers) on any farm that would increase the (subsidy) payment that would otherwise be made to the landlord shall not hereafter operate to increase such payment or grant to the landlord. Such limitations (however) shall apply only if the county committee finds that such change or reduction is not justified, and disapproves of such change or reduction."

Now what needy cotton planter would be restrained by a law so worded?

TAKE IT OR LEAVE IT

The surprising thing is that some county committees have exercised a measure of the restraining power that is accorded them. The law says, in effect—take it or leave it—and that is precisely what the committees have done. The impact of the Missouri road-side-sit-down and the consequent tightening up of administrative procedure from Washington have checked momentarily the stampede of planters to make shifts to "divert" the labor payment. But even in counties having local committees with stiff backbones the "labor" payment goes to ownership increasingly and unavoidably.

Insofar as people outside the cotton country have been interested in the cotton control law they must have assumed upon reading it that cotton labor was getting one-half of the Government payments. Possibly a majority in Congress voted for the bill on that assumption. It might therefore come as a shock to lawmakers and others to learn that in many counties the workers receive not a half nor a tenth or perhaps even a twentieth of the payments. The administration of the labor provisions of cotton control has become chaotic, and what is worse, has become explosive—as attested by the January roadside demonstration.

TENTATIVE BILL

The writer has no affection for the wording of the tentative bill now to be quoted. But its potency is hardly to be questioned. It will do the thing that ought to have been done in 1933, i. e.—make it as difficult for ownership to gobble in the cropper's payments as it has been all along for the cropper to get hold of the ownership payments:—A Bill Clarifying Agricultural Policy in Regard to Benefits made to Landowners, Tenants and Sharecroppers—Be it enacted etc.: "That notwithstanding any other provision of law, a proportion of any benefit payments made to cotton growers or with respect to the cotton crop, which shall be equal to the proportion authorized by the statute for sharecroppers, is hereby declared to be a payment for cotton laborers, which shall be paid only to those who have done the bodily work of making the crop and are entitled to share in the crop or its proceeds as landowners, tenants or sharecroppers."

ARGUMENTS FOR BILL

This bill, short and somewhat obscurely worded, as it must appear to a reader who is unfamiliar with past contradictions in cotton control, seems to have the following virtues:

1. It would disturb only what it is intended to disturb in the present law. The localities where it would create heat and where planters would rise to oppose it, are already smoldering with labor revolt.

2. Obviously the very worst it could do would be to put into effect what has been the accepted labor theory in cotton control from the beginning.

3. The bill might be surprisingly easy to pass in Congress because those who opposed it would have to admit that they never really intended for cotton labor to get the labor payment anyway.

4. The bill would raise no new administrative difficulties. On the contrary it would simplify administrative procedure enormously.

5. Cotton planters would probably accept and abide by a bill that meant what it said. In spite of an impressive mass of supporting evidence in the hands of the administrators at Washington, planters are not all rascals. In the main they have not been conscious of wrongdoing when they have taken advantage of unrealistically worked law and rulings. Doubtless the croppers would have gone after the "landlord" payments if the law had been equally vulnerable for them.

GIVING WORKERS A STAKE

6. The immediate effect of the bill (if enacted soon) would be to reabsorb many thousands of occasional day hands and give them a stake in the crop and a status in the law. The bill would not, however, be just another futile attempt to freeze the status quo. The laws and rulings hitherto have sought to perpetuate the traditional sharecrop system, but they have had exactly the opposite effect.

7. The bill would quiet, at least for the moment, the labor unrest in the high-yield cotton areas.

8. The bill would take all the ammunition away from enemies of the farm administration who are said to be getting ready to shoot at the "miscarriage" of labor policy in cotton control.

9. The bill would benefit planters as well as croppers in that it would make more secure the essential public support for future cotton legislation.

10. The bill has the final and unique merit of entailing less rather than greater Federal expenditures.

ONE IMPORTANT OBJECTION

There is one very important objection to the bill, namely: It violates our deep regard for property rights. That is to say, from the moment a planter has managed by any shift or device to secure the entire Government payment to himself, then from county committees up to Washington everybody is loath to disturb his vested interest in the "labor" payment. Already land values are being affected favorably by the owners' success, or adversely by his negligence in getting around the labor provisions of the law.

Another possible objection is that the bill makes no attempt to give cotton day hands a status in the law. Administrative difficulties forbid such an attempt at the present. Moreover, no one knows what manner of day labor problem there would be if the incentive of double payment to ownership for changing to day labor were removed from the law.

A nationally known cotton planter commenting on the above suggested bill (which he did not approve) said that the only logical alternative to it was for the administrators at Washington to tell all county committees to do as they darned pleased about the labor provisions of the present law, since most of them were doing it anyway.

The problem dramatized by the Missouri roadside demonstration, of course, is only one of many that now confront Congress and the Secretary of Agriculture and his aids. But certainly it is not the least important, because it has to do with common honesty in government, and it is a question of toting fair with the thousands of economic semi-exiles of the cotton South.

EXHIBIT B.—65 LANDOWNERS URGE A. A. A. CHANGE TO AID CROPPERS

NEWS ITEM APPEARING IN ST. LOUIS POST-DISPATCH, DEC. 12, 1939

Alarmed at the prospect that failure of the A. A. A. cotton control program to care effectively for farm workers may result next month in more far-reaching dislocations than those which brought about the roadside demonstration of Southeast Missouri sharecroppers last January, 65 Mississippi County landowners met here last night to consider the problem.

In striking contrast to the attitude of many landowners and operators who were indignant at the peaceful protest of the homeless hundreds who flanked the highways 11 months ago, those at last night's meeting were unanimous in asserting that A. A. A. provisions intended to distribute benefits to workers as well as owners had proved increasingly ineffectual.

HUNDREDS GET EVICTION NOTICES

While last year only sharecroppers, mostly Negroes, found themselves homeless, this year, in addition to an equal or greater number of sharecroppers, hundreds of white tenant farmers have received eviction notices effective Jan. 1. These tenant farmers in many instances have occupied the same farms over a period of years and have come to be looked on as substantial citizens.

The regard in which they are held in their communities was demonstrated by the indignation among the resident landowners at the threat of their eviction.

In most instances their life savings are represented by farm equipment which has little value at a forced sale, although its purchase price may have been several thousand dollars.

After a discussion of the problem by Joseph H. Moore, extensive landowner and a member of one of the oldest Mississippi County families, who served as chairman of the meeting, a resolution was offered by Frank Johnson, farmer and implement dealer who formerly was a cotton control field agent for the Department of Agriculture.

TEXT OF RESOLUTION

The resolution, adopted without a dissenting vote, said:

"The landowners of Mississippi County are deeply concerned over the approaching eviction on Jan. 1 of many sharecroppers and tenants, and the replacement of many of them by new tenants, new owners and new croppers coming up out of the cotton South.

"The causes of these wholesale displacements seem to us to be complex, and largely beyond our control. It is true that on many of our farms insufficient housing causes dependence on transient labor, which contributes to our social unrest. This is a fault which we can and must correct.

"We believe, however, that the major cause for our social instability, which even accounts partly for the housing shortage, is to be found in the ineffectiveness of the labor provisions of the cotton-control law. We believe that cotton labor, under the reduced acreage program, is entitled to share in the Government payments in accordance with the intent of the law, and must be permitted to do so if we desire to attain social peace and stability.

"We therefore urge our Congressmen and Senators and the Secretary of Agriculture to work for an enactment early in the next Congress, to be effective for the 1940 crop, that will make it impossible for a landowner or tenant to receive that portion of Government payments set up for the sharecropper, unless the owner or tenant in addition to performing his functions as such, has done also the bodily work of making the cotton crop."

HOW PROGRAM HAS WORKED OUT

Elgin Davis, East Prairie cotton gin and farm operator, said at least 200 substantial tenant farmers in Mississippi County, owning their own farm equipment, had received notices to vacate January 1. Where, he asked, were they to go?

When the cotton program was inaugurated the almost universal system of operation in the high yield districts, such as Southeast Missouri, was the traditional sharecropper arrangement under which the man who did the work and the man who owned or operated the land shared equally in crop proceeds. The program was devised on the assumption that this system would continue and it was intended that benefit payments would be similarly shared.

However, the laws and regulations contained loopholes which permitted the landowner or operator to dismiss sharecroppers and substitute day laborers or by other devices to obtain for themselves the full Government benefit, including the portion intended for the sharecropper.

In the high-yield district the total benefit payments average about \$20 an acre. The average tract for a sharecropper under the reduced acreage program is about 12 acres. Some owners or operators have as much as 10,000 acres and many have 1,000 to 5,000 acres.

During the last year, it was said there has been intense activity in purchasing and leasing the high-yield cotton lands of southeast Missouri, encouraged by the opportunity for large profits through abuse of the provisions for payment of benefits to workers. It is this situation that has affected the tenant farmer, principal reliance of absentee landowners, and in alarmingly numerous instances threaten him with the same sorry plight as that of the lowly sharecropper.

One of the landowners, Grover Jackson, told of the displacement of 19 tenant families by the recent sale of one large tract. Other similar instances were described by Thad Snow, cotton farmer and writer on economic problems of agriculture.

A resolution commending the Mississippi County committee charged with administration of the cotton program for its efforts to enforce the provisions relating to benefit payments to workers was adopted. J. O. Smith, a member of the county committee, asserted these provisions were becoming increasingly ineffective and said a revision of the law was imperative.

Other southeast Missouri landowners, meeting last Thursday at Sikeston, also adopted a resolution placing the blame for displacement of tenants and sharecroppers on the miscarriage of labor policy in cotton control and demanding an "honest reenactment" of the act.

EXHIBIT C.—OFFICIAL ASSAULTS EXCESSIVE RENTS ON COTTON LAND

NEWS ITEM APPEARING IN ST. LOUIS POST-DISPATCH, DECEMBER 6, 1941

The current tendency of numerous Pemiscot County landowners to increase the rent on their land tilled by renters and sharecroppers was denounced today by Claude L. Downing, chairman of the Executive Committee of the Pemiscot County Agricultural Association, which administers the Federal farm program in this area.

Downing, in a prepared statement, declared that "this county faces a serious problem of excessive crop and cash rents charged to tenants.

"I have questioned several tenants and landowners about excessive cash or crop rents," Downing said. "The owners state that they are made numerous offers of 'high rents,' some as much as 5 years in advance. The tenants state that they are forced to pay high rent or sell their equipment and stop farming, as some have already done in the past.

"Some ginnners are renting several farms, and in turn subrenting the farms to tenants. The ginner can pay the rent in advance which induces the owner to rent to the ginner rather than rent to a tenant and wait until the crops are made and gathered before collecting his rent.

GINNERS COMPETE FOR LAND

The stiff competition among some of the ginnners is causing the rent to advance, because the owner will, in most cases, take the highest offer. The ginner has no trouble in subrenting to tenants because of the fact that so many tenants 'have to move each year.' The tenants are glad to rent the land rather than stop farming, even though the rent is excessive," Downing said.

Although Downing did not disclose what he considered excessive rents, further investigation revealed that in some instances, the rental being asked is as much as \$10 per acre for terms ranging from 1 to 5 years. In the case of a 1,000-acre farm, with all of the land in a tillable state, the landowner at this rate could receive \$10,000 per year for renting his land.

The renter, however, in order to comply with the conservation program and receive full Government benefit payments, would be permitted to plant less than 50 percent of farm's acreage in cotton. If he followed all of the "paying" phases of the program, he would probably receive benefits ranging between \$4,000 and \$5,000 annually.

MOVE TO CORNER CROP

The ginnners engage in renting the land in order to assure their gins of a steady and definite volume of cotton during the harvest season. By having the land rented, and thus assuming the position and legal status of a landlord, they may exercise certain powers to force the cotton to their gins without competing in open markets for it and being forced by competition to pay prices for seed and lint which reduce their operations to either a small margin of profit or a net loss. In addition, by being the landlords as well as the ginnners, they have a definite control over the amount of "furnish" a tenant draws, and are in position to save themselves losses in this phase of crop production and ginning.

The gins are in actual operation only 4 or 5 months each harvest season, and the remainder of the year they are idle. A gin represents an investment of from \$20,000 to \$70,000, depending upon how large it is and what facilities in modern machinery it has.

Pointing out the effects the high rentals are having in Pemiscot, Dowling declared that "we are being pointed out as a 'county that does more to defeat the purposes of the farm program than any other county.' We receive more complaints from tenants and sharecroppers than any other county. Is there any wonder we cannot deny that there is dissatisfaction in the county?"

QUESTION OF DEFINITION

"Who are the farmers of Pemiscot County—the tenants or the landowners?" he asked. "A landowner who lives on his own farm and supervises his own operation would be a farmer; but the landowner who invests his money in several farms and in turn rents the farm out—could be he called a farmer?"

"It is not possible for all of us to be large landowners, and for that reason, the majority of us must be tenants. A large number of tenants were born on the farm and brought up as tenants, and that is their occupation. It is their only means of making a living. They are not prepared to make a living from any

other source. Who has the right to say that they should be discontinued or that they are not the true farmers of this county?

"Some tenants who have lived and farmed in one community all their lives are forced to move to new territory," Dowling asserted. "It has become a trend among the tenants to move from year to year. They are forced to become the drifting class of farmers. Their profits are being cut down. Some of them try new territories that they may improve their living conditions."

SAYS TENANTS FACE FAILURE

Dowling warned that the tenant farmers in this county would soon have to "give up and stop farming" because, he declared, "they are fighting a losing battle."

He pointed out that the landowners also face a "serious problem." After the tenants are gone and all the land is being farmed by day laborers, "you can readily see what might happen," he declared. This statement was considered to refer to complaints of Pemiscot County merchants about business not being so good here this fall, with less of the harvest income being spread out among the people, and more of it being concentrated among a few landowners.

Other members of the A. C. A. committee are Luther Curtner, of Braggadocio, and Arthur Wagner, of Tyler.

EXHIBIT D.—RECOMMENDATION FOR CHANGE IN COTTON-CONTROL LAW

RESOLUTION ADOPTED AT LOCAL AND DISTRICT LANDOWNERS' MEETINGS CALLED TO FORESTALL A SECOND ROADSIDE WALK-OUT, MISSISSIPPI COUNTY, MO.

Resolved, That the landowners of Mississippi County are deeply concerned over the approaching eviction, on January 1, of many sharecroppers and tenants, and the replacement of many of them by new tenants, new owners, and new croppers coming up out of the Cotton South.

The causes of these wholesale displacements seem to us to be complex, and largely beyond our control. It is true that on many of our farms insufficient housing causes dependence on transient labor, which contributes to our social unrest. This is a fault which we can and must correct.

We believe, however, that the major cause for our social instability, which even accounts partly for the housing shortage, is to be found in the ineffectiveness of the labor provisions of the cotton-control law. We believe that cotton labor, under the reduced acreage program, is entitled to share in the Government payments in accordance with the intent of the law, and must be permitted to do so if we desire to attain social peace and stability.

We therefore urge our Congressmen and Senators to work for an enactment early in the next Congress, to be effective for the 1940 crop, that will make it impossible for a landowner or tenant to receive that portion of Government payments set up for the sharecropper, unless the owner or tenant, in addition to performing his functions as such, has done also the bodily work of making the cotton crop.

EXHIBIT E.—DRAFT OF PROPOSED AMENDMENT TO CROP-CONTROL LAW

PREPARED BY THAD SNOW, CHARLESTON, MO.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, a proportion of any payments authorized to be made to cotton growers with respect to the cotton crop under any agricultural program, which shall be equal to the proportion in which sharecroppers customarily share in the cotton crop, is hereby declared to be a payment for cotton farm workers, which shall be paid only to those who have performed the labor of making the crop and are entitled to share in the crop or its proceeds as landlords, tenants, or sharecroppers.

TESTIMONY OF THAD SNOW—Resumed

MR. OSMERS. I notice that you call the southeastern part of Missouri a source of potential migration. I wonder if you would give your reasons for that?

Mr. SNOW. Yes, I will. I called your attention that a month ago I wrote a letter to the committee at Lincoln, Nebr., stating why it was a potential source of migratory labor. In the 1920's we had a tremendous migration from the cotton country to industrial centers. At that time cotton people were attached to the soil by traditional sharecrop ties but their circumstances were very bad and when they had a chance to make a living elsewhere, they migrated. Now, they are not attached to the soil by traditional sharecrop ties as they were then. It varies from place to place in the cotton countries, but, in general, there has been a breaking down of the share crop system. The high yield areas are cultivated by day laborers; the plantation is an industry rather than a farm. They have only occasional work and it is often not much over 60 days in a year, and they will certainly migrate if they get a chance to go. A great many white people have already migrated from our country, but opportunities have not opened up for colored people.

Mr. OSMERS. How long has that existed?

Mr. SNOW. Just since the control era.

Mr. OSMERS. That would be 1933?

Mr. SNOW. Yes.

The CHAIRMAN. Mr. SNOW, how extensive is the cotton industry in Missouri?

MISSOURI COTTON BELT

Mr. SNOW. We speak of the seven delta counties. They are not all on delta land, but there are seven counties in Missouri that grow cotton and they have the highest yield of any part of the Cotton Belt. The allotted yields under the farm program are the highest in the cotton country.

The CHAIRMAN. I would like to have a picture of the delta.

Mr. SNOW. It begins at Cape Girardeau, which is about 150 miles below here and extends 100 miles south to the Arkansas line. And it varies up to 70 miles in width.

The CHAIRMAN. How does Missouri cotton production compare with the other States?

Mr. SNOW. In yield?

The CHAIRMAN. Yes.

Mr. SNOW. I think the allotted acre yield for my county is about 500 pounds. About a bale to the acre. We have averaged on our better river lands, almost a bale and a quarter over the past 10 years. That compares very favorably with irrigated areas.

The CHAIRMAN. How does Missouri compare with other States in total production?

Mr. SNOW. Not so great. We produced 325,000 bales this year. But the Delta is strictly cotton country.

Mr. OSMERS. Would you explain how this conversion has been going on from the sharecropping to day laboring?

Mr. SNOW. It is a long story. I call your attention again to the two statements that I have filed which, together with the exhibit, treats the subject rather fully. In the beginning I said that no one who had a part in framing the farm-control law had any idea of doing anything but protecting the tenant and the cropper - of giving him a status and a stake in the farm control. But from the very beginning it was handled mainly by administrative units. The tenancy

clause in the law was stated in very general terms. It was up to the Secretary of Agriculture and his aids to administer and to make the law.

Mr. OSMERS. It is now administered through county committees. Will you tell us how they have operated?

Mr. SNOW. May I read you a part of the tenancy clause? This sentence is written into the law of 1938, but it follows closely the administrative rulings that preceded it.

Any change between the landlord and tenant or sharecropper, with respect to any farm that would increase over the previous year the amount of payments that would otherwise be made to a landlord, shall not operate to increase such payment to such landlord.

There is more but that is the gist of it. Then it ends up with this sentence:

Such limitations shall apply only if the county committee finds that the change is not justified and disproved of such change.

That means that we have no national policy in farm control.

Mr. OSMERS. Who appoints the county committees?

Mr. SNOW. They are elected.

Mr. OSMERS. By the cotton farmers?

Mr. SNOW. Yes, sir. The administration of the tenancy clause is entirely up to them.

Mr. OSMERS. The committee is very much interested in the suggestion which you have made for legislation to remedy this condition. Will you describe it briefly and show in what way it will operate to stop the present trend?

Mr. SNOW. I hesitate to quote the bill. It is my bill all right, but it is, of course, in legal phraseology and not easily understood. Before I quote the bill let me tell you exactly what it would do. I say here in the statement that is filed with you, "The exact import of the bill, which consists of a single sentence, is difficult to get at first reading." I know this out of considerable experience in trying to explain it. "It is easier to understand by applying it to a specific case. For example, I am a cotton planter. I furnish land, teams, tools, and so forth, to grow the cotton crop. My sharecroppers do the work. They get half of the proceeds of the crop, and half the Government payments. Under the present law, if I choose to work my cotton by day hands, and my county committee found I was justified in changing to day labor, thereafter I would get all of the Government payments, and, of course, all the crop. Under my bill I could not possibly get the half of the Government payments that my sharecroppers had formerly received. That half would simply not accrue. It would remain in the Federal treasury. In other words, if I changed from sharecropping to day labor, it would not be because my Government paid me for doing it." Do you want me to quote the bill from memory?

Mr. OSMERS. No; I don't think that will be necessary. You have given us a very clear example and that is what we wanted. Is it your belief that sharecropping should remain a permanent feature of cotton growing?

Mr. SNOW. No, sir. I don't take that position at all.

Mr. OSMERS. What, in your opinion, would be the ideal?

Mr. SNOW. I think the only implement that the administration has had for getting payments to the workers has been to preserve the status quo. They have ruled that if you change from sharecroppers

to day laborers payment may be withheld. That hasn't worked at all. To remove the incentive of double or triple payments to a planter if he does make the change, would be much more effective than to tell him not to do it and paying him if he does do it. Do you get the point? And I don't think we can preserve the status quo. I think the effect of the bill would be to reattach millions to the soil. It would give us time to work out our problems. Here we are reacting by Government action, for which we have no remedy.

Mr. OSMERS. What do you believe would be the effect of the wide use of the cotton picker—mechanical cotton picker?

Mr. SNOW. I don't know what the effect would be.

Mr. OSMERS. Would you hazard a guess?

Mr. SNOW. No, I wouldn't hazard a guess. It is a thing that no doubt is ahead of us and everyone in the cotton country draws back in horror at the thought of what will happen.

Mr. OSMERS. It will certainly change the basic economy of all the Cotton States.

Mr. SNOW. We are coming increasingly under the farm control. Industrializing farming entirely would, of course, speed up the transition tremendously.

Mr. OSMERS. Would you say that the curtailment of cotton acreage has had any effect on the cotton workers?

THE COTTON PLANTER AND SHARECROPPING

Mr. SNOW. Do you mean in removing them from the soil, detaching them from the soil? It is my observation that those planters who have not tried to evade the tenancy clause law now have about as many croppers as they had in precontrol days. I know that I have. A cotton planter's great concern is to have enough help to harvest his crop, and he likes to have them around. That is the point to my bill. I have yet to find a cotton planter who wouldn't rather share crop than go labor. They go day labor simply for the increased returns and if they were unable to get the cropper's payments, they would not end by going day labor.

Mr. OSMERS. Have tenants been affected as well as sharecroppers?

Mr. SNOW. They have been affected increasingly and enormously. In my section the Farm Security Administration is very active and in one manner or another, they are taking care of 5,000 families—families displaced during the process of industrialization.

Mr. OSMERS. You refer in your statement to the amazing concentration of land ownership in southeast Missouri. How did that come about?

CONCENTRATION OF LAND OWNERSHIP

Mr. SNOW. It comes not in any one particular way but in several ways. It is very profitable to grow cotton on our rich land where the landowner gets all of the payments and where he can get his labor as cheaply as we have been able to get it in the past. We may not be able to in the future. The lone planter is aggressive, ambitious, and he increases his land holdings. That, perhaps, is the main thing and perhaps not. In the main, it is the ginners who have added to their land holdings. Instead of competing custom ginning they buy less and get hold of more land to run their gins. Those gins are

very very profitable, especially in my county, where we have held the thing pretty steady. You can hike the ginning price high enough to have the sharecropper pay the whole ginning cost. It becomes very profitable that way. I would like to have comparative figures to show you the holdings before cotton control, and the holdings now. I have this on good authority that in our main cotton county 75 percent of the farm land of the county is owned or controlled by 35 individuals or corporations. There were large holdings before cotton control. It is not all due to that. But there was nothing comparable to this at all before the farm control.

Mr. OSMERS. Are any of your cotton laborers leaving southeast Missouri to go to defense centers to get defense jobs?

Mr. SNOW. A good many are, but mainly the whites. We have very many Negroes and apparently opportunities for employment have not opened up for Negroes.

Mr. OSMERS. There has been some evidence presented to this committee to indicate that. Should there be a labor shortage in your area, what effect do you think it would have? Would it tend to increase sharecropping, to hold the people on the land as tenant farmers, or would it lead to an increase in the use of more mechanical operations such as the cotton picker? What sort of a situation would you have?

Mr. SNOW. It would do both. It would lead to a greater mechanization, of course. But it would also lead to the reinstatement of sharecroppers.

Mr. OSMERS. Do you anticipate such a shortage?

Mr. SNOW. No one can look into the future, but I should say, yes.

Mr. OSMERS. There have been indications that there is going to be a shortage of farm labor all over.

FEAR OF LABOR SHORTAGE

Mr. SNOW. We feared it this year and the price of picking doubled this year just on the fear of it, but it didn't develop. We consider that we have a shortage of labor whenever there are not two men for every job, so we are easily alarmed about that.

The CHAIRMAN. You see, Mr. Snow, we have been throughout the United States and our function was originally to determine and help to solve the migration between States of destitute citizens. Then Congress continued the committee to investigate the defense migration. In the early days of this country 85 percent of the people lived on farms. That is, they raised enough food to keep their family going, and they were, generally, large families. They would trade in wheat for coffee or something like that, but they never thought in terms of commercial-sized farms. They weren't up against mechanization, were they?

Mr. SNOW. No.

The CHAIRMAN. Today you are down to 25 percent of the people living on farms. The interesting thing is that wealthy men in New York, Chicago, and in different industrial centers are going to the Dakotas, Nevada, California, and getting big farms, because they don't know what is going to happen after the emergency. There were 11 in my family and my father used to tell me before he died, so many times: When he was first married they had a little house and the

farmers all came one day and they put up a barn. They called that a "building bee." Do you ever hear about that now? If you had a "building bee" in America, Hollywood would be taking a picture. Therefore, we have gotten away from the simple things of life. The migration that we investigated at the last session of Congress is caused by many things: Unemployment, worn-out soil, mechanization. Now, what is holding the mechanical cotton picker back? Is it public opinion?

COTTON PICKER STILL IN EXPERIMENTAL STAGE

Mr. SNOW. The cotton picker hasn't been perfected yet.

The CHAIRMAN. They perfected the corn picker.

Mr. SNOW. I have had pickers used on my place. A picker was brought there a couple of years ago. But they have not perfected it sufficiently as yet.

Mr. OSMERS. In other words, Mr. Snow, it isn't possible for a farmer to buy a cotton picker today?

Mr. SNOW. It could be bought but it would depend upon weather conditions and how the cotton opened whether it would prove an advantage.

Mr. OSMERS. It is still in the experimental stage?

Mr. SNOW. Yes.

The CHAIRMAN. I am amazed, Mr. Snow, and I am just trying to think out loud with you. A man appeared before this committee in Washington who had spent 6 months in England. Why, the way they take care of their people who have been laid off on account of the defense program should make America ashamed of itself. Now, the United States Government today is encouraging people to leave New York and go to California, and leave California to go to the East. So they get laid off. Truly that isn't a casualty caused by bullets but it is a casualty caused by something over which this migrant has no control. It is a casualty. And why this Government can't take care of them, I don't know. Of course, they do have unemployment insurance, but that is only for a few weeks. So it is a casualty and they are going to run into the millions before they get through.

Mr. SNOW. And it is not only this particular case that we are talking about—cotton control. It is not only a matter of not taking care of them. They are actually stimulating these dislocations. It is a perfectly preposterous thing how it has all come about. It is a long story. As it happens I have been in quite close touch from the beginning with farm-control thought and farm-control legislation. In my statement I haven't said anything about the miserable plight of these people. I don't want to be sentimental about it at all, but this is a fact and I should like to quote figures to prove it. Let me preface what I want to say, if I may. In my county, it happens that we have had social-minded conscientious committeemen from the beginning. There has been no interruption whatever there. And, of course, it has been absolutely up to them. They make all tenancy policy for the county. In spite of anything they can do, at least 40 percent of the land has slipped out from under this tenancy clause. I doubt if there is another high-yield cotton county in the belt that has as good a record as that. In an adjoining county, on not more than 30 percent of the land do the workers—that is, the people who

produce the cotton—have a stake in the crop and a status under the control law. In our major cotton county, I am permitted to say that it is not over 10 percent of the land. That shows you the extent of the changes that have come about during this cotton control period.

The CHAIRMAN. Dr. Lamb wanted to ask you a few questions.

Dr. LAMB. Why can't the county committees operate in such a way as to keep these croppers receiving their share?

WORK OF COUNTY COMMITTEES

Mr. SNOW. You must bear in mind that the committees are elected by the planters, they are not elected by the croppers. Under the law the croppers are permitted to vote, but we haven't known anything like that, and yet they represent the sentiment and desires of the people. In our county we have good county committeemen, because we wanted to be fair with the workers. In other counties they haven't felt that way about it. Sometimes it happens that inadvertently they get a committeeman who wants a good tenancy policy. We had a fighting committeeman once, and the next election he was kicked out, like that. If a committeeman is a good committeeman, he is in a terrible position. By one means or another, various planters slip out from under this tenancy clause, and what is the committeeman to do? They can point to all the others who have already gotten out. The committeeman is not in a position to say, "You can't do that."

Dr. LAMB. In your prepared statement you say: "This Soil Conservation and Domestic Allotment Act of 1938 wrote into the law the very administrative rulings which had been demonstrated to be utterly unworkable. It was like salting down a ham that already smelt to high heaven." Do you care to offer any comment on that?

Mr. SNOW. This 1938 law is even worse than the administrative rulings in some respects. It puts it right to the county committees, so they can read it. They know that there is no power above them to decide whether the workers shall share in Government payments, and it is a perfectly hopeless situation.

Dr. LAMB. You said that when this situation occurred, sharecropping disappeared and these people were put on day labor. Have you any estimate of the number of day laborers still resident in your county?

Mr. SNOW. I wouldn't know how to give an estimate. My county borders the river and they go across to Illinois with big trucks and get day laborers. I would say there are between five and ten thousand in my county, which is a small county.

Dr. LAMB. Do they support themselves?

Mr. SNOW. That is a history.

WAGES OF COTTON PICKERS

Dr. LAMB. How much can they get in the course of a year?

Mr. SNOW. Ordinarily they get a little work in chopping. This year they got very little. The cotton picking is the time they get the work and it ordinarily strings out over 3 months, but this year, I think, there were less than 40 days of cotton picking, and the crop was picked and it was an extraordinarily heavy yield. So ordinarily I would say conservatively that they get not more than 40 days in the year of cotton picking.

Dr. LAMB. What was the rate per hundred this year?

Mr. SNOW. \$1.50.

Dr. LAMB. The first picking or the others, too?

Mr. SNOW. Pretty well all through. I think there are a few that paid a little more, but the average was not over \$1.50.

Dr. LAMB. What would you say an individual picker would be able to pick down in that country per day?

Mr. SNOW. Of course, that varies, but a 200-pound picker that goes right along is pretty good.

Dr. LAMB. So a 200-pound picker is better than average?

Mr. SNOW. Yes, sir.

Dr. LAMB. That is \$3 a day for about 40 days and that would all be in cash, so they would get \$120. How much more do you think they could add to that from chopping, and so forth?

Mr. SNOW. People add to their income one way and another in ways that you can't always see. Two hundred dollars a year for a day laborer is pretty good.

Dr. LAMB. What supplementary sources of income would they have? Would they have a roof over their heads on a piece of land they cultivated?

Mr. SNOW. Some do. But as a rule these unattached day hands don't have any. But they do get planting during the spring of the year. It helps out.

Dr. LAMB. Would any of those day laborers be still allowed to live in the houses on the land that they had formerly cropped?

Mr. SNOW. Yes.

Dr. LAMB. Rent free?

Mr. SNOW. Yes; very often. Of course, you understand this is not just one class. There is a class of mechanized workers who handle mechanized implements and they put in the crop. The unattached ones, the pitiful ones, have no work whatever in the planting of the crop, but they pick it.

Mr. OSMERS. Just that short period?

Mr. SNOW. Yes.

Dr. LAMB. Do they move to town?

Mr. SNOW. The population in and around the towns has increased enormously.

Dr. LAMB. Do they live in shack towns?

Mr. SNOW. Yes.

Dr. LAMB. What kind of conditions prevail there?

Mr. SNOW. Pretty bad, usually.

Dr. LAMB. There is no relief available, I suppose?

Mr. SNOW. Yes; we have relief available at times.

Dr. LAMB. Who pays that?

Mr. SNOW. The State. We have the W. P. A.

Dr. LAMB. Do many of those people get on it?

Mr. SNOW. Not a great many, no. It happens that when cotton-picking time comes, there are not many on W. P. A. who are released for cotton picking.

Dr. LAMB. When the cotton-picking time comes, do they close down?

Mr. SNOW. Not altogether, but the tendency is to cut the rolls.

Dr. LAMB. Is there any tendency for those people to move across the river to the Illinois side?

Mr. SNOW. A good many do, but you see our population has increased enormously during this control period.

Dr. LAMB. Mostly the day laborers?

Mr. SNOW. Yes.

Mr. OSMERS. The number of farms has decreased.

Mr. SNOW. But the population has increased. We are still a developing country, and, then, a very rich country. We are surrounded by poor country, except to the south, and people can get along a little better in a rich country with a little, than in a poor country.

Mr. OSMERS. How long have you been raising cotton in Missouri, Mr. Snow?

CHANGE FROM CORN TO COTTON PRODUCTION

Mr. SNOW. In the lower part of the district, for many years, but our southeast Missouri went "south" in 1923 and 1924. We changed from a northern Corn Belt garden spot to a cotton country almost overnight. There were at least 10,000 cotton people who came up there in just a few months of one spring. It was a revolution. Everybody, even northern farmers of Corn Belt background, got the fever and turned themselves into cotton planters on credit in a few weeks' time.

Mr. OSMERS. It is a very amazing story. Has the cultivated acreage increased?

Mr. SNOW. Yes, year by year, but not at such a great rate now. A few years ago it was a swamp. It is the dredged country. We have 3,000 miles of drainage ditches there.

Mr. OSMERS. Any timber or woods?

Mr. SNOW. Oh, yes.

Mr. OSMERS. They have been cut and stumped?

Mr. SNOW. Yes, and the land cleared.

Dr. LAMB. I notice you say that the Farm Security Administration has been caring for about 5,000 families. Is that in the seven counties?

Mr. SNOW. Yes.

Dr. LAMB. That ought to be added to what you have said earlier about possibilities of relief.

The CHAIRMAN. After all is said and done, we have to keep in mind what this committee is attempting to do. We are attempting to reduce the hazards and the troubles and the heartaches of good American citizens who, on account of circumstances over which they have no control, lose their farms and take to the road. Now, it is a sad commentary on this great country of ours that we have spent billions, not millions, to protect the migration of iron and coal and steel, the products of man, through the States. Until our committee was appointed, there had never been a dime spent for the products of human interstate commerce. Get this picture: We have spent hundreds of thousands of dollars to protect the migration of wild ducks and geese, and give them feeding grounds. In Canada, and on all our travels, we haven't found any feeding ground for human migrants.

SUPREME COURT DECISION IN EDWARDS CASE

Let me give you a story about this: You have 28 States in the Union that make it a crime for you to take your own mother or your children and transport them into that State. This committee had something

to do with the Supreme Court decision the other day concerning Edwards, a resident of Marysville, Calif. His wife asked him to go to Texas to get her sister and baby and this was her Christmas present: He was arrested and put in jail. Last Monday the Supreme Court of the United States took those 28 statutes and tossed them out of the window. Isn't it a shame we have had those statutes? I was interested in the different newspaper accounts that I have read. Mr. Justice Byrnes wrote the opinion, which was unanimous, that this practice was a violation of interstate commerce. Then Mr. Justice Douglas wrote a concurring opinion based on broader ground than that which merely entitled them to the same protection as iron and coal and steel. On the human equation Mr. Justice Jackson also expressed himself. I was interested in the editorials of five papers, particularly the St. Louis Post Dispatch, which took the human side, not the interstate commerce angle. We don't know after this war is over, who has to take to the roads and who doesn't, and so when you are talking about the sharecroppers and one thing and another, that is just another little grind in the mill of the human equation, and what are we going to do about it?

Mr. SNOW. That is it. I would like to get this thought before this committee: A great deal has been written in recent years about the sharecropper. While we have been crying about him, he has been disappearing, and the fact of the matter is that during crop control, the sharecropper who has had a crop and taken his proportionate cut in acreage and gotten his Government payments has been a pretty dog-gone well-taken-care of individual. The fact of the business is, he is an aristocrat among his people. There is a new sort of southern aristocracy developing. That is, the cotton sharecropper on good land who has a crop and gets his payments. While we have been pitying him these last few years, he has arrived at a position of eminence among his people. Of course, people writing about sharecroppers really include the cotton workers. In the term "sharecropper" we include those demoted to the occasional status of day hands. But as it is, the sharecropper thinks he is being taken care of well.

Mr. OSMERS. I would like to say, Mr. Snow, that our distinguished and modest chairman has not told you the whole story of the Supreme Court decision. He participated as a friend of the Court, appeared there on his own time and at his own expense in producing this decision which, I believe, is fundamental to the future of American life and constitutional government.

The CHAIRMAN. Thank you, Congressman Osmer. But I was just thinking about a definition of civilization and I want to put in the record my own definition of a fine civilization. In my mind a fine civilization is one where there are the fewest numbers of heartaches and heartbreaks. We cannot overlook the human equation of this country if we are going to live in it.

Mr. SNOW. Certainly.

The CHAIRMAN. Thank you very much.

Mr. SNOW. It has been very pleasant to be here. For your information, this bill with slight changes was on the Department of Agriculture's omnibus bill this last session of Congress and they expected to get it over, but Senator Bankhead jumped his parity bill in and got his committee's bill passed. Although administrators are loath

to confess to cruel and inhuman treatment under their law, they recognize it. There is no division of opinion within the Department, as to the necessity and desirability of this change. It is just a matter of catching the headlines to get it over.

Mr. OSMERS. Senator Bankhead has a bill before the Senate now?

Mr. SNOW. No; he got his parity bill in before the committee, and the Department of Agriculture didn't get anything this year. I have read Spike Evans' testimony. I have spent many, many hours with Spike. His administrators advise that this bill isn't dead by any manner of means. I am awfully glad of the opportunity to appear before this committee and get material in the record, although obviously there isn't time to go into all the ramifications of it here.

The CHAIRMAN. We are a part of Congress, Mr. Snow, and you can get your messages in through us as effectively as any other way. We will now hear from Mr. Puckett.

**TESTIMONY OF ANDREW PUCKETT, SHARECROPPER FARMER,
SOUTH LILBOURN, MO.**

Mr. OSMERS. Mr. Puckett, will you give your name and address to the reporter?

Mr. PUCKETT. Andrew Puckett, South Lilbourn, Mo.

Mr. OSMERS. Mr. Puckett, the written statement you submitted will be put in the record.

(The statement referred to above is as follows:)

STATEMENT BY ANDREW L. PUCKETT, SOUTH LILBOURN, MO.

I lived in Tennessee with my family until I was grown. My father died when I was 12 years old. He had bought a farm 2 or 3 years before he died and when he died he lost his farm and stock. My mother then bought a hill farm of 65 acres, and since I was the oldest child, I did most of the farm work. When there wasn't much work to be done I attended school but only finished the fifth reader. I had two brothers and one sister. My sister got a much better education than the rest of us, as she finished the twelfth grade.

I lived at home until I married at 20 years of age. I then bought a hill farm of 75 acres and raised mostly corn and truck but very little cotton. I became dissatisfied because I was only making a living and, feeling I could do better in a city, I sold my farm 3 years later to a cousin and moved to Paris, Tenn., where I worked as a car builder and wrecker-man for the Louisville & Nashville Railroad. I made good wages and in 1917-18 I made as much as \$250 per month. I worked for this railroad for 20 years. In 1923 when the railroad workers went on strike I quit and moved to a 160-acre farm in Crittenden County, Ark.

My three daughters had married farmers and they moved with me and my wife to this farm. There were two houses on the farm and one son-in-law lived in one of the houses and I lived with my other two daughters and their husbands in the other house. I stayed at that location until 1927, although one son-in-law bought a place of his own and another moved back to Tennessee. However, the other son-in-law stayed with me and moved to southeast Missouri with me in 1927. While living in Arkansas my wife died of pellagra and my little girl, who was 12 years old, died of pneumonia in 1925. In 1927 I decided to come to southeast Missouri since my brother-in-law was at Steele, Mo., and was sharecropping and subrenting 600 acres and I felt I might have a better chance to get ahead. I sharecropped 40 acres with my brother-in-law and must have been lucky because we didn't owe a penny on our crop and by the first of 1928 I had better than \$1,100 in the bank.

Then in 1928 I bought some stock and tools and rented 160 acres in Pemiscot County. There wasn't more than 50 or 60 acres of this ground cleared when I first started renting and I had to put all of that in cotton and in 1933 I had it all cleared and in cultivation. That year the land was sold and changed hands. Up until that time I had rented for one-third and one-fourth crop rents but after the land was sold I had to pay cash rent on the corn and hay land and one-fourth

of the cotton. The corn rent was based on what the cotton brought; that is, if cotton brought \$10 an acre, then I had to pay \$10 an acre for the corn and hay land. The only year I ever felt that I got what was coming to me from the Government was in 1933 when I plowed under 36 acres of cotton and the Government paid for this.

My son-in-law who had come to Missouri with me went back to Arkansas in 1936 and made a sharecrop in 1937 with my other son-in-law who was farming in Arkansas. The next year he got a place on a Government farming project and is still there. My daughter and son-in-law who moved to Tennessee came back to Arkansas and are farming with my other son-in-law. One of my brothers is renting a small hill farm in Tennessee and the other is in Nashville working as an electrical engineer in a power plant.

I married again in 1933 while farming in Pemiscot County. That same year the landowner told me I could take over an additional 160 acres adjoining my 160 acres or get out altogether since he wanted only one man to deal with. I took over this extra land and bought over \$2,400 worth of tools to cultivate the land. He built me a nice house to live in but kept raising rent on me every year. In 1937 the land was again sold to a man who owned three cotton gins and owned around 900 or 1,000 acres of land. The new landowner didn't give me a crop, even though I offered to take 80 or even 40 acres to sharecrop. He offered me a job as day laborer but I didn't take it. The landowner bought cattle and now has one of the nicest stock farms in southeast Missouri. He only cultivates 40 acres and the rest of the land is used for the stock.

I sold the tools I had paid \$2,400 for 2 years before, and they only brought \$480. I then came to New Madrid County and bought 80 acres west of Marston and lived in a tent. I had about \$600, a few hogs, two mules, two cows. I paid a little over \$200 down on this land and since it was nearly all in woods, I started clearing. We put in about 36 acres of this land the first year and made better than 1½ bales of cotton to the acre. The next year the same company wanted me to take up 70 acres more and clear the land and they offered to buy me stock and tools to put this land in cultivation. I had made good payments on the 80 acres and I then took the additional 70 acres they offered me. We went broke that year, lost three mules and one team disappeared and we never knew what happened to it. All this land was planted in cotton and the land was low and not properly drained, so due to heavy rains the crop was ruined and water was from 6 inches to 2½ feet deep in the fields in July and August. We got 11 bales of cotton from 70 acres we had planted. That was in 1940 and I saw the company who owned the land wasn't going to help me in any way the next year so I sold my 80 acres to a man in Michigan for \$45 an acre and I had paid only \$25, so I thought I would be making a pretty good profit. The taxes hadn't been paid on this land but the landowner had told me they wouldn't be more than 50 cents an acre. I have a tax receipt to show that I paid over \$237 for taxes on this land, and later the landowner took over \$10 out of my crop for a drainage tax. I stayed on that place until May and that month I moved to the South Lilbourn project. Since living here I have been trucking, working in timber, and doing any kind of work I could get. In July of this year I took 18 men in my truck and went to Illinois to pick peaches. These men got work and after 2 weeks I came home and some of the men who thought the work wasn't going to last long came with me. However, I then took some more men back to Illinois and several of those who had returned home went back with us, and we worked for 5 weeks. I cleared about \$90 on that trip. I'm figuring on going back next summer because I have had several offers of jobs if I will bring a truckload of men back and there won't be any work here in July and August.

TESTIMONY OF ANDREW PUCKETT—Resumed

Mr. OSMERS. What is your occupation, Mr. Puckett?

Mr. PUCKETT. Day laborer.

Mr. OSMERS. Have you always been a day laborer?

Mr. PUCKETT. No.

Mr. OSMERS. What did you do before?

Mr. PUCKETT. I farmed, rented, sharecropped, and owned land.

Mr. OSMERS. How did you happen to lose your land?

Mr. PUCKETT. I first sold out in Tennessee. I was raised in Tennessee and went on the railroad, and I railroaded for 20 years, until 1923. In 1923 there was a strike and I went out on that strike. I didn't do anything for a year or two, and then went to Arkansas to farm. I stayed in Arkansas 3 years, and I didn't do any good; I couldn't get a toehold.

Mr. OSMERS. Did you sharecrop?

Mr. PUCKETT. Yes, sir. I couldn't get any advantages, so I decided to come to Missouri. I came to southern Missouri in 1927. I had to start at sharecropping here. I learned a good deal in Arkansas before I left.

Mr. OSMERS. Where did you go to in Missouri?

Mr. PUCKETT. Southern Missouri, Pomiscot County. I had to sharecrop. A brother of mine had a little hold there. He could rent any amount of land he wanted. I took a 40-acre tract to sharecrop with him. He allowed me to put in 40 acres of cotton and 10 acres of corn. So the first of the next year, we made that crop without any expense or any help from him. We had about \$1,100 or a little better in the bank at that time. The next year then we decided we would farm for ourselves. We got both stock and tools and rented a little piece of land--160 acres.

Mr. OSMERS. What kind of land?

Mr. PUCKETT. What we call cypress-pine land. Only about 40 or 50 acres of this land was cleared and under cultivation. The rest was in timber. I had promised to put it in cotton, but he allowed me to go clearing on this other land and allowed me one crop off of what I had cleared. Then I went ahead with that, and up until 1933 I cleared 15 and 20 acres every year, until I had cleared that land. And I was doing pretty well. I thought I was going right on up in the world, farming that land. In 1933, I could rent that land for third and fourth.

Mr. OSMERS. What is that?

RENTAL PAYMENTS

Mr. PUCKETT. Of the crop. Whereas I had to pay rent on the corn or hay land, I could get that for third and cotton land for fourth. In 1933 this land had changed hands. I had to go to paying cash rent. I had about all that place cleared. I had to pay cash rent on all corn and hay land, but I could still rent the cotton land for a fourth. Well, I worked right on that way until in 1934. This land was sold and changed hands again. There was another 160 acres; he wanted to put these two together. He wanted me to take the whole thing, or some other man take the whole thing. So he rented me the whole 320; yet we'd go on that cash rent, the way the rent was fixed to me. The cotton brought \$17, the corn \$12, and hay \$10.

That is what I had to pay for that. I farmed that until 1938 that way, but it was necessary for me to farm that 320. Here's the idea of the rent right here: I had to put 80 acres in hay and 40 acres in corn. The top price we had for hay was \$4 per ton. I sent one truck to market daily, too. One of those boys brought back \$17. I brought that in, and corn rent was like that too.

Mr. OSMERS. You suffered a very serious loss in 1936?

Mr. PUCKETT. Yes, sir; I did. In 1934, I was able to buy all this stock and go to operating this other land.

Mr. OSMERS. Did he increase the rent on you as you went along?

Mr. PUCKETT. When they first started cash rent, I could rent for \$4 to \$6 an acre. In 1935 or 1936, I paid a little better than \$17 per acre. It ran as high as \$16 or \$18.

Mr. OSMERS. Have many tenants and farmers become day laborers?

Mr. PUCKETT. On this place I had anywhere from four to seven families on there. This land has been sold to a gin man; one man lives on this 320 acres now. Seven or eight families had to leave that farm there. There is plenty in the same neighborhood that has had to leave the same way. I had them as sharecroppers; most of them were my kin people, sharecropping on the land, and we had got on the land until the rent went up too high and we had to put so much in hay and corn. And yet I had to pay rent on this.

Mr. OSMERS. Had the Government payment helped the croppers and tenants?

Mr. PUCKETT. It is very little. I think I realized something in 1933. I plowed up 38 acres of cotton that year, and I really got my part of that. However, I received Government payments every year I was on that place; from 1936, 1937, to 1938, I received Government rentals every year except in 1938. In 1938 I didn't receive anything at all. I had to take the land and let the rentals go or else.

Mr. OSMERS. Where have you been living since that time?

Mr. PUCKETT. I have been in New Madrid County.

Mr. OSMERS. Have you had any experience as a migrant?

Mr. PUCKETT. Last year was all; yes, sir.

Mr. OSMERS. Where did you go to?

Mr. PUCKETT. I made a trip to Illinois last year. We moved to that project there in May. I worked by the day all last winter and we moved to the South Lilbourn project in May. We chopped cotton and it didn't do much good, and I got into a timber job with 18 or 20 men. That played out and we didn't have much to do, and I wrote to some of these men in Illinois about a job through the harvest. I took 18 or 20 men and we went to Illinois and stopped off and went to work in the peach harvest.

Mr. OSMERS. You were in the room when Mr. Snow testified?

Mr. PUCKETT. Yes, sir.

Mr. OSMERS. You heard his suggestions?

Mr. PUCKETT. I am sorry. I am a little bit hard of hearing and I couldn't hear.

Mr. OSMERS. I was wondering what you thought of his idea to change the method of payment so that the cropper would get a better deal out of control.

Mr. PUCKETT. I think I believe if that plan would have been worked by everybody that was written in, those sharecroppers would have been fixed so that they would have had their part. They would have been satisfied and really made a living out of it.

Mr. OSMERS. That was a very nice statement, Mr. Puckett.

The CHAIRMAN. Mrs. Puckett, do you have anything to add? Let the woman talk once in a while.

Mrs. PUCKETT. We were just married in 1933. We bought a place with 80 acres in woodland. We cleared, I believe, 36 acres, and we made a crop on that the first year and met our payments and everything, but the second year we rented some land with the understanding we would have allotments. So we borrowed money to farm

this 70 acres. We couldn't meet our payments the last time and we sold out to a man in Michigan and paid for the furniture out of our profit coming out of the place. Otherwise we couldn't have paid.

The CHAIRMAN. Thank you very much for coming here.

Mr. Barton is our next witness.

TESTIMONY OF P. M. BARTON, PLANTER, CATRON, MO.

Mr. OSMERS. Mr. Barton, we have your written statement and it is going to become a part of our record.

(Statement referred to above is as follows:)

STATEMENT BY P. M. BARTON, PRESIDENT, THREE WAY LAND CO., CATRON, MO.

NOVEMBER 10, 1941.

1. How many acres do you operate? About 34,000 acres.
2. How many acres were in cotton in 1941? About 25,000 acres.
3. Of your total acreage, what percentage do you farm with day hands? About 14.7 percent. Rent? About 76.4 percent. Sharecrop? About 8.9 percent.
4. Of the acreage you rent to tenants, what percentage is farmed with day hands? Fifteen percent. Sharecropped? Fifteen percent.
5. How many families sharecrop on your total acreage? One hundred and eighty.
6. Approximately how many people in these families? Four.
7. How many day laborers, not including those who also sharecrop, have been hired this year? An average of about 500 in making the crop, not including harvesting.
8. Please explain why you have not been in the Agricultural Adjustment Administration program thus far. Our reason for not going into the farm program up to this time, including this year, was that we bought a large percentage of this land undeveloped, and, of course, it had no cotton base. We had to develop the land, clear it, build houses, and ditch it. We had to grow enough cotton in order to build up a base whereby we could cooperate with the farm program.
9. Please explain why you intend to go in next year, if you do. It is our intention to go into the farm program in 1942, or at least plant within our allotment on cotton, as we cannot pay the 7-cent tax and exist.
10. If you go into the program, how many acres of cotton will you be able to grow? About 7,700 acres.
11. How many sharecroppers or families will this acreage require? Not over 300.
12. How many people in these families? An average of 4, making a total of about 12,000.
13. What plans are you making for reducing this displacement? We have not worked out any plans at this time. We are going to try to work out a trade with our tenants to plant their allotted cotton and work the balance of the land in corn, beans, sunflowers, potatoes, hay, or any other crop that we can cash. By doing this, we will build up our lighter land, of which we have very little and keep the land all in cultivation and be able to keep 75 percent of the families that we now have. However, we could not participate in any Government benefits.
14. What is your opinion of the present crop-reduction legislation as it affects your operations and the cotton economy as a whole? The cotton-reduction legislation, no doubt, has helped the price of cotton and has helped us from that standpoint. On the other hand, on account of having to pay the penalty on the cotton, we think that the tax more than offsets the benefits that we have received on account of the artificially high prices.
15. What suggestions would you make to improve the cotton program? (We would appreciate an extension of your remarks concerning the advisability of growing the Nation's cotton, the cotton land, and retiring from production the poor land. As we understood, payments would not be necessary for cotton and the funds could better be used for rehabilitation of those whose land was taken out of cotton production.) There is a large part of the Cotton Belt that is infested with boll weevil. The farmers on that kind of land cannot compete with a farmer on the better land as they produce, in a normal year, about 150 to 175 pounds of lint cotton per acre. On the richer land, especially in our section, we can

produce from 400 to 800 pounds of lint cotton per acre without fertilizing. If this could be worked out and use the money that is being spent to finance the Agricultural Adjustment Administration rehabilitation of the poor and worn-out land, this would enable the farmers on the more fertile land to grow cotton and sell it at a price that we might be able to regain some of our export trade back as the competition in some of the European countries is keen. They can grow cotton and sell it for less than we are selling our cotton for at this time. It stands to reason that the mills all over the world are going to buy cotton where they can get it cheapest.

We have, approximately, on the 34,000 acres of land during the making of the crop 850 families. In addition to this, we use an average of about 500 day hands.

Mr. Barton is our next witness.

TESTIMONY OF P. M. BARTON Resumed

Mr. OSMERS. Would you state your full name and address for the benefit of the record?

Mr. BARTON. P. M. Barton, Catron, Mo.

Mr. OSMERS. How many acres of land do you operate, Mr. Barton?

Mr. BARTON. About 30,000 acres.

Mr. OSMERS. All in Missouri?

Mr. BARTON. Yes, sir.

Mr. OSMERS. How many of those acres were in cotton last year?

Mr. BARTON. I don't know. We bought quite a lot of that land last year.

Mr. OSMERS. How much of it did you have in cotton this year?

Mr. BARTON. I would say around 23,000 or 24,000 acres.

Mr. OSMERS. Have you operated your cotton land under the provisions of the control?

Mr. BARTON. No, sir.

Mr. OSMERS. Why not?

Mr. BARTON. We bought a lot of that land undeveloped and it had no cotton base on it, and we had to work it what we call "wild cat" in order to build a cotton base and develop the land out there for 5 or 6 years.

"WILD CAT" FARMING

Mr. OSMERS. What is "wild cat" farming?

Mr. BARTON. Grown outside the program, that is "wild cat."

Mr. OSMERS. Do you plan to go into the program next season?

Mr. BARTON. Yes, sir.

Mr. OSMERS. What percentage of your acreage is farmed by day hand and what part by sharecroppers?

Mr. BARTON. We sharecrop very little. On the three-way land crop, of which we operate 17,000 acres, we rent all of our land out. We rent out to farmers—they can work 160 acres on up to 2,000 and day work and sharecrop some of it themselves.

Mr. OSMERS. Under the control program, will you need as many sharecroppers as now?

Mr. BARTON. No.

Mr. OSMERS. How many acres of cotton do you expect to have next year under the program?

Mr. BARTON. It will not run over 6,000 acres. That is very low.

Mr. OSMERS. You mean instead of 30,000 acres or something like that, you are going to have 6,000 acres?

Mr. BARTON. Under the program that is what we can have. It isn't our intention to try to cooperate at this time and receive any Government benefits because we would have to let too much labor go. It is our intention to work our allotted cotton and then work the rest of the land in corn, beans, and various things the tenant can get a living out of, and by doing that, we wouldn't dissipate any of the Government benefits.

Mr. OSMERS. You will probably farm the same number of acres, but not in cotton?

Mr. BARTON. Yes, sir. We have too much land that would lay idle. The corn is low and we couldn't raise enough feed. We would have to let some tenants go and we would have too many vacant houses.

Mr. OSMERS. Have you any ideas as to how to improve the control program?

WOULD DISCONTINUE FARM PROGRAM

Mr. BARTON. No; I don't know so much about the farm control program. It has served its purpose.

Mr. OSMERS. Should it be discontinued?

Mr. BARTON. If it was discontinued, the farmers would be better off. There would be more people on the farms. They would not all go to raising all cotton again because they have been educated to the point where they would raise other things.

Mr. OSMERS. You think it would be a good thing if the A. A. A. were abandoned. That is all I have. Thank you very much for your testimony. Our next witness will be Mr. Beck. Mr. Beck, will you come forward?

TESTIMONY OF P. G. BECK, REGIONAL DIRECTOR, FARM SECURITY ADMINISTRATION, INDIANAPOLIS, IND.

Mr. OSMERS. Is Mr. Beck here? Mr. Beck, you have submitted a very comprehensive statement to the committee. Unfortunately, I haven't time to go over it in the detail that I would like to.

(The statement referred to above is as follows:)

STATEMENT BY P. G. BECK, REGIONAL DIRECTOR, FARM SECURITY ADMINISTRATION, INDIANAPOLIS, IND.

MIGRATION PROBLEMS OF FARM FAMILIES DUE TO DEFENSE ACTIVITIES IN ILLINOIS, IOWA, AND MISSOURI

More than 2,000 families have been forced from productive farm lands in Illinois, Iowa, and Missouri to make way for the construction of two Army cantonments and six defense industries.

As defense needs carved out 256,975 acres of better-type farm lands in nine counties of these three States, 2,296 families on 2,216 farms have been forced to find homes and livelihood elsewhere than on the soil they have cherished and cultivated.¹

In these three States the defense relocation corporations, with funds borrowed from the Farm Security Administration, have purchased 94,594 acres of good farm land, mostly in large tracts, which are to be subdivided into family-size farms accommodating 842 families. On the 94,594 acres, however, were living 347 families when the land was acquired by the relocation corporations. Thus only 495 new farms will be made available by the relocation program in its present scale, compared to 2,216 farms retired from agriculture by Government defense construction. The problem of resettling those of the remaining 1,721 dislocated

¹ See summary, p. 9187.

families who desire to remain in agriculture must be met when industrial and defense jobs, which many of them have taken temporarily, come to an end.

In some of the defense plant and Army camp areas the original evacuation is not yet complete. About 62 percent of those displaced are farm owners. This means that more than half of the displaced families will have received payment for their farms, which should be sufficient to enable them to purchase other farms, in many instances uprooting the tenant families thereon. Those subsequently uprooted families, and the originally displaced tenant-families who may be left with little cash and without land or shelter, form the problem. Tenancy varies in the different areas, ranging from 12 to 50 percent. (See chart A, p. 25.)

In the rich Corn Belt lands, many of the farmers displaced—both owners and tenants—had substantial livelihood from their farms. With the exception of the area in southern Illinois, the families displaced represent a permanent farming class. They are people who have farmed all their lives, and still consider themselves primarily as farmers. Although many may of necessity, or for the sake of expediency, obtain employment in construction of the contingents or at the ordnance plants, indications are that the far greater number of them wish to continue farming either now or at a later date.

From 10 to 50 percent of the farm operators in these areas have left agriculture temporarily. This is easing the problem of relocation to a certain degree during the period of construction of these ordnance plants, and will probably continue to a lesser degree during the period in which these plants and camps operate.

The following table shows the best available estimates of the percentage of farm operators who have left agriculture:

Name of defense operation	Percent of displaced operators leaving agriculture temporarily	Percent of displaced operators leaving agriculture permanently (included in column 2)	Name of defense operation	Percent of displaced operators leaving agriculture temporarily	Percent of displaced operators leaving agriculture permanently (included in column 2)
Iowa ordnance plant.	33½.....	Less than 10.	Remington small arms ammunition plant.	Less than 10...	Less than 10.
Illinois ordnance plant.	50.....	25.	Weldon Springs ordnance plant.	33½.....	25.
Elwood and Kan- kakee ordnance plants.	33½.....	Unknown.	Fort Leonard Wood.	Less than 20...	Less than 10.
			Camp Crowder.....	10.....	Less than 10.

In general, it is estimated that one-third of the displaced farm operators have left farming temporarily, but that probably not more than one-sixth intend to leave permanently. More tenants than owners have left agriculture in most of the areas, due principally to the fact that the displaced owners received sufficient payment for their land to purchase other farms. Many displaced owner-operators have retired and are now living in the villages. Others are working in construction or operation of defense plants. Most of the tenants who quit agriculture have been employed on the defense projects.

SECONDARY DISPLACEMENT

It has been impossible to accurately determine the extent of secondary displacement of farm families. However, facts obtainable warrant the following conclusions:

1. The extent of secondary displacements varies considerably, depending on the type of area in which the defense operation is located.
2. For the areas as whole, at least as much secondary displacement as primary displacement will occur sooner or later.
3. The full impact of secondary displacement will not be felt until after the curtailment of construction employment on the plants or camps, and in some cases not until after shut-down of all operations in the area.
4. Universally, it is the low-income farm families, particularly tenants and laborers, who will eventually suffer most from the effects of displacements. Already, in many of the areas operators with small capital and marginal productions have been forced off farms in the vicinity of the defense area by purchase or rental of their farms at inflated prices, or have been unable to compete in bidding for desirable locations.

METHOD OF ACQUISITION OF THE LAND

In four of the seven areas, the War Department contracted with real-estate brokers to acquire the land, but the method proved unsatisfactory, and in two of the areas the War Department found it necessary to take over acquisition from the agents, due to inequitable appraisals and resentment on the part of the farmers and difficulty in obtaining the land. The real-estate brokers, for the most part from metropolitan areas, were unfamiliar with farm-land appraisals, and the appraisals were, from the farmers' viewpoint, exceedingly high in some cases and abnormally low in others.

Real-estate brokers under contract were involved in the land acquisition for the Kankakee, Burlington, Weldon Springs, and Remington ordnance plants. At Burlington, a board of local real-estate men appraised the farms and payments generally were acceptable to large land owners, but the smaller farmers were somewhat dissatisfied with what they received.

At the Weldon Springs and Remington plant sites, the War Department took over the land-buying after the brokers had started it. At the site of the Remington plant a real-estate broker took options before the farmers had knowledge that the plant was to be built. Later, the War Department took over the acquisition on the ground that some of the options did not call for immediate possession. In this area the War Department paid more, generally, than the original options called for. On the other hand, at Weldon Springs there was considerable dissatisfaction when the War Department took over, because it offered less for the farms than the broker had been offering. Many farmers privately expressed the opinion that the broker's early purchases were made at too high a level of payment.

At Camp Crowder and the Illinois ordnance plant areas, the most recent acquisitions, experienced Government appraisers were detailed to acquire the land. In each case the majority of the appraisers were from the Federal Land Bank of St. Louis. At Camp Crowder there is some dissatisfaction among the displaced farmers who feel they are not being paid enough, but at the Illinois ordnance plant site the procedure has apparently been carried out with the utmost care.

Six appraisers from the Federal land bank, each with 10 years or more experience in farm appraisals, evaluated the land for the Illinois ordnance plant site. At least two of them appraised every farm, and final figures were determined in a general conference. The farms were appraised on the basis of value of the property for farm production.

The value of standing crops was usually included in the appraisal of the land, but in some cases this appraisal was not itemized for the benefit of the farmer. Many of the crops were harvested by the farm operator, some by the War Department through contract. Where immediate building was necessary, some of the crops were destroyed.

The small-scale operators and particularly the tenants have suffered most. Seldom have tenants been paid adequately for loss of crops, expense of moving, and losses incurred by being forced to sell machinery and livestock at a sacrifice. Tenant families had the added expense of temporary living quarters in high-rent areas and of being forced to purchase food which previously they had obtained from their farm gardens.

The Farm Security Administration program has been greatly increased in all defense-project areas. From the viewpoint of rehabilitation of farm families, the effect of displacement has been detrimental in practically every case. The lure of high industrial wages has led Farm Security Administration borrowers and other marginal farm operators to abandon soil-conservation practices, forget about home gardens, and neglect home canning and preserving.

Many farm families in defense areas are making no plans for the future and have no idea of what they will do when defense incomes stop. The whirl of activity, high wages, and easy spending has made them careless of the future.

In some areas it has been necessary to make a considerable number of grants to families hard hit by the necessity of moving. This has been particularly true of displaced tenant families and those who owned a small farm which did not bring enough to buy another similar farm because of inflated prices. These have suffered a distinct financial loss, which will become a moral loss also if they are not able to readjust their lives successfully. Experience shows that when the poor farmer is forced to move, the eventual cost to him—and to the community—is three or four times the actual cost of the land. Inability to readjust living standards and social conditions to changed circumstances is one of the tragedies of the poor displaced from their old surroundings.

These families feel that, inasmuch as the Government is responsible for the difficulties which have beset them, the Government should feel itself obligated

to see that they are reestablished in a no-less-advantageous position than they had before the defense displacement. This same reasoning seems to prevail among the families who have been squeezed off the land in the subsequent series of displacements which followed when the originally displaced families were evacuated from the defense-site areas.

In this period of extensive agricultural disruption in the defense areas, the opportunity exists for the inauguration of a much-needed program to extend financial aid to small farmers for refinancing and increasing the size of farms necessary to make operation worth while. Also the need exists for some planned program to make better land available through purchase and subdivision of extensively operated lands.

Following the completion of construction work and again following the lay-off of permanent employees in the defense projects, there will be a greater need than ever before for Farm Security Administration assistance and guidance. Family-size farms must be made available to more families, farms too small to enable the family to become self-sufficient must somehow be enlarged, or a rural-works program set up to add to their insufficient farm incomes.

Families that have suffered financially as the result of the ending of their jobs in defense industry will have to be aided financially; adequate rural housing must be supplied for farm laborers, for tenants, and even for farm owners. All this must be done if the multitude of farm families that for one reason or another have left agriculture are to be able to resume farming after the emergency is ended.

Farm Security Administration field personnel in the defense areas have been especially active in seeking farms for displaced families, many of whom have been reluctant to move any considerable distance from their former homes.

In none of the displacement areas have there been sufficient farms available within the distance that most farmers preferred. Even where farms were obtainable, many of them were of inferior quality or were offered at such high prices and rents as to make their use prohibitive.

As a result, many of the displaced families have been forced to establish temporary living quarters and remain in the old neighborhood working on temporary defense jobs. However, when the defense work ends and they discover that farms are still not available in the old neighborhood, they will be more inclined to move greater distances and seek land on the defense relocation farms elsewhere in the State.

But even then not enough of the defense relocation farms will be available to resettle 20 percent of the dislocated families, although the farms are planned to accommodate five families on the same number of acres that formerly supported two.

If the locating of defense industries and ordnance plants in rural areas is not to result in a lowering of the number of farms available to agriculture, the effort of the defense relocation corporations must be greatly expanded.

DEFENSE RELOCATION LAND

One of the difficulties facing small farmers when they go to seek land in the better-land areas revolves around the fact that the large owners and institutional landowners cannot handily break up their large holdings in order to sell a small farm such as 80 or 100 acres, these large farms being for sale as a whole rather than in small parts. This virtually makes it impossible for the small operator to buy in the good areas generally.

In the better-land areas the larger operators are finding it more profitable to farm larger acreages under commercial farming practices. The tendency is for large farms to expand rather than liquidate. It has been our observation that people crowded off the good land areas, because of the expansion of larger farms, are finding it necessary to relocate in poorer land areas where farms are already too small, thus further crowding these areas; or else they can find no farm and must become farm laborers, industrial workers, or accept public assistance.

The defense relocation corporations have been established to meet the problems presented by the farmer who cannot find land to farm. With funds loaned by the Farm Security Administration they have purchased large holdings in good-land areas which will be broken down into smaller farms in order to make available family-size units to families displaced by the defense program.³

Most of the land is purchased from institutions, such as banks, insurance companies, and estates, rather than individuals, although in Bates County, Mo., 41,844 acres were purchased from Thomas A. Scully.

³ See exhibit A, attached.

The Illinois Defense Relocation Corporation has agreed to buy approximately 18,200 acres of land in Pike, Brown, Alexander, Union, and Pulaski Counties. The cost of the land approximates \$1,000,000.

The purchases are located as follows: Brown County, 4,200 acres; Pike, 2,915; Alexander, 4,332; Pulaski, 6,176; and Union, 546 acres. Options are yet to be accepted on 1,500 to 2,000 more acres in Brown and Pike Counties.

Seventy-four tenant families living on this relocation land when it was purchased will be given first chance to rent the reduced units on which their buildings are located. Families dislocated when their farms were purchased as defense plant sites will also be given initial choice, to be followed by subsequently displaced families. Any of the farms left vacant then will be made available to any worthy farmers who for any reason have been forced to move and have been unable to find a farm.

The large tracts of land will be broken up into enough family-size units of 70 to 100 acres to provide for 172 families in addition to the 74 now on the land.

The cost of buildings and other improvements needed to carry out the project in the two Illinois relocation areas will likely be somewhat less than the land cost. This expense would include building costs, land improvement, drainage, clearance, roads, fences, etc.

The Illinois relocation farms will provide for 172 families out of the more than 500 displaced. The relocation program on its present scale is not sufficient to put back on the land even half of the farm families displaced by Government defense site land purchases. Not all of the dislocated families may wish to farm in the relocation areas. Some will retire, some will remain in industrial jobs, and some may find farms elsewhere to buy or operate. Further land purchases will depend upon the need for such activity and the availability of funds.

In Iowa, the Iowa Defense Relocation Corporation has purchased 10,078 acres in Kossuth, Palo Alto, and Wright Counties on which to locate farm families. Thirty families are now living on this land and room can be made for an additional 96 farm families just as soon as the various tracts can be broken up into family-size units and buildings provided. A total of 223 Iowa farm families have been displaced from defense sites and it is obvious that the 96 farms which these 10,078 acres will provide will not be nearly enough. Total cost to date has been \$992,359.

Missouri, with the greatest farm family displacement and relocation problem of any of the five States in region III, has the largest land-buying program of relocation purposes of any State in the region. The Missouri Defense Relocation Association has accepted for purchase 59,800 acres in Bates, Jasper, Pettis, Saline, Monroe, Audrian, Callaway, and Phelps Counties. The association also has taken option on an additional 5,000 acres scattered in these counties. This land will be divided into family-size units and will provide farms for 225 farm families. Approximately \$1,800,000 will be spent by the association in the purchase of the lands.

On all the land either accepted for purchase or optioned by the association there lived a total of 225 tenants. When the land is divided 450 families will be able to occupy the approximately 60,000 acres.

Cooperation will be encouraged between groups of farmers in the relocation areas. If several farmers can get a joint loan to buy a tractor or other machinery, or can purchase seed or can market cooperatively at a saving to each, that will be encouraged, but that will not be a peculiarity of the relocation farms. Small farmers all over the Nation are cooperating in these and many other ways in an effort to farm more efficiently.

Before any of the land is approved for purchase by any of the defense relocation corporations, Farm Security Administration farm specialists carefully check on the farm and determine whether it can be efficiently divided into family-size units, and decide whether or not the farm will be productive enough to return the cost of the original investment over a period of years. Soil fertility, topography, desirability, and all other important factors are thoroughly checked.

Besides the defense relocation activities, there are two other ways in which large tracts of land are being utilized to accommodate more farm families. One is the establishment of cooperative farms, which are operated as large units by the families living on them, who prorate the profits. The other is through leasing or purchasing associations consisting of farmers wishing to lease or purchase land as a group and subdivide it into family-size farms to be operated individually by member families of the association.

MEDICAL CARE AND SANITATION

The problems of medical care and sanitation in some of the defense areas are acute. Mr. L. S. Kleinschmidt, Farm Security Administration cooperative specialist in charge of health services in region III, made the following report after attending a meeting in September 1941 with borrower families at Wanesville, Pulaski County, Mo., site of Fort Leonard Wood.

"The medical situation as brought out by families who are participating in the Farm Security Administration medical care program in Pulaski County indicates that they are having greater difficulty in securing medical services from legally licensed medical doctors since the camp was established at Fort Leonard Wood than they had before.

"People coming into the area as a result of the camp being established are demanding a certain amount of attention from the physicians, resulting in less opportunity for services to the families already established in the area.

"There are only 6 doctors in the county. One is now retired because of age, and another is handling only office calls on a limited basis because of age, which really leaves but 4 doctors to serve the territory. There were about 4,000 families living in the county before the army camp was constructed. In addition, 36,000 construction workers were there at peak employment, many of them employees who have moved their families into the camp area. There will be 5,000 permanent employees at the camp.

"It is generally considered that any physician who serves more than 300 families in rural areas cannot render adequate service.

"The Farm Security Administration families at the meeting I attended asked for assistance on dental problems and pointed out lack of dentists in the area. The same problem was brought up relative to hospitalization.

"The lack of attention to sanitary problems in the town of Waynesville was appalling. There were few sanitary privies in the town or the adjacent area. There was no sewage disposal system. Toilets available were insufficient to adequately accommodate the increase in transients.

"The nuisances committed in the alleys, yards, even in the center of town about the courthouse, were a definite menace to the health of the entire population, might serve as a pollution to the water supply, and if not corrected before warm weather will be a source of infection from such carriers as flies, mosquitoes, etc.

"Housing in the area is inadequate, and few new houses are being constructed.

"The rain, which was in progress while I was in Waynesville, was spreading the filth and washing considerable pollution into the Roubidoux River which is a clear stream from which many townspeople drink.

"Considerable sickness among children was reported as a result of drinking local water. The city has just completed a new deep well near the school. The townspeople were aware of the need for a protected water supply but did not have the funds necessary for construction.

"The situation appears to me to be affecting borrower families of the Farm Security Administration and presenting health problems which will require the cooperation of other agencies to solve. The State board of health is acquainted with the problem and is asking for any assistance that may be given by other agencies."

Declaring that there is a definite shortage of legally licensed medical doctors practicing in rural areas in southern Missouri, he pointed out that a similar shortage appears in many other sections of all the States in region III. Many of these areas have only 1 doctor to every 600 to 1,000 families. This represents a situation where a doctor is serving 2 or 3 times as many families as normally can be handled on an adequate basis, even with an effective prevention program.

The following points are worthy of careful study in determining a solution to the problem. This might be done on a test basis in certain areas.

1. In counties in which small local hospitals may exist, assist these hospitals to bring their equipment and service up to the standards of the State hospital and medical associations, through agreement with the associations.

Encourage the physicians' committee of the State Medical Association to establish in the hospitals one or more resident physicians, acceptable to the State Medical Association, as far as training and experience are concerned, in order that the hospital may be named as acceptable for internship in the final training of young physicians.

2. In counties without such hospital facilities, that consideration be given to extending Federal aid in establishing health centers that might serve in handling

emergency cases and arrange for cases to be transported to properly equipped hospitals.

We believe these health centers should provide office space for legally licensed medical doctors. The health centers, each headed by one or two physicians with the proper background of training and experience, could be used to guide young medical graduates in establishing themselves as practicing physicians. We believe further that consideration might be given to graduate physicians completing a part of their internship requirements under such health centers in order to receive training as a practicing physician under conditions similar to those that are required of a practicing physician after he has completed his course.

A physician completing his internship in a large hospital with all types of facilities at his disposal generally specializes in this technical course. This places him at a disadvantage in going to rural areas for private family practice.

Such a plan could immediately make available additional medical doctors for service in rural areas.

3. We believe consideration should be given to some form of scholarship for young physicians, who would practice under the direction of such a health center for a period of 2 years, perhaps requiring that they serve in rural areas for a period of 3 to 5 years, as a condition of accepting such a scholarship.

HOUSING OF WORKERS IN DEFENSE AREAS PROVIDED BY THE FARM SECURITY ADMINISTRATION

To relieve the acute housing situation existing in defense areas in Illinois, Iowa, and Missouri, the Farm Security Administration is providing stop-gap housing under the defense housing program, at reasonable rents for defense workers.

These include 500 family-size trailers and 100 demountable duplex houses.

At the Iowa ordnance plant at Burlington, the Farm Security Administration recently set up 114 family trailers, all of which are now occupied by defense worker families. On a second site at Burlington, 84 more trailers have been provided by the Farm Security Administration. At still a third site, 177 trailers are being set up for defense workers.

At the Illinois ordnance plant, near Marion, in Williamson County, the Farm Security Administration is furnishing the site for 120 private trailers.

In St. Charles County, Mo., at Wentzville near the Weldon Springs ordnance plant, the Farm Security is setting up 120 trailers which will be ready to go into operation sometime between December 15 and 20. In addition, at another site, the Farm Security Administration has begun construction on 100 duplex houses which will provide homes for 200 workers.

Most of the trailers are rented for \$6 per family per week. They have all the utilities and other conveniences of a modern home.

The Farm Security Administration was asked to aid in the housing program for defense workers because of its experience in providing homes for thousands of low-income farm families throughout the Nation, and in operating mobile homes for migrant labor families.

HOUSING AND FARM LABOR

In most of the areas studied, a considerable portion of the most able-bodied farm workers—both wage labor and unpaid family labor—have gravitated to defense employment. In few cases has this labor displacement resulted in crop loss, although large farm labor surpluses have been more than absorbed in some defense areas. The general effects of transition to industry of farm labor and, often, of the farmer as well, have been as follows:

1. Increases in wages paid farm labor, particularly in defense areas.
2. Some decreases in crop planting and in future production in defense localities.
3. A neglect of maintenance operations on the farms.
4. Longer working hours for farm operators, a swapping of work between operators, and increased use of women and children.
5. Shortage of housing for farmers, tenants, and farm laborers.

In housing, as in other situations, it is the low-income groups that have suffered most. In several of the areas sudden and arbitrary rent increases have forced farm laborers, low-paid industrial workers, public assistance and relief families to move out and seek less expensive quarters. Most of these quarters have been far below minimum standards.

A related difficulty for low-income groups who have not profited materially by higher wages is the exorbitant cost of food and other necessities in the defense areas.

Those who have observed the effects of defense industries in these rural areas state that the older workers have been least successful in the competition for better-paying jobs. Apparently young men have had little difficulty obtaining lucrative work in the defense industries. Thus farm operators have had to accept the services of older, and frequently less competent men. The older workers, holding the less-lucrative jobs, have had difficulty in obtaining suitable housing and maintaining adequate living standards as prices have risen abnormally in the defense areas.

In at least one of the areas there has been an appreciable influx of unemployed farm laborers from remote areas. Most of these obtained farm employment rather than the defense work they had sought. They replaced local farm labor which had gone into defense work. In other areas it is predicted that the farm labor shortage will become more acute within the next year and possibly workers will migrate from areas where the demand is not so great.

The defense activities have aroused considerable concern among many farmers in the Corn Belt regarding the availability of year-round and seasonal labor essentials for the successful maintenance of their operations.

The problem of farm labor shortages in an area of widely dispersed employment, such as is represented in the Corn Belt, is subject to wide variations of actual conditions. In some defense areas, where large-scale expansion of defense employment, and shifts to industry or construction have occurred, farm labor stringencies or shortages may have resulted. In the more general Corn Belt area, the large surplus of farm labor has been affected by industrial employment or selective service and the character of a large portion of its farm labor supply has tended to change from young single men to married men with families and older persons. In some areas, particularly the hill country in the southern parts of Ohio, Indiana, Illinois, Missouri, and Iowa, a farm labor surplus can generally be said to still exist.

The changing character of the farm labor supply is a matter of concern to Corn Belt farmers, particularly those who have been in the habit of hiring young single men. Unable to provide family housing facilities, they may assert that there is a farm labor shortage whereas family men would be available if housing were provided. This is a real problem which may be of increasing importance.

Fluctuations in employment as large construction projects are initiated or completed, as defense plants initiate production schedules and increase employment, as priorities unemployment strikes a community, as the service industries employment rises and falls in sympathy with local conditions, all affect the farm labor supply. What might be true at one period of the year in a local area might not necessarily be true at another period or during the ensuing year.

Spotty areas within the Corn Belt are devoted to the growing of specialty crops, to vegetables and fruits. These areas constitute special problems from the standpoint of farm labor because of the highly seasonal nature of the crop operations necessitating large numbers of workers for short periods of time. Some of these areas depend upon migrant farm labor as well as local. To the extent that local farm labor is absorbed into construction or industry the dependency upon women and children and migrants will increase. Migrants will tend to be affected by the shifting industrial scene, although undoubtedly not as much as is anticipated by many farmers. However, as the choice of jobs becomes more optional, migrant as well as local people will tend to by-pass individual farms or local areas and crops where wages are low or where working conditions are bad or where housing and sanitary facilities are inadequate.

Various and nonhysterical attempts are being made by the responsible Government agencies to meet labor shortages where they actually occur. One method employed, at the present time, is to stabilize the farm labor supply by providing adequate housing in areas where the lack of housing is a deterrent factor in securing an adequate supply of labor.

LABOR EXPERIMENT IN SOUTHEAST MISSOURI

Southeast Missouri provides an interesting laboratory for stabilization of the farm population and the farm labor supply. Seven of the counties of this area are largely dependent upon cotton production. The great fluctuations in employment in the production and marketing of cotton are well known. During most of the months of the year a cotton country is subject to huge farm labor surpluses, irrespective of whether the traditional sharecropper system is used or whether the pattern has shifted to the use of farm labor.

For those labor and sharecropper families in southeast Missouri who cannot get a lease on private land, the Farm Security Administration is developing two types of housing—scattered- and group-labor homes.

Three-room homes which cost \$500 (and for which contractors now ask \$800 to \$1,000) have been constructed for 337 sharecropper families as part of the scattered labor home program of the Farm Security Administration in the area. Built on sites donated rent free by cooperating landlords, these efficiency homes offer sharecropper families weatherproof, screened houses, and are great improvements over the leaky, ramshackle cabins in which they formerly lived. The homes revert to the land owner at the end of 10 years but security of tenure is assured the worker in the meantime with a part of the cost borne by the land owner or tenant.

To each of these families, the Farm Security Administration will make a small loan for the purchase of a cow and will grant them money to buy garden seed, tools, canning equipment, and materials to construct a sanitary privy and a cow barn.

As an example in interest in life which is taken by this group of agricultural problem families, the case of one southeast Missouri woman stands out. She had been taking little interest in social activities, but a transition occurred when the family moved into one of the new labor homes in July 1940. She had never seen a pressure cooker until then, but 3 months later her entry of more than 75 varieties of canned vegetables, fruits, and meats won first prize at the Mississippi County Fair.

The Farm Security Administration's group housing project in the southeast Missouri area is known as Delmo Labor Homes and consists of 500 workers' homes on 1,512 acres bought by the Government. All of these homes, built in groups of 50 to 100, have been completed at a cost of about \$800 each. Each has four rooms and a screened workporch. Contractors are now asking \$1,200 to \$1,400 for construction of similar units.

Families living in these communities have individual garden tracts of 2 acres each, and the use of a common pasture. A live-at-home program is encouraged so that families will be able to make a subsistence living in off seasons, and yet be available for peak labor demands. The rent of each home and garden tract is about \$3 a month. Recently nursery schools have been initiated for children of persons living in these group labor homes. Home canning, the following of good health and nutrition practices, and other activities in the Farm Security Administration rehabilitation program are encouraged.

The social effects of such a program for farm labor have proven most beneficial to the community. These homes have made it possible for the migratory farm laborer to achieve a certain degree of security for himself and his family. Because many of these people are now getting fresh green vegetables and other foods from their gardens which they never had before, the health standard of these families is being raised. Their morale is being "upped." They now feel that they belong; are a part of society instead of uncared-for outcasts.

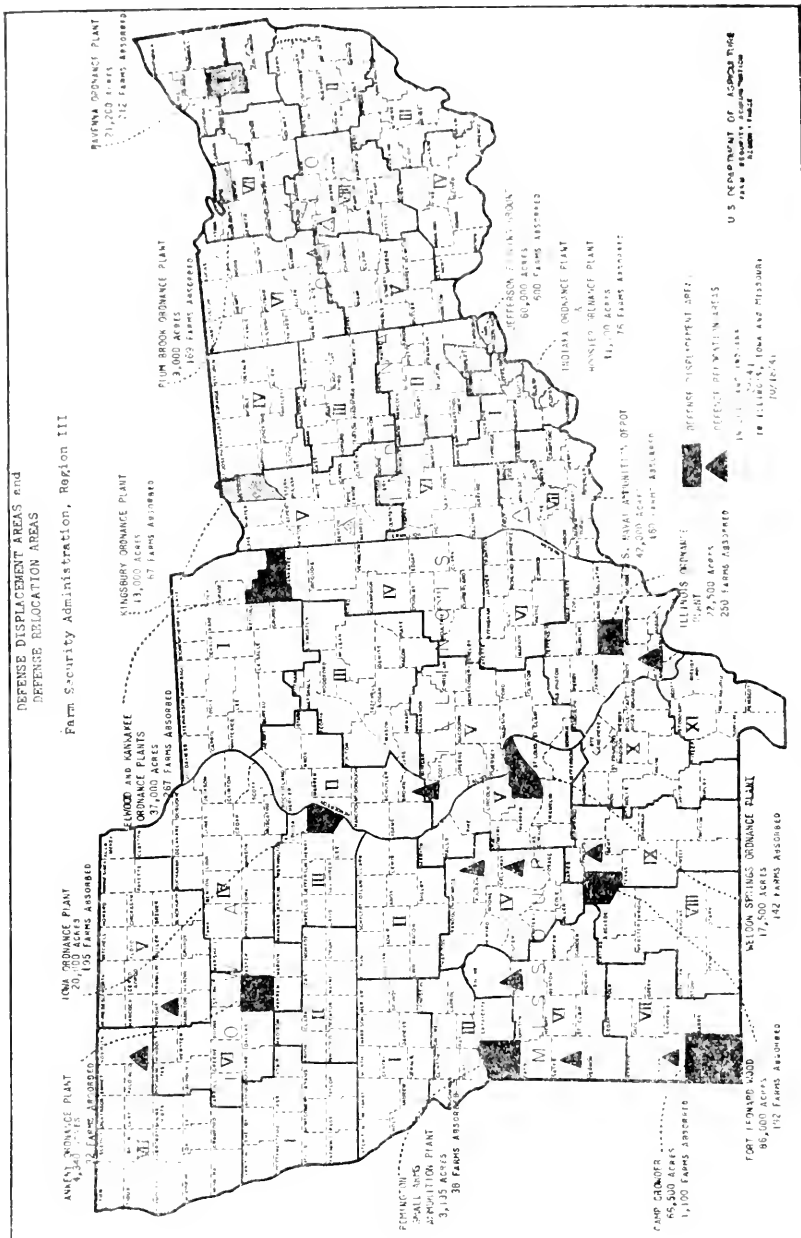
This housing program gives the worker a secure home base from which many follow their accustomed practice of securing outside seasonal work and they, of course, obtain all the seasonal work which is locally available. Farm operators, as well as farm laborers, have lent their support to this program. Casualties of the plantation system have thus found stability and community environment in the group-labor homes.

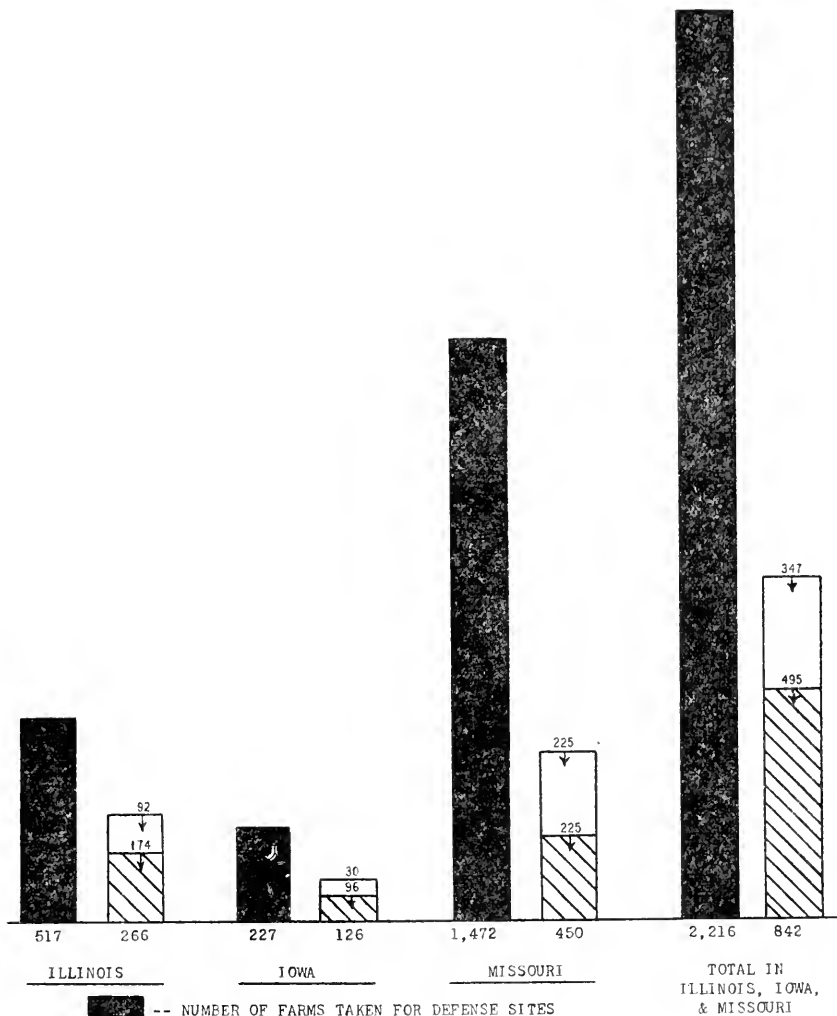
The growing of adequate gardens by farm laborers is also encouraged by the Farm Security Administration on private land where the landlord will cooperate by furnishing garden space. Supervision, loans, and grants are authorized in these instances and the success of the program has exceeded all expectation.

We can and are providing a higher real standard of living, and reducing large scale malnutrition through the housing and gardens program. Cash earnings and employment opportunities necessarily remain as they always were—the result of arrangements between employer and worker.

Name of defense plant	Total acres of farm land in county	Acres taken by United States for defense sites	Total number of farms in county	Number of families displaced for defense sites	Number of farms taken for defense sites	Tenant-operated farms taken		Condition of land taken	Employment	
						Number	Percent		Peak construction	Permanent
Elwood and Kankakee ordnance plants, Will County, Ill.	451, 293	37, 000	2, 999	300	267	150	50	1/4 poor, 1/4 fair, 1/2 excellent.	18,000, July and August 1941.	11,365—to be reached January 1942 (many women).
Illinois ordnance plant, Williamson County, Ill.	174, 522	22, 500	2, 405	250	250	30	12	Mostly poor.	10,000, Jan. 1, 1942.	2,500, July 1942.
Ankeny ordnance plant, Polk County, Iowa.	319, 500	4, 340	3, 139	132	32	12	38	Mostly good.	8,000, Nov. 5, 1941.	6,500.
Iowa ordnance plant, Des Moines County, Iowa.	239, 303	20, 000	1, 726	191	195	93	49	2/3 excellent, 1/3 poor.	12,200, July 12, 1941.	9,000, Nov. 1, 1941 (about 2,000 women).
Camp Crowder: Newton County, Mo.----- McDonald County, Mo.-----	311, 008 243, 302	49, 860 16, 640	3, 514 2, 404	737 225	860 240	237 100	40			
Total-----	554, 310	66, 500	5, 978	962	1, 100	337	36			
Fort Leonard Wood, Pulaski County, Mo.	234, 056	86, 000	1, 570	325	192	162	50	Poor to good.	12,000, Nov. 1, 1941.	1,000 (500 civilian, 500 military).
Remington small arms ammunition plant, Jackson County, Mo.	300, 884	3, 135	3, 868	30	38	7	23	Mostly poor, some good.	36,000, February 1941.	5,000, January 1942.
Weldon Springs ordnance plant, St. Charles County, Mo.	308, 390	17, 500	2, 188	206	142	60	43	Excellent.	6,000, July 1941.	6,500 to 8,000, Jan. 1, 1942 (1/2 women).
Grand total for Illinois, Iowa, and Missouri.	2, 582, 258	256, 975	23, 873	2, 296	2, 216	851	38	1/3 fair, 2/3 fair to good.	8,500, November 1941.	2,400, August 1942.

1 60 other families displaced here were suburban city dwellers.





ILLINOIS

IOWA

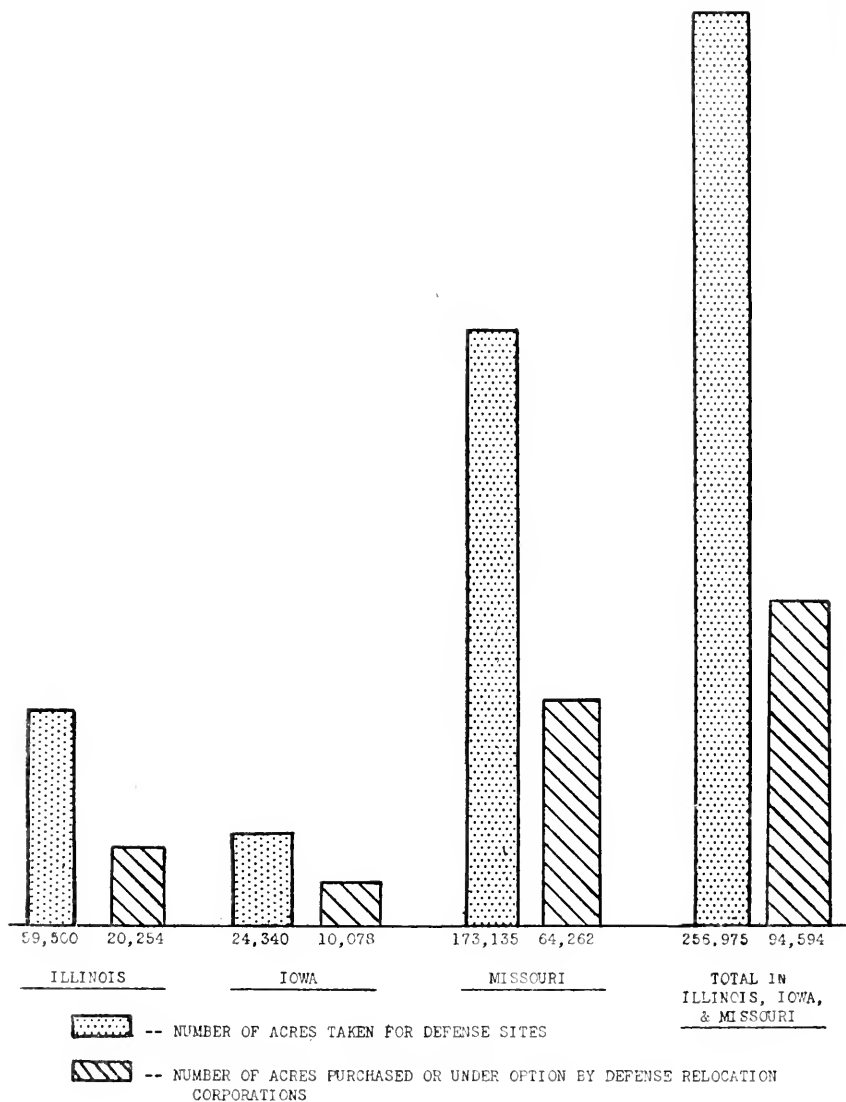
MISSOURI

TOTAL IN ILLINOIS, IOWA, & MISSOURI

--- NUMBER OF FARMS TAKEN FOR DEFENSE SITES

--- NUMBER OF FARMS TO BE MADE AVAILABLE THROUGH DEFENSE RELOCATION CORP. ACTIVITIES, INCLUDING FARMS FOR FAMILIES ALREADY ON LAND WHEN IT WAS PURCHASED FOR RELOCATION (WHITE SPACE AT TOP INDICATES NUMBER OF FAMILIES LIVING ON LAND WHEN IT WAS PURCHASED FOR RELOCATION, AND SHADED SPACE INDICATES NUMBER OF ADDITIONAL FAMILIES WHICH CAN BE RELOCATED ON LAND)

11/14/41



11/14/41

ELWOOD ORDNANCE PLANT, KANKAKEE ORDNANCE PLANT, WILL COUNTY, ILL.

About 40 miles from Chicago, the Elwood and Kankakee ordnance plants comprising 37,000 acres are nearing completion at a total cost of about \$80,000,000. Cost of the land, including damages, was about \$6,300,000. The cost of disturbance and damages is about \$1,800,000, or 16 percent. A few more than 300 families were displaced. About 150 of these were tenants, and nearly half of them lived on farms owned by close relatives.

People in this area first learned that their land was to be taken when they read a story in the local newspapers. Then, within the next few days, many of them were approached by one of a group of 15 real estate men representing the broker who contracted to acquire the land for the War Department on a commission basis. Most of these appraisers had little or no experience in evaluating farm land.

According to reports of the farmers, these original negotiators approached them in an abrupt, and in some cases intimidating, manner. Farmers in the area became incensed and organized to fight location of the plant there. Each paid an assessment according to his acreage and they sent a representative to Washington to try to persuade the War Department to locate the plant elsewhere, suggesting that the sandy strip mining area immediately south of the agricultural location be chosen. About one-half the land taken is fine crop land and local farmers contend it was a mistake to throw it out of production. Failing to keep out the plant, the farmers then attempted to lease from the War Department a portion of this better land which was not to be used immediately by the defense plant. This, of course, was not allowed.

Under the broker system of acquisition, the purchase price offered for a farm was a blanket sum, including the value of the farm land, buildings, and improvements, standing crops, and damages incurred as a result of moving. Tenants were to be compensated by their landlords for their losses. Farm Security Administration personnel, however, discovered that compensation of tenants under this system was erratic and that while some were given adequate damages, others were poorly compensated for their losses.

In one instance, a tenant on 160 acres with a dairy herd was allowed \$1,800 for his damages, while a neighbor across the road on the same type of farm with about the same livestock was allowed \$1,000 to \$1,200, and another neighbor allowed less than \$1,000.

A "yardstick" for compensation of tenants, worked out by a group of farm-agency representatives meeting at the University of Illinois, was not utilized by the land acquisition people. Instead, the broker in charge had a committee composed of one large landowner and one tenant, advise on the compensation for losses.

Acquisition of the land began about September 20, 1940, and was completed in April 1941. Payments for about one-half the farms were held up in the spring by a congressional investigation.

About one-half the total acreage taken for the plant is excellent crop land, the other half varies from fair to poor. Some 50 percent of the crops were harvested in the fall of 1940 before acquisition was completed. The Government paid for the crops still standing at the time possession was taken. When land was needed immediately, crops were bought outright by the Government. In all, about one-fourth of the 1940 crop was destroyed. No 1941 crops were planted in the area, although some alfalfa was harvested. The farmers failed to recognize the difficulties the War Department faced and complained because hay crops were left standing and weeds in the area were not immediately controlled.

Considerable hardship was experienced by operators who had to move. Tenants were especially hard hit. Many who wished to buy or rent farms were unable to find them. Some tenants got farms too late to plant for the new crop season. About 60 sales were held. In the larger, well-advertised sales, fair prices were obtained, but again the small operator was penalized because his sales did not attract many bidders and he had to sell at a loss.

There has been considerable secondary displacements as a result of the migration of families forced out of the defense area. It has been impossible for any agency to follow up every family that was evicted. Thus far secondary displacement has been the result of evicted owners buying up other nearby farms and forcing off the tenants. It is thought that the bulk of the secondary displacement will come following completion of construction work, and later following the reduction in plant operations.

Peak employment on construction of the plant was 18,000 in July and August 1941. The War Department estimates that after January 1942, no more than 11,365 will be employed to operate the plant, a large proportion of them women.

Most of the evicted families have farmed a good part of their lives and consider themselves primarily as farmers. Of the 300 families evicted, about 150 have quit agriculture temporarily. About two-thirds of this number have been tenant farmers. The majority have gone to work in construction of the defense plant. Some will remain on permanently as operating employees. It is estimated that 85 to 90 percent, however, will eventually resume farming.

Soon after construction started, the county Farm Security Administration supervisor heard reports from farmers in the area that they had found it difficult to obtain employment which they said had been promised them. When this was brought to the attention of those in charge of employment, the farmers experienced no more difficulty in getting jobs.

Some of the owners who left their farms have retired. Most of the tenants who have left are living in small towns or cities nearby and are working in the defense plant or in private industry. (Joliet has several metal industries.) However, there are still many owners and tenants looking for farms and hoping to obtain them near their former homes within a year.

The county Farm Security Administration office has aided in relocation and adjustment of displaced families in the following ways:

1. By attempting to get compensation for disturbances and damages for displaced farmers, especially for tenants. Farm Security Administration field personnel was instrumental in getting an increase in many cases for the tenants. Even though about 16 percent of the total cost of land acquisition was for damages, still most of the tenants will lose financially as a result of the movement.

2. By helping displaced families find farms or living quarters to which to move. The county Farm Security Administration office acted as a clearing house for farms available for sale or rent. Keymen in the surrounding areas were contacted to find out where farms were available. With the assistance of the Farm Bureau, 8 meetings in school districts were held in the powder plant area during the fall of 1940. Only about 100 of the 300 families were represented at these meetings because the others already had made arrangements to move, or were discouraged at the manner in which acquisition was handled and felt that no Government agency would offer them practical aid.

At these meetings the people were asked to fill out a questionnaire asking for statements of their arrangements made for moving and the type of arrangements they wanted if they had not already made them. The following tabulation would show approximate percentage of each type of arrangement, provided that these 100 families were representative of the whole group:

Number which had made arrangements to move to town but would like to rent a small farm on a subsistence unit in the county.....	15
Number which had purchased farms outside the area.....	9
Number which wanted to rent a farm.....	30
Number which wanted to buy a farm.....	22
Number not answering.....	24

Of the 52 who wanted either to buy or rent a farm, the majority was undecided what to do if they were unable to find one. Ten wanted to rent a small tract large enough to raise a garden and keep a cow and a few chickens, close enough that they could work in the munitions plant.

At these meetings, the people were found, as a whole, to be cooperative, wishing to give every support to the defense program, but feeling that they should be given sufficient compensation to enable them to relocate on a standard equal to that which they had left. The Farm Security Administration supervisors and farm adviser sought to interpret to them policies of the War Department and to suggest constructive lines of action for getting more adequate compensation. As a result of this "go-between" activity, each apparently achieved a better understanding of the problems of the other.

Land that is for sale in the region of the plant has increased from 10 to 25 percent, and rentals have increased accordingly.

Only eight Farm Security Administration borrowers were displaced in the Elwood-Kankakee area. Three of these rented other farms, one purchased a farm he could not afford, two sold out, and one stored his possessions. One of the loans was paid off. No grants were necessary for any family, and the loan load has not been altered appreciably by location of the plant here.

FARM SECURITY ADMINISTRATION'S PART IN PROGRAM

Demand on Farm Security Administration personnel has increased greatly. It was necessary for the county Farm Security Administration supervisor to spend much of his time up to January 1, 1941, on defense work, even though

another Farm Security Administration supervisor was added to the staff temporarily. An assistant county supervisor was appointed January 1, and one new clerk-typist employed. Much of the normal work of the office, however, has been neglected during the past year and as late as October 1941, has not been caught up.

The local Farm Security Administration representatives expect the greatest load to fall on Farm Security Administration following completion of construction, and for a year to 2 years thereafter. Apparently few people working in the plant have been able to save any money, and consequently will need help following a lay-off. One of the effects of defense has been to change the manner of living of farmers in the area, Farm Security Administration families as well as others. They have become rapidly urbanized and are living on a cash day-to-day basis, thus neglecting farming practices and forgetting home gardens. Many farmers have gone to extremes in the purchase of machinery. Family discord is prevalent because many families have doubled up. Sales of liquor and luxury buying have increased at an alarming rate according to informal survey.

EFFECT ON FARM LABOR

Not many rural houses, normally furnished the farm worker by the employer, have been rented to defense workers when the laborer was willing to stay. However, when the farm laborer has left to go into defense work, such residence have been rented at higher prices to defense workers if other farm laborers were not immediately available.

Housing in towns, villages and on farms, normally rented by farm labor, has in many cases been rented at higher rates to defense workers and the farm laborers thus have been forced into less desirable quarters. There has been a definite tendency for younger and more capable farm laborers to go into defense industries and for older farm workers to take care of the farm labor.

Wages of farm labor in this area have increased from 20 to 25 percent.

From 60 to 70 percent of the farms in Will County normally have at least one hired man. Some two-thirds of these are single men who live on the farms. Some of the married farm laborers own their own homes.

A farm labor shortage was reported in June 1941, although few crops were lost. The shortage was reflected in the necessity for farmers to pay higher wages for poorer quality labor and to do more of their own work. In the case of dairy workers, the shortage of skilled help has become acute.

ELWOOD ORDNANCE PLANT AND KANKAKEE ORDNANCE PLANT AREAS, WILL COUNTY, ILL.

CASE NO. 1

This family owed Farm Security approximately \$1,150 and had assets of approximately \$900 at normal market value when they were displaced. They received approximately \$1,050 for the crops, of which they paid \$450 cash rent. They also received \$450 for giving up the leases for 1940 and 1941.

They had to vacate the farm within 30 days, so they held a sale with Farm Security Administration permission, but as a result of the large number of sales being held, took a loss of between \$300 and \$400. They then paid their obligation to Farm Security with the exception of \$6 interest.

When they left the farm, they moved to a nearby village, and the head of the family secured work as a carpenter. Another family was displaced by this move.

CASE NO. 2

There were three in family A—the man, his wife, and a grown son. They owed Farm Security approximately \$245 and had about \$1,500 worth of assets when they were displaced. They did not have any other outstanding debts.

They purchased a Federal land-bank farm in adjoining Kankakee County, thus displacing family B there. Family B was forced to give up farming and move into the city.

Family A was not ready to purchase a farm, and it stretched their financial ability to the limit to make the necessary down payment. It has been necessary for them to secure a renewal on their Farm Security loan.

CASE NO. 3

There are three in this family. They owed Farm Security approximately \$480 and had assets of approximately \$1,400 when they were displaced. The

borrower had several hundred dollars worth of other obligations outstanding. He sold his livestock privately and was able to pay his obligation to the Farm Security Administration.

This family moved to a near-by village, and there displaced a family who were forced to move over 40 miles away to secure another house.

He worked in the munition plant for a short time, but was dissatisfied and quit to go back to farm laboring. This is a young family who have stored their equipment and are very much desirous of returning to farming as soon as they can find a farm.

CASE NO. 4

This family of four, had assets worth approximately \$900, and owed approximately \$150 in open accounts, as well as an obligation to the Farm Security of about \$330.

He has paid his obligation to Farm Security and moved to a house in Braidwood displacing a family there who moved to Wilmington, who displaced a family who moved to Mazon.

He has secured work in the munition area.

CASE NO. 5

There are nine members in family A. In October 1940 they owed Farm Security approximately \$400 of an original loan of \$1,000 and had assets worth approximately \$1,900. The family's other debts amounted to about \$350.

The farmhouse of the farm which they were occupying lay within the defense area, and the family found it necessary to secure living quarters elsewhere although they still had most of their land left to farm. The father found work in the plant, and the boys, who range in age from 8 to 18, continued to operate the 130 acres of the farm left outside of the area.

They sacrificed part of the livestock and have kept the rest with their equipment at the wife's mother's farm about 4 miles away.

A tenant family B who occupied a small house on the wife's mother's farm was forced to move and family A moved in. This house was located at the edge of a small village, and the mother of the family has been very much worried about the boys, because they do not have enough work to do to keep them busy and keep them out of trouble.

This arrangement has not been entirely satisfactory. Their livestock is about $1\frac{1}{2}$ miles from the residence and their farm is about 3 miles away.

However, as a result of the father working in the munitions plant they have paid all but approximately \$60 of their Farm Security loan and have been able to accumulate a fair-sized bank account. They have said that they would like to keep a few dollars borrowed from Farm Security, so that they can feel they are still a part of the organization and feel free to come in and talk their problems over with us.

Family B, a family of six displaced by family A, has been forced to make two moves over 10 miles each, since they were originally displaced. The father of family B is a railroad crossing watchman and his income is small.

CASE NO. 6

With about \$3,600 in assets and \$2,000 in liabilities, including \$1,160 they owed the Farm Security Administration, this tenant family had to move when the farm they were operating was acquired for the defense plant site. Their landlord, who owned farms totaling 2,100 acres in the defense area, bought other farms on which he relocated his tenants. He moved this Farm Security Administration family to a farm he purchased about 80 miles away.

This forced a tenant off that farm, who, unable to relocate, had to sell out his farm equipment and livestock and move into town.

CASE NO. 7

Having to vacate the farm they tenant-operated in the defense area, this family applied to the Farm Security Administration for a tenant purchase loan with which to buy a farm. They were approved to receive such a loan but were unable to locate any acceptable land. The only farm they could find to lease was 100 miles away, but they had to make the move or quit agriculture.

They are dissatisfied and have said they are going to return to Will County, whether they can find a farm or not.

CASE NO. 8

This family was called to our attention by the military personnel in charge of moving the families located in the defense area. There was some difficulty in receiving checks for damages, and this farmer felt that he should have been paid before being asked to vacate.

After the supervisor had called upon the man and discussed the situation and explained that there was some question about securing clear title from the landlord and that the Government could not release the funds until after this matter had been cleared up, the tenant agreed to vacate within a few days. In addition, the supervisor went to a local bank with the tenant and assisted him in making an assignment of his damage check, so that he could borrow funds to purchase a farm.

In this particular case his wife suffered a nervous break-down which he blamed partially on their dislocation.

The family purchased a farm near Momence, Ill., about 40 miles from their old farm.

CASE NO. 9

There are 13 in this family. He owed the Farm Security Administration approximately \$2,623, and their livestock and tools at normal market value were worth approximately \$1,100 when they were displaced. The crops were appraised, and his share was approximately \$1,400. Damages allowed him by his landlord were approximately \$1,000.

About 2 months before the munitions area was designated this family lost a child. This was a rather severe shock and upset the entire family. Before the family could recover from this shock, they found themselves being asked to vacate their farm within 30 days with no place to go. It was impossible for them to find a house, and as a last resort they stored their livestock and equipment and moved in with a married daughter who had two children of her own. The house was small, and it was a far from satisfactory arrangement.

The father found work with the construction crew of the munition area. The oldest son also worked in the munition plant. As the winter progressed, the father lost about a month's work because of a severely sprained arm, and the son also lost some time because of a slight injury. Because the family was living in such close quarters, their health was not of the best. There was a steady procession of colds and other sickness culminating in an epidemic of measles which ran through the whole family resulting in the death of two children.

Under the pressure of these conditions the father sold, without requesting releases, approximately \$200 worth of mortgaged property.

It was anticipated that this family would have housing inside the area and that this man would work as a guard. In the spring when these plans failed to materialize, the supervisor went with the borrower and examined several farms with the idea of purchasing one, but none was suitable. Finally, the local Federal land bank had a farm available, which it leased to this family. The supervisor secured permission for this family to continue to farm as a Farm Security Administration family in spite of their violation of the agreement not to dispose of any property without consulting the supervisor.

The borrower purchased, with wages earned during the late winter and early spring, livestock to replace that sold during the winter, and it appeared that Farm Security Administration was going to be able to get the family once more started on the right road. However, in late summer it was discovered that the family had once more disposed of considerable mortgaged property, and it became necessary for the supervisor to recommend that the loan be terminated. The head of the family had in the meantime obtained a job with the operating crew of the ordnance plant.

Undoubtedly, this family's failure to make a success of the Farm Security loan was due to the series of shocks starting with the death of their child a year ago, aggravated by the shock of displacement and all of the problems that have risen out of it.

ILLINOIS ORDNANCE PLANT, WILLIAMSON COUNTY, ILL.

Based on information received from the land acquisition office, the Illinois ordnance plant in southern Illinois will occupy 22,500 acres, of which 10,000 will come from the former Crab Orchard Lake conservation area which comprised 32,000 acres. The 12,500 additional acres to be utilized by the defense plant will require the purchase of 374 tracts of privately owned farmland. About 250 families will be evicted, only 30 of whom are tenants.

Peak employment of 10,000 construction workers will be reached about January 1942. Present plans call for completion of construction by July 1, 1942, at which time the permanent staff of 2,500 will be inducted. On October 15 it was reported that only 2,000 construction workers had been hired.

Average farms in the area are 50 to 60 acres, with some as small as 40 acres and a few as large as 120. The people are mostly native white stock, about half of whom have a full-time farm background and consider themselves primarily farmers. Many residents of the area are former coal miners, who having been unemployed for many years following the shut-down of a portion of the coal operations in this section, have made their homes on farms.

It is too early to determine what adjustments people displaced from this area will make. The majority, who have already moved, are living temporarily with relatives or in nearby towns and are waiting until they can make some kind of permanent relocation. Most of the displaced farmers are owners, and will have the cash to buy other farms if available. Few farms are vacant in or near Williamson County. Therefore a considerable amount of subsequent displacement is expected to result a little later on when the evicted families relocate.

It also is too early to determine how many of the families will quit agriculture. The country Farm Security Administration supervisor estimates that 50 percent of the farm operators within the area will leave agriculture temporarily, but that probably three-fourths of them will eventually resume farming. The State employment service and the War Department have indicated that they will give preference for jobs wherever possible to people evicted from the area.

Local Farm Security Administration representatives doubt, however, that all will find employment in the plant. Many skilled workers have been brought in from other sections. Union affiliation is necessary for employment. A survey of the area within a radius of 40 miles showed there was a local supply of 6,000 construction workers available, thus leaving a deficiency of 4,000 at peak employment. Some of the displaced people have not yet made any effort to obtain employment at the plant because they have farm work they wish to complete. Others apparently are not interested in doing construction or industrial work.

ACQUISITION OF THE LAND

On August 25, the local Farm Security Administration representative contacted the land acquisition agent, and found that tentative boundaries had been set for the defense site. The appraisals were made by six men with from 11 to 18 years' appraisal experience, detailed from the Federal Land Bank of St. Louis, Mo. This crew spent a week in the county before beginning to make appraisals, studying various records. In each case, at least two men made independent appraisals of a single farm and their appraisals were compared and thoroughly gone over in staff meetings before a final figure was determined.

Separate appraisals were made for crops. Much of the corn grown in the area is still standing. In the option contract the owner reserved the right to remove the crops, but if the crop was still there at the time possession was taken, the farmer was paid at a rate agreed upon in advance.

Tenants in the area were given no compensation directly by the War Department. In each case an agreement was made by the landlord and tenant in dissolving the contract between them, whereby the tenant was compensated by the landlord for losses incurred. No damages were paid either owners or tenants for losses and expenses incident to moving.

Both Land Acquisition officials and farm-agency representatives in the county feel that the appraisals were fair. However, the cost of moving and getting settled elsewhere is prohibitive to the poorer families and a few families have refused the terms offered. More difficulty is anticipated in acquiring the remainder of the land, because it is poorer than the first tract taken, and its occupants, facing prohibitive moving expenses, have taken the attitude that they should be paid as much as those on the better land, because it all is to be used for the same purpose, and they will be unable to purchase an equivalent farm outside the area with the money their land will bring, due to inflated prices outside the area.

Very few cash crops are grown in Williamson County. Most of the cash income is from sale of milk and livestock. The only crop which could not be harvested prior to location of the plant was corn, and even some of this will be harvested by the farmer owners of the land. Some will be harvested by the War Department under contract, and some were destroyed because they were on building sites needed immediately.

RESETTLEMENT

Farm Security Administration has taken an active part in the attempt to resettle displaced families. On September 10, Farm Security Administration supervisors, county farm advisers, and representatives of the Extension Service, Soil Conservation Service, and the Land Acquisition Office, discussed a plan for relocation, including obtaining storage space for farm equipment and caretakers for livestock.

A complete survey of the area by the Farm Security Administration was arranged. The Farm Bureau furnished an office in Marion, Ill., as temporary headquarters and as a clearing house for information to farmers in the area. Interviews by Farm Security Administration with 150 families in the defense site area were arranged by letter. Only 25 responded. Few of the 25 had made definite arrangements for purchase of other farms because they could not learn exactly when they would be evicted. They disliked to borrow at 5 percent from one Government agency while another Government department owed them money which would draw no interest. Families in the area seem to not realize the seriousness of their problem.

The major service of Farm Security Administration has been to compile a list, in cooperation with the farm adviser, of farms available for purchase or rent nearby.

On September 22, 1941, an additional supervisor was added to the Farm Security Administration county staff and placed in the office at Marion. He has made an effort to contact each family in the area as soon as option was taken on their property, to learn their plans and offer them the aid of the Farm Security Administration. He reports that virtually all the tenants he has contacted—about 30—will need grants to pay for moving and relocating. He estimates that at least 10 loans also will be necessary. There have been few applications for tenant purchase loans because of the inflated value of farm land within the county.

Notices of farms for sale from surrounding counties and more remote areas have flooded the Marion headquarters, but their prices generally are out of line with their value. Farms for rent are scarce.

The Illinois Defense Relocation Corporation is acquiring some 11,000 acres in Alexander and Pulaski Counties, which will afford family-size farms on good productive land for some of the families displaced in Williamson County. Two Farm Security Administration borrowers from the ordnance site already have asked for relocation farms in Pulaski County.

Local farm agencies' representatives anticipate that the great pressure for relocation will come later in two waves: The first, following actual removal of the majority of families from the area, and the second following curtailment of employment in construction of the plant.

HOUSING

The housing situation for low-income people has become serious. Rentals have doubled within 3 months. Many tenants, both on farms and in villages, have been or will be forced to move as a result of an increase in rentals. The older people are suffering most because of their inability to obtain high wage employment to meet the rising cost of living.

REPORT OF FLOYD REED, WILLIAMSON COUNTY SUPERINTENDENT OF OLD-AGE ASSISTANCE

Floyd Reed, Williamson County superintendent of old-age assistance, told a story of acute distress in the county since the shut-down of a portion of the coal operations 15 years ago. At one time 40 percent of the people of Williamson County depended on one kind or another of public aid. It is over 100 miles to the nearest industrial center, and other employment has not been available within the area. People heretofore have been unwilling to leave the area, and have preferred to remain on relief or on subsistence incomes rather than live elsewhere. At the present time, he said, Williamson County has the fifth largest old-age assistance load in Illinois, with a case load of 2,400 clients. They received \$55,000 from September 1940 to September 1941.

Reed has had in mind for several years the development of subsistence homes on a 10,000-acre tract owned by the Madison Coal Corporation in the north end of the county, within 6 to 10 miles of the ordnance plant. On this plot are now

a few tenants living in dilapidated buildings and attempting to farm the area. The soil is poor but could be built up with a few years of constructive practices.

Reed believes this property could be obtained by Farm Security Administration or some other public agency and split into subsistence farms with small homes built on each unit. On these homesteads, he feels, low-income families and old-age-assistance clients could make a much better adjustment than heretofore. There are some 50 old-age-assistance clients living within the defense area who could advantageously move to such a project, he says.

REPORT OF E. S. TIDWELL, WILLIAMSON COUNTY RELIEF ADMINISTRATOR

E. S. Tidwell, Williamson County relief administrator, explained that one of the reasons for shut down of large coal operations 15 years ago was a labor dispute involving considerable violence. Since that time about half the labor of the county has been unemployed. Hence the pressure to locate a defense plant here.

However, Tidwell advises that employment of local people is not proceeding as fast as was anticipated. On October 8, 1941, from a list of 1,000 names of employees in the plant, submitted by the Illinois State Employment Service, only 16 had been taken from local relief rolls.

There have been 2 Work Projects Administration projects in the Crab Orchard conservation area which have employed 1,500 people, but now 700 of these have gone to work in the defense area, and the Work Projects Administration force has not been increased.

Tidwell says much pressure has been put on him recently to cut relief rolls in the county, but he contends he cannot do so because of inability of the relief families to obtain employment. One of the greatest obstacles, he said, is the \$25 initiation fee required by the union, a portion of which must be paid before a card is issued. Most of those on relief have no capital and hesitate to try to borrow the money since there is no definite assurance that they will obtain work if they join.

Tidwell reported that the increase in living costs, both food and shelter, has worked hardships on relief clients because he has been unable to allow them any larger allowances. Some have already been affected and he predicts that many more will be; and that they will be on the street with no available place to sleep unless some action is taken quickly.

CASE NO. 1

This family—a man 40, his wife 34, and five boys and a girl, ranging in age from 1 to 14—had been living on rented land in the plant area. Their main income had been derived from Work Projects Administration work. With the help of a Farm Security Administration grant, they moved to a family-type farm nearby when they were evicted. The farm was made available through a temporary-use agreement issued by the Soil Conservation Service, which is in charge of the Crab Orchard conservation project on which the farm is located.

The Farm Security Administration also advanced this family a standard rehabilitation loan of \$1,210 to enable them to begin farming operations. With this money the family purchased among other things 10 head of cattle, \$600; 3 horses, \$120; 2 hogs, \$30; 100 chickens, \$50; and machinery, \$100.

Some of the machinery and a bull were purchased cooperatively with another farmer in the area, stretching their funds. This family is very industrious. Although their large garden was cut down considerably by the drought, they managed to can 422 quarts of fruits and vegetables this year. The head of this family expects to get work in the ordnance plant area soon.

This family hopes to move to land in Pulaski County which has been purchased by the Illinois Defense Relocation Corporation.

CASE NO. 2

This family—consisting of the father, 36, mother, 28, a boy, 6, and two girls, 10 and 5—lived on the income from a Work Projects Administration job until early in 1941 when the Farm Security Administration made them a loan and helped them get started in farming.

They farmed on land in the ordnance area under the temporary-use agreement issued by the Soil Conservation Service. Their assets consist of one horse, \$120; cattle, \$620; hogs, \$95; chickens, \$50; machinery, \$100; and food and feed on hand, \$96. Liabilities consist of the Farm Security Administration loan of \$890 and \$70 in other debts.

With the aid of a Farm Security Administration grant the family has moved to another farm in the conservation area. The family head is seeking work in the ordnance plant. The family is short on feed for the livestock because of the summer drought. They plan to move to one of the farms that will be made available by the Illinois Defense Relocation Corporation. The land will not be available until January 1, 1942.

CASE NO. 3

This family—a man 50, his wife 40, and three children—lived in a log cabin in the defense area which they have been forced to leave. A married daughter has been living with them intermittently during the past year.

The head of this family is in poor health and unable to do much hard labor. As a result only a very small garden was planted and but 9 quarts of vegetables were canned. However, 288 quarts of fruit were preserved. This family had only 32 acres this year, field rented from neighbors.

This family upon being evicted from the defense areas has rented a 40-acre farm in Jackson County, obtained a \$972 standard rehabilitation loan from the Farm Security Administration, and purchased several hundred dollars worth of livestock, machinery, and feed. The 40-acre farm which they rented is of poor productivity, but the landlord, anxious to begin a program of soil improvement on the farm, has agreed that most of the rent can be worked out in soil-building practices.

CASE NO. 4

This man, 25, his wife, 21, and two boys, 5, and 3, had a Farm Security Administration rehabilitation loan for the past 3 years but made little progress because the man is in poor health.

This man moved from his farm to a farm inside the ordnance plant area 1 month after it had been publicly announced that the area would be used for defense purposes. However, he claims that his landlord told him that the farm was not to be included in the area. Now it is necessary that this man move out of the area within a few weeks, and he has not been successful in finding another farm.

CASE NO. 5

Notified to move from the plant area within the next 6 weeks, this man explained that he and his wife, both of whom were receiving old-age assistance, were living in a small bungalow near where their son was farming. He explained that they had always lived as near as possible to their son and that they could not bear the thought of moving, breaking up their present living arrangement, and being separated from their son.

He said their situation was desperate because he and his wife had been unable to rent an ordinary house without paying a rent that was beyond the amount they received in old-age assistance. Rents, he said, which had been \$10 and \$15, had now jumped to \$30 and \$35. He reported that he had been searching for such a home within his means for 2 weeks and could not find any.

ANKENY ORDNANCE PLANT, POLK COUNTY, IOWA

In the heart of Iowa, on the outskirts of Des Moines, this small-arms plant and rifle range of 4,340 acres has displaced about 92 families, only 32 of them farmers. The remainder occupy tracts ranging from city lots to 10 or 12 acres. Twenty of the farm families are owners and 12 are tenants. The land varies from poor timberland to grade A level land—but the largest part of the area is good soil.

This area was acquired by condemnation, and some families were given little more than 10 days' notice to move. Nearly all residents of the ordnance plant areas have moved, but families living on the rifle range site are still in their homes, subject to eviction on 10 days' notice.

Most of the displaced farmers have purchased or rented farms for next year, and two are moving to the relocation farms purchased with Iowa Defense Relocation Corporation funds in northwest Iowa. They will move March 1, 1942, replacing tenants who have made other arrangements for the coming crop year.

For a full report on Ankeny refer to the Omaha hearing of November 25, 1941, and the testimony prepared with the cooperation of Farm Security Administration County Supervisor A. H. Beekhoff and Polk County Agent Herman Hays.

IOWA ORDNANCE PLANT, DES MOINES COUNTY, IOWA

About 20,000 acres of farm land was taken for the site of the Iowa ordnance works, a shell-loading plant in Des Moines County, Iowa. One hundred and ninety-five farms were purchased by the War Department, displacing 191 families of which 98 were owners and 93 tenants. The range of size was from some garden plots to 320 acres, averaging 100 acres.

Nearly all the families displaced have had a full-time farm background and have intended to pursue farming as a permanent occupation. About two-thirds of the area has excellent soil, better than average quality for the State. Farms in this area are valued at \$15,000 to \$20,000. The other one-third of the displacement area has a poorer quality soil and below-average farm value and income. Most of the Farm Security Administration borrowers in the area are on this poor soil.

Of the 191 families displaced, it is known that 78 had located on nearby farms by March 1, 1941, thus forcing off 78 operators of these farms. Further subsequent displacement resulted when these families in turn went out to seek other farms. Several Farm Security Administration borrowers have been forced to move because displaced families or subsequently displaced families have purchased the farms they were occupying, or rented them at higher rates. The final effect of this series of displacements has been and will be felt most severely by low-income and marginal operators.

At present there are practically no suitable farms available in the area, though many persons are looking for farms either for purchase or rental. Both land values and rental have increased as a result of this greater demand. One Farm Security Administration borrower is willing to pay \$1,000 a year rent for an 80-acre farm on a main highway, because of its convenience for the marketing of milk.

A survey on March 1, 1941, showed there were 17 tenants working in the defense area, most of whom had ceased all farming operations. A few were attempting to carry on their farming in addition to their defense jobs. It is believed most of them plan to return to farming as soon as the construction work is completed. Many others have taken employment in the defense area since March 1, but subsequent surveys have not been made.

Construction reached peak employment July 12, 1941, when 13,000 were at work. In November construction is scheduled to be completed. The permanent or operating employes at that time are to number 9,000, of which 2,000 will be women.

On March 1, 1941, 32 owners displaced from the area had retired and were residing in villages or cities. According to the Chief Clerk of the Ordnance Department, people with farm experience will make excellent permanent employees in the plant because of their training in manual skills on the farm. A news story printed last spring stating that farm people would be given preference for jobs brought many more applications from farm people than there were jobs.

Generally speaking, most of the farm people in this area consider themselves primarily as farmers and regard work in the defense plant, whether on construction or operation, as a timely expedient for earning some ready cash. For those well-fixed and owning their own homes nearby, defense work has proved an economic advantage. But for low-income farmers and for tenants the short period of high wages received in the defense plant construction has had a generally demoralizing effect.

ACQUISITION

The War Department made cash payments for farms purchased and for damages as a result of having to move. These payments were made both to tenants and owners and were acceptable for those on large farms, but wholly inadequate for tenants on smaller farms.

The policy of the War Department in purchasing was to try to give the owners a fair market value or even slightly more, but many of the displaced farmers felt that more was paid for farms in the area needed for immediate development than was paid for like farms not needed immediately.

Farmers felt that they should have received the prices set in the options. In one case three reductions of \$1,000 each were made before final purchase of a farm not immediately required.

Most of the tenants feel that the damages allowed them were wholly inadequate to compensate for the direct and indirect losses of moving. Several were paid a flat fee of \$25. They say that little consideration was given by the purchasing agent to their request for legitimate damage payments including expenses of

moving, forced sale of livestock and machinery, and expenses involved in finding a new location.

Farmers in the area first heard of the defense project through an article in the Burlington Gazette in the fall of 1940, stating that the Government had approved the acquisition of the site. A short time later Colonel Valiant spoke at a general meeting of farmers in the area and described the policy the War Department would pursue in purchasing the land. It was then that he stated that land would be purchased at market value and that the War Department would "lean over backwards" being fair to the farmers.

He introduced a local real-estate agent as purchasing agent for the project. It was stated that the project office would be open within a few days and it was hoped that all the farmers would come in to negotiate for a settlement. A local board of real-estate agents went into the area to appraise the farms, usually accepting a farmer's statement of the value of his property. The whole winter was consumed in carrying on these negotiations and although March 1 was set as the dead line for final approval, all payments were not made until April.

When they first heard of the probability of location of the plant here, a committee of farmers from the area went to Washington and attempted to persuade the War Department to locate the plant elsewhere. They presented facts showing the high value and capacity of the farms within the area and statistics of agricultural production. They presented a set of photographs showing the expensive farmhouses, farm buildings, and landscaping which had been done in the area. However, they found that the decision for location already had been made and there was to be no reconsideration. The War Department explained that it was necessary to have a level area for plant operation, and gave other reasons for selecting the site.

Few crops were lost as the result of the defense plant location. Most of the construction work and displacement took place after the harvest season. The only direct losses were in alfalfa and other hay crops. One of the principal difficulties was finding a suitable place for keeping livestock and maintaining milk production until a new farm could be located.

Farmers have complained about the maintenance of the unused land within the defense projects, especially the growth of weeds which might spread to farms outside the area.

RESETTLEMENT

The county Farm Security Administration supervisor has been active in aiding displaced farmers to readjust themselves. All United States Department of Agriculture agencies cooperated in the organization of a county planning committee which promoted activities designed to aid displaced families. This committee maintained an office at Burlington until the movement of farmers from the area was completed. Some of the functions handled through this office were to help displaced farmers find other farms to which to move, to post a list of farms available for rent and for sale, and to help in providing storage facilities for farm machinery and temporary locations for livestock in order to avoid sale of these at a sacrifice. A circular listing advertised articles for sale was distributed throughout the State in an attempt to provide a better market for them.

One of the most valuable services performed by the committee was obtaining jobs for displaced tenants in desperate need of financial aid. The Farm Security Administration supervisor contacted the War Department and the construction contractor and was able to obtain jobs immediately. In only one case was it found necessary to give direct aid.

A subcommittee was formed to conduct a canvass of farmers in the defense area to determine their status, prospects for the future, and their desires for relocation. On the basis of this survey it was possible to aid many in obtaining satisfactory readjustment. Members of the subcommittee also attempted to aid the tenants in getting equitable settlements, and the Farm Security Administration supervisor took numerous families around to inspect prospective farm sites.

Throughout Iowa there has been a surplus of farmers and a shortage of farms for the past 5 years at least. The scarcity of available farms has been attributed to increased mechanization and increase in the size of farm holdings, migration from other States, and other causes. Location of the defense plant here has aggravated the scarcity in this part of the State.

During the past few years Farm Security Administration borrowers and other hard-pressed tenants have had to locate on relatively poor land. As a result of the defense project, some farmers who were on excellent land have been forced to locate on mediocre or poorer land outside the defense area.

EFFECT ON NORMAL FARM SECURITY ADMINISTRATION PROGRAM

The normal program of the Farm Security Administration in Des Moines and Lee Counties had to be increased by the ordnance plant. A few of the borrowers paid off their loans as a result of work in the defense plant by someone in the family. In other cases, however, the defense work has had a demoralizing effect. A family which was on its way to becoming self-sufficient on the farm would lose its interest in farm enterprises and turn entirely to defense work. The ready money obtained from defense jobs soon disappeared, mainly through channels of high rent and higher cost of living. Already many construction workers have been discharged some of them practically without funds.

Demands on Farm Security Administration personnel have increased greatly. For several months the Farm Security Administration county supervisor spent nearly full time on work relating to displacement. It was necessary to transfer another man to the county as assistant supervisor. An addition also had to be made to the office staff to handle the increased demands on time.

For the present, financial needs for loans and grants have not increased, but it is a certainty that they will increase following curtailment of employment at the ordnance plant.

Other services of the Farm Security Administration suffered from lack of opportunity to give them proper attention prior to the increase in the staff.

EFFECT ON FARM LABOR

While a number of instances were reported where hired farm hands have left the farms to take defense work, few if any crops were lost as a result of a scarcity of labor. There is, however, an acute scarcity of housing in the area, especially at the low rental brackets. According to information received, some of the houses formerly occupied by farm laborers are now occupied by defense workers at higher rentals.

It was difficult to hire labor under substandard conditions. To attract a sufficient number of farm workers, it was necessary for farmers to offer wages and housing facilities satisfactory to the farm worker. Farm workers from nearby States, seeking employment in the ordnance plant, but unable to find work at the time, were directed to farmers. In one case the county agricultural committee encountered a number of farm laborers from Kansas and surrounding States unable to find work in the ordnance plant. The committee helped in placing these men on farms.

Machinery dealers in the area report a tremendous increase in sale of farm machinery, particularly tractors and corn pickers. The corn pickers have been purchased partly as a result of the scarcity of cheap hired labor, and it appears that they may displace many farm workers permanently.

IOWA ORDNANCE PLANT, DES MOINES COUNTY, IOWA

CASE NO. 1

Without public aid and with few resources, this man, who has a deformed hand, had been supporting his family of three by raising truck crops on a 12-acre place which he rented, and by working for wages for other farmers whenever possible.

This family possessed only some chickens, a cow, some farm tools, an old car and a few household goods, and considerable trouble was anticipated in relocating them. It was thought a Farm Security Administration grant would be necessary for them, but the Farm Security Administration supervisor obtained surplus commodities for them from the county relief office, and the family head found work at the ordnance plant, and held it despite his deformity.

The family is to receive \$50 to \$100 for damages with which they will try to buy an equity in a small tract.

CASE NO. 2

Owning a cow and growing a large garden, this family subsisted on a patch of land with the aid of Work Projects Administration wages. When the land was taken for the ordnance-plant site, they were given 3 days to move off. They agreed to take \$50 for moving expenses. The Farm Security Administration loaned them \$30 to purchase a trailer house, and enough to buy a pressure cooker. They are to repay this loan when they receive the \$50 disturbance money.

The house they have rented at \$10 a month is inadequate to house the family, which includes four small children. The trailer house is to be used as supple-

mental living quarters and later will be used as a farm building. The head of the family has obtained employment at the ordnance plant, and two of the older children are employed with National Youth Administration in Burlington. They feel that they have an opportunity to save some of their wages and use them to get established on a farm when the defense work ends.

CASE NO. 3

Because they had done so much to build up the poor farm which they had been renting for the past 2 years, this family received almost \$1,000 in disturbance payments from their landlord when they were evicted from the plant area. They rented a farm temporarily, but plan to make a down payment on the purchase of another farm with the \$1,000.

They are Farm Security Administration borrowers, but are current on all their payments and have acquired a good foundation of livestock. They are now in an excellent financial position to buy a farm of their own. Two years ago, before renting the farm from which they were displaced this family had been making a living by working for monthly farm wages.

CASE NO. 4

Slowly and painfully this family had increased its accumulation of farm goods until they had gotten together two horses, a calf, a sow, and some pigs. They also had borrowed two cows from relatives, along with some farm implements. They depended upon Work Projects Administration labor for their income, but they wanted to become tenant farmers. They had visited the Farm Security Administration county supervisor and, with his encouragement, were preparing to make the transition. They hoped to obtain a Farm Security Administration loan shortly to pay for the additional equipment and materials they would need to begin farming operations.

But the ordnance plant changed all that. They were evicted from the tract on which they were living, which was on the plant site. They were not farming, and received only \$100 disturbance payments from the landlord. The head of the family obtained work on a construction crew at the ordnance plant, but they were unable to find another home. For a time it was thought the Farm Security Administration would have to lend them enough money to rent some land and build a temporary shelter, but they finally found a run-down farmhouse which they were able to rent very cheaply. They had to spend their \$100 disturbance money making repairs on the place.

As long as the defense employment lasts this family may be able to save some money. But when it ends, like so many other families, this one will be in a quandary.

FORT LEONARD A. WOOD, PULASKI COUNTY, MO.

Sprawling Fort Leonard A. Wood, an Army camp and artillery proving ground in south-central Missouri, occupies 86,000 acres of land, all but 280 acres of it in Pulaski County. A forestry project supplied 16,000 acres of land, already Government-owned, and the remaining 70,000 acres were privately owned. The 280 acres is in Laclède County. About 7,000 more acres, which originally were optioned in Texas County, were not purchased.

One hundred and ninety-two farms were absorbed and 325 families displaced, half of them tenants. The land was poor, hilly, rocky, and sandy except for a small part which was very good river bottom land.

First appraisals were made by Forest Service representatives, and payments were made promptly to the first group of about half the farmers. Later, however, the War Department took over acquisition and instituted condemnation proceedings, cutting the original appraisals 10 to 20 percent.

About 80 percent of the land was taken before new crops were planted, and after most of the small grain and hay had been harvested. Some 16,000 acres were taken after the winter small grain was planted. Corn was the only crop left standing when the land was acquired. Crops were appraised separately, and their value deducted if harvested by the farmers.

In Texas County some confusion and loss resulted from the taking of options and failure to purchase. Two farmers actually sold part of their acreage to the Government and were paid. At least two, before they had been paid, bought new farms and found themselves with two farms.

Some 50 displaced families moved from Pulaski County to Texas County, and about 100 moved to Dent County. None of these 150 families moved many miles from their former homes.

Active Farm Security Administration borrowers dropped from 196 on November 15, 1940, to 118 on October 15, 1941. Thirty-five of the seventy-eight dropped from Farm Security Administration lists have paid up their loans, and 43 others left the county or liquidated their farming operations. Collections from borrowers increased greatly. From October 1, 1940, to October 1, 1941, collections were \$30,000, which is double the amount collected the previous year.

About 95 percent of Farm Security Administration borrowers in Pulaski County were employed in construction of the camp during its peak. Some, with little experience in construction work, were classified as skilled laborers and were paid a minimum of \$1 an hour. A base rate of 55 cents an hour was paid for common laborer. In Texas County the case load has not changed appreciably, and payments have increased only slightly. For the most part, Farm Security Administration borrowers in adjoining Texas County are spending money earned from the camp on food and living expenses, or buying household goods and equipment which they need.

In both Texas and Pulaski Counties the defense boom had a marked effect on the morale and manner of living of the people. These are Ozark Hill folk who have lived in the same spot for two or three generations, and who have, for the most part, seen little cash during a year and never have been more than 30 miles from home. The sudden shock of being moved out of their homes involuntarily and the opportunity to earn high cash wages has been a rude interruption to their pattern of living.

At least one suicide and one death already have been attributed indirectly to the effects of this interruption. Much family discord also has been reported, and suits for divorce have multiplied. The Texas County Farm Security Administration office has become virtually a family relations bureau upon several occasions. Usually quarrels over disposition of money earned in camp construction seem to be the dominant factor.

Generally, Farm Security Administration representatives in both counties feel that their rehabilitation programs have been injured and effects of the location of the camp here will be detrimental to the inhabitants in the long run. Gardens have been neglected, home canning greatly reduced and constructive farm practices abandoned. In the southern part of Texas County, however, such a sound program of soil building has been promoted during the past few years that the general effects of the defense program accelerated conservation practices. In a few cases, families have made constructive use of the money earned in camp employment.

It is estimated that at least half as many subsequent displacements have taken place as original displacements. To give one example, Frank Carroll owned a farm in the defense area. Evicted, he purchased the farm on which Lee Teeter was a tenant. In turn, Teeter purchased by contract the farm on which Virgil York was tenant. York rented another farm which was not desirable because of lack of water for his livestock, and he had to move again. Two of these families are Farm Security borrowers.

A larger percentage of secondary and subsequent displacements have been tenants and it has been necessary for them to take the poorer farms and in many cases double up with relatives on land which is not desirable for farming.

The frequent sales recently indicate that the people are not able to provide feed for their livestock and are holding public sales to dispose of it. On October 16, 1941, three public sales were held in Pulaski County. Two of them were forced because of lack of feed indirectly caused by displacement of families from the defense area.

EFFECTS ON FARM SECURITY ADMINISTRATION FAMILIES

A Farm Security family operated a 160-acre non-resident-owned farm. He was very cooperative and anxious to continue farming, but was unable to do so because the owner found it advisable not to lease the farm for 1941, desiring to keep it available for immediate sale. So this borrower, about 60 years old, and his wife had to move in with a son-in-law, also a Farm Security Administration borrower. Another daughter of the older couple, her husband and two children, also are living in the same house. This seems the only way they can get by financially as rent is extremely high on any house which is suitable for living purposes and the three families have pooled their resources and rented a large house and are trying to live together.

Approximately 50 farmers have left agriculture to work at the defense site or other defense-created jobs. Most of them were tenants. Work seems to be available for all who are physically fit and desire it.

Pulaski County supervisors feel that the case load for Farm Security Administration will be reduced as long as Fort Wood is in operation. In late October there were still 2,500 construction workers at the fort. The number reached 36,000 at peak employment in February 1941. There will be about 5,000 permanent employees when the fort is completed, sometime early in 1942.

ACQUISITION OF LAND

Land for the Fort Wood site was obtained by option and by condemnation. The Forestry Service was in charge of appraisals and optioning in this area at first. The steps taken were somewhat as follows: Appraisal was made by a Forestry representative and if possible an agreement as to price was reached, with the farmer signing an option agreeing to accept the amount as full payment. However, this was not binding on the purchasing party, as in many cases options which were taken were later rejected and the amount sometimes reduced from 10 to 25 percent. Payment on the land when options first were being taken up came through within a reasonable length of time. Later payments were slow and in some instances condemnation proceedings were started, which made it necessary for the owner to accept the amount set up in Federal court or wait for an indefinite time to receive payment.

After most of the original area had been acquired, an additional 16,000 acres was needed. In some cases money for payment has not yet been received. This is due to title clearances, but mostly it applies to those farmers who were not willing to accept the amount set up in Federal court for their land.

In some cases where land has not yet been paid for, it has been necessary for the families to live in temporary quarters, although this has not been a serious problem as most families have been able to make arrangements for sufficient funds to make a down payment on the farm which they are acquiring. Possibly the worst phase of this is the fact that they have to pay interest on the money they are borrowing and they do not receive interest on the money coming to them from the Government.

HOME SUPERVISOR'S NARRATIVE

The following is a narrative written by the Pulaski home management supervisor of the Farm Security Administration during the dislocation period:

"Picture if you can our little town of 392 people nestling under the bluffs of the beautiful Roubidoux and Gasconade Rivers being changed almost over night to the hustle and bustle of a city.

"It was almost unbelievable that such a thing could happen to us. Imagine the excitement and furore that was caused when the word got around that an Army camp was to be built right in our midst. Most of us could not conceive of such an enormous building program.

"Since there were 304 families living in this camp area something had to be done about getting them out.

"A survey was made by six Government agencies: The Farm Security Administration, Production Credit Administration, Social Security, Extension Service, Bureau of Agricultural Economics, and the Agriculture Adjustment Administration. The following is the result of the survey which was completed December 19, 1940:

Farm Security Administration borrowers.....	17
Potential borrowers.....	15
Nonpotential borrowers (loans).....	50
Nonpotential borrowers (grants).....	42
40 percent of total families.....	124
Old-age assistance.....	16
Aid for dependent children.....	29
14.8 percent social security group.....	45
Production Credit Association or 5.6 percent.....	17
15.5 percent need help in locating farms.....	47
16.4 percent need no aid.....	50
3.6 percent refused to give any information about their conditions.....	11

"Farm Security Administration was thus responsible for 124 families, 42 of which needed help and counsel in order to get them out of the area.

"The 'boom' has given work to practically every able-bodied man in the area. Consequently they are going to stay in the area until they are literally 'scooped' out by one of the big steam shovels. Perhaps this is the first time they have ever had a chance to work and make 50 to 55 cents an hour for common labor. Of course, they receive more for skilled labor.

"One of our borrowers who lives out in the area applied for a job and got it, but before he could go to work he had to borrow a dollar to make the down payment to the union. He is paying \$2.75 out of each week's check until the full amount is paid. This is probably true of every man who is working. They seem glad to pay it.

"Most of the farm families have taken in boarders. It seems the average price per week is from \$8 to \$10. The laborers are happy to have a shelter over their heads and just any kind of meal. Some of them are living in cabins, trailers, tents, shacks, and in some cases old abandoned log houses. Just anywhere to snatch 40 winks before starting off to work again. In many cases the men never remove their working clothes for days at a time. Some are even sleeping in their cars. As a result of this exposure and overcrowded condition, there is a serious health problem and it is apt to become worse as conditions become more crowded and unsanitary.

"We are afraid that our people will neglect their livestock and other farm practices due to the fact they have defense jobs. This is one of the things we are trying to get them to see. This work will not last long and they cannot afford to neglect their farms. They say they intend to work long enough to pay most of their debts.

"I doubt if many of these people realize what a big task is before them in getting out of the area. Many of them are just sitting tight until the final 'get out in 10 days' comes. Then it will probably be necessary for the landlord to widen the steps of our office, as there will be 'weeping and wailing, and gnashing of teeth.' However, we are doing everything in our power to avoid such as this.

"We called a meeting of all the people in the area and most of them came out, but it was difficult to get any response from them. I believe I understand their position, as many are coming in daily asking advice and seeking our help. Some will need loans and to others, who have no equity in their land, grants will be given to help them move. They seem to be scattering and only need cash for moving until they receive their funds from this equity.

"Many of the families moving from the area are displacing those that live outside the area. Thus, in placing one family we have displaced another. Thus we go round and round in a vicious circle and our problem is not solved.

"Some of the families are pitiful. They homesteaded the 40, 60, or 80 acres on which they live and even though it is a humble two-room log cabin, it is home to them and they hate to leave it. I suspect there are several older people living in the area who have never been out of Pulaski County. It is a thing which they cannot conceive of readily and it will take time for them to adjust themselves to a new community, new neighbors and new work.

"It is touching to listen to the stories of these people. Tears running down the cheeks of a hardened-looking old person as he tells of his penniless condition and with starvation practically staring him in the face.

"Yet—not in one instance have I heard any criticism of our Government. They seem to feel that it is their duty to do this and they are happy to do their bit.

"We are glad that the Farm Security Administration is in a position to help these people at a time when they need it most—and are able to help them choose where they want to live, and to give them enough to live on until they can get started."

RESETTLEMENT

The Farm Security Administration has given grants to 36 families to assist them in moving from the defense area, repairing old houses and providing other temporary shelter for them. One family received a \$200 nonstandard loan for a down payment on a new farm. In many cases personnel of the Farm Security Administration gave information as to location of farms available and often it was necessary to take the family to look over buildings or a farm and help make other arrangements with the landlord for the family to become either temporary or permanent tenants.

It has been impossible to find suitable land for relocation purposes due chiefly to the extremely high prices asked by the present owners. In many instances prices for houses have been more since the starting of Fort Wood than the entire farm had rented for previously. In one instance a farm had been renting for \$75 a year, including house, garden, and 160 acres of land. After it was announced that Fort

Wood would be built in this county the owner asked \$25 a month for use of the house without the land or other buildings. In many instances houses are renting for two and three times as much as the farms originally rented for and very little or no improvement have been made in the buildings. Small houses of temporary nature have been set up over the entire area and are demanding prices that were unthought of before the construction days. It is necessary to pay at least \$40 a month to find a desirable room in which to live and in one house in Waynesville one room is renting for \$75 a month. Before the beginning of construction of Fort Wood these same rooms would have rented for about \$10 a month.

The program of rural rehabilitation has been upset as a result of the injection of the ordnance plant into an area which has been strictly agricultural. Often it was impossible for the supervisors to find borrower families at home. Frequently both husband and wife have taken jobs, farms are being neglected and farm and home programs ignored. The families who have continued their farm and home programs, however, have been able to can and adequate supply of vegetables and fruits and the county supervisors feel that these families with which they are working closely will have a more bountifully stocked cellar this winter than last, easing their cost of living and assuring them proper nourishment.

FARM LABOR

Very little farm wage labor has been used in Texas and Pulaski Counties in the past. Usually local small farmers and "squatters" have worked for the larger farmers in planting and harvesting seasons. Many of these have worked in the woods during the winter. Practically no migratory seasonal labor has been used in this area. Wages before the camp location were from 75 cents to \$1.25 a day. Rates are now from \$1.50 to \$2.25 a day, and labor is hard to find at that price. As a result, farm operators have had to work harder and trade work among themselves. Very little crop loss has resulted. More tractors and machinery has been purchased. It is estimated that total farm production in Texas and Pulaski Counties will be reduced about one-third as a result of a large portion of the farm people working in the camp.

LIVING CONDITIONS

The cost of living is higher, and general housing and sanitary conditions worse in the Fort Wood area than in any of the others included in this report. Waynesville, the town nearest the camp, was a sleepy backward village, with neither water nor sewer systems. Overnight it became a town of several thousands. Housing and food costs skyrocketed. A small farmhouse with a few acres of poor land was sold for \$1,000. The purchaser rented it for \$25 a month to another individual, who in turn rented beds in three shifts per day for a net profit of \$85 a month.¹

No public housing of any kind has been provided, and little control over rents and sanitary conditions has been exercised.

All business houses on the "square" at Waynesville have changed hands within a year and are now operated by persons from other counties, most of whom have been making exorbitant profits.

FORT LEONARD WOOD, PULASKI AND TEXAS COUNTIES, MO.

CASE NO. 1

This man, 26, his wife, 21, and their year-old baby were renting a small farm in the Fort Leonard Wood area. With the tenant's disturbance fee, which they received when the Government bought their farm, he purchased 40 acres of rough land near Waynesville which had no improvements on it. He constructed a crude two-room shack into which they moved. He is working at carpenter jobs for 50 cents an hour whenever he can get them. He is dissatisfied and wants now to get on a Farm Security Administration defense relocation farm.

CASE NO. 2

This man and his wife, both 63, owned a 30-acre tract on which they had lived for 14 years. The wife receives a blind pension. She also suffers from cancer. They had farmed the land very little, although most of the timber and brush and been cleared. Most of their income had come from cutting timber, road work, and Work Projects Administration work. They received \$1,000 for their land, but their debts totaled \$1,300.

¹ See picture at back of report.

"I don't mind being put off my place if the Government will give us another one," this man said. "We are afraid to leave the State for fear the blind pension will stop, and we don't get near our share of commodities. I've signed up for a job and had two calls, but both times I was late in getting there so they hired someone else in my place."

This family ended up by buying a few acres in Carter County and moved there.

CASE NO. 3

Though they lived in a humble log shack, this man, 77, and his wife, 67, loved it and were reluctant to leave for a new community when Fort Leonard Wood displaced them. He had spent his entire life farming and had never received any public assistance, except for a \$36 Farm Security Administration grant, up to the time he and his wife began receiving old-age assistance. They had eight children, all away from home, and all unable to assist their parents. With the \$1,600 they received for their farm, this old couple purchased a few acres in Pulaski County.

CASE NO. 4

This man, 41, his wife, 39, and their seven girls were tenants on a farm owned by his father in the Fort Leonard Wood area. He had been a farmer all his life and had operated this farm in connection with the farms of his brother and father, making a total of 1,100 acres. The family lived in a 3-room house almost 75 years old. They are industrious and thrifty. They had an excellent garden and had canned more than 500 quarts of fruits, vegetables, and meats. They supplemented their farm income, mostly derived from the sale of hogs and cattle, by trapping fur-bearing animals during the winter months. They had \$75 worth of fur on hand when forced to move.

At the time of moving they had \$2,000 worth of farm machinery; 4 horses valued at \$350; 6 cattle valued at \$360; 57 hogs, \$195; 100 chickens, \$50; feed, \$1,030; household goods, \$75; food, \$200. They have a loan of \$600 from Farm Security Administration, owe \$200 machinery and \$12 in doctor bills.

The family made this statement upon leaving: "It was certainly a shock to us when we learned that we had to leave this farm. It is our parents' and we hoped it would be ours for the rest of our lives."

CASE NO. 5

A 48-year-old woman and her six children, ranging in age from 12 to 22, were displaced from the 62-acre farm they owned in the Fort Leonard Wood area. Their land was mostly in scrub timber. They had planted no crops last year and raised no garden, and they had no canned goods. Three boys, 19, 18, and 14, are at home; 2 children are in school, and the oldest one works at odd jobs and lives at home.

This family had 2 horses, 2 cows, a hog, and 24 chickens, valued at \$200. They owed \$220 on their land, \$7.50 to a doctor, a \$65 grocery bill, and \$14 to a mail-order house. Their income consists principally of aid for dependent children plus the small amount the oldest son earns.

The family moved to another small farm in the same county.

CASE NO. 6

A Texas County storekeeper optioned his store and its contents to the War Department for \$4,000. He also was paid \$2,000 for land he owned in the Fort Wood area. Acting on the strength of his option, this storekeeper purchased a \$5,000 farm in Laeclde County and used the \$2,000 he had received as a down payment.

After he had purchased this farm, he found that the fort area boundary would not include his store after all and that he would not receive the \$4,000. He had to sell his store anyhow, as his trade territory was completely ruined, but instead of receiving \$4,000 he received only \$150 when he sold out.

This man now finds himself living on the farm which he bought, with a mortgage of \$3,000 which must be paid in 2 years. He has little livestock and farm equipment and consequently little farm income.

CASE NO. 7

The mother and father in this family are tubercular and unable to work. Their two children suffer from malnutrition. They lived in a six-room house in the Fort Leonard Wood area. They owned no farm machinery. Their assets

consisted of five pigs, \$12; household goods, \$25; and automobile, \$40. They still owe \$30 on their car, a \$30 grocery bill, and \$260 doctor bill. Their only income is State aid, which they receive for their dependent children. They raised no garden and suffer from the lack of vegetables. The county court is planning to send the mother to a tuberculosis sanitarium.

The family has moved from the area to a shack the father built on a plot nearby.

CASE NO. 8

Although this farmer did not live in the fort area, he was forced to move from the farm he had been renting for \$100 a year because the landlord found it more profitable to rent just the farmhouse by itself to a Fort Wood employee at \$40 a month.

This displaced farmer, unable to rent another place, sold all his livestock and farm equipment, paid off his Farm Security Administration loan, and with his wife went to live with one of his daughters nearby.

"My wife and daughter plan to keep boarders. We figure on keeping 14 at \$10 a week. We ought to make a little on that and save some, too, by my working at the fort and drawing \$5 a day," this man said.

"For 30 years I have lived around in this community and farmed every year," he says. "I love the soil," he continued. "I love the smell of fresh earth, and to crumble it into my hand as the plows turn it over gives me a feeling of security and of contentment that I have never felt or experienced anywhere else. I want to get back on a farm if ever I can find one to rent."

CASE NO. 9

This widow and her two children who moved from their small farm in the Fort Leonard Wood area are having difficulty in adjusting themselves to the new community in Texas County where they bought another farm. Because they can't clear the title they are unable to obtain settlement from the War Department for their property in the fort area. They were to have received \$1,750 for their land and home, and have contracted to pay \$850 on January 1, 1942, for the farm they are now on. The family is collecting aid for their dependent children from the State.

CASE NO. 10

These two elderly people receiving old-age assistance had a farm in the Fort Leonard Wood area, with an established value of \$500. An option was approved for \$2,500. The family purchased a farm in Texas County, and had so much money left over that their old-age assistance was discontinued.

CASE NO. 11

This elderly couple, receiving old-age assistance, received \$2,000 for land in the fort area with an established value of \$500. They bought a thin-soiled farm in Texas County for \$800, and spent an additional \$500 for building improvements. They are well satisfied.

CASE NO. 12

The War Department gave this farmer in Texas County an option on his farm and advised him to move. He sold his 15 cows, 40 sheep, 4 horses, and machinery at a heavy loss at public auction. Acceptance was not taken on his option as his land was not needed after all and, as a result, he is left with a farm and about half enough money to restock it. In addition the price of livestock is now about 50 percent higher than when he sold his.

CASE NO. 13

This family in Texas County bought a farm on contract after the War Department had taken option on their land in the Fort Leonard Wood area. The War Department found it did not need their land and dropped the option. This family is now being sued for breach of contract.

CASE NO. 14

This is another case of a family suffering a financial loss because the War Department optioned their farm and later dropped the option.

After the land was optioned at \$8,500 the family contracted for a farm in an adjoining county which would cost \$7,500. However, the boundary for the Fort

Leonard Wood area was changed and their land not included, and the option was not accepted. But this family already had moved to the new farm, bought a new tractor, baled and moved the hay, and put out an oats crop. Luckily, however, there was another buyer for this farm, and this man was not sued for breach of contract. He had to pay the expense of moving twice, and lost the crops he had planted on the new farm.

CASE NO. 15

The boundary of the Fort Leonard Wood area originally included this farm and the War Department optioned the land. The family contracted for a new farm, but lost their contract when their old farm was not taken for the site. They claimed Army trucks had driven through their fences and allowed their cattle to get out of the pasture and roam, but that they received no compensation for the damage.

CASE NO. 16

This man and his wife and two children, evicted from their rented land in the fort area, moved to a 120-acre farm nearby where they displaced a tenant-farm family. The head of the former family obtained work at the fort. However, he and his wife separated and they decided to sell all their livestock and equipment to pay off their Farm Security Administration loan. Proceeds from the sale failed to raise enough money to pay off the entire loan. Later this man and his wife reunited and have rented a farm in northern Missouri near the Iowa line. They suffered a considerable financial loss.

REMINGTON SMALL ARMS AMMUNITION PLANT, JACKSON COUNTY, MO.

The Remington small arms ammunition plant in Jackson County, Mo., had an employment high of about 6,000 construction workers in July 1941, and 3,000 operating employees. By early November the number of construction workers had dropped to about 3,000 and the operating personnel is gradually increasing. The permanent operating staff has previously been reported as 16,000 but now about 6,500 is the accepted figure.

The plant, in the Kansas City area, absorbed 38 separate farms and displaced 30 farm families. It took a total of 3,135 acres. Eight of the farms were cultivated by families living outside the displacement area.

Seven of the displaced families were tenants, who occupied 1,260 acres. The owners occupied 1,875 acres.

About 65 percent of the owners were paid for their land. They were, for the most part, old residents in the area. The 7 tenant families had 17 children, and the owner families had 11 children. All but 1 of the owner-operators bought other farms in the same county. However, in doing so, they did not displace farm families elsewhere in the county who generally are on poor land. The land in the defense-site area was good, and brought a rather high price. Therefore the displaced owners were able to buy better land than that on which the bulk of low-income farmers are located.

The county Farm Security Administration supervisor listed 22 changes of location classed as secondary displacements, but was unable to keep up with the displacements of the nonborrower families. At least four of the owner-operators had other land to which they moved and constructed buildings without displacing anyone.

However, secondary and subsequent displacements disrupted the living pattern of a number of families and created some serious complications. The Farm Security Administration county supervisor in Jackson County reports one example of the havoc wrought by a string of displacements started when just one family has to move:

Mr. A was renting a farm from a life-insurance company. He was a good tenant and, when the insurance company sold the farm to a Mr. B employed by the munitions project, Mr. A was at once given the chance to rent another of the insurance company's farms, displacing one of their less desirable tenants. This farm, newly rented by Mr. A, then was sold to a speculator and Mr. A, having a great deal of livestock and equipment, became afraid that he was going to be without a farm. He then purchased, on contract, paying \$500 down, another farm from the life-insurance company for a reported price of \$865 an acre. A Farm Security Administration borrower, Mr. C, was renting this latter farm and was displaced.

The life-insurance company's agent took Mr. C to one of the insurance company's farms south of Lone Jack, which Farm Security Administration Borrower

John R was renting. The displacement of Borrower R would have been disastrous to him, and we prevailed upon the insurance company agent not to rent this farm out from under Borrower R. At present Mr. C is desperate and probably will buy on a shoestring a farm owned by another life-insurance company. This will in turn displace a Farm Security Administration borrower now living on that farm.

In his report, the county supervisor says: "All the displacements, taking a roundabout course, have wound up displacing a tenant rather than an owner. The final displacements often are problem cases and will all have difficulty locating a farm in this county next spring."

ACQUISITION OF THE LAND

The area taken for the arms plant was the richest section in Jackson County. The locality was essentially an agricultural community and only two of the displaced owners and none of the tenants have left the agricultural field.

In many cases, however, non-Farm Security Administration tenants or owners operating on an insecure basis on a small tract have taken advantage of defense jobs to subsidize their farm incomes. Of 46 Farm Security Administration borrowers in the county, only 3 are working at the plant who plan to quit agriculture entirely.

The farms were purchased and paid for by the Army Requisition Department and payments were made just as promptly as the titles could be examined and accepted. There are nine condemnation suits pending which involved some Jackson County roads and the Blue Springs water line.

RESETTLEMENT

Quoting again from the report of the county Farm Security Administration supervisor: "The difficulties encountered in finding suitable land are due simply to the fact that land is not available in family size tracts. There is plenty of land, but it is owned or operated in large tracts. We have, for instance, some 50 farms owned by wealthy Kansas City people, and these farms average over 600 acres apiece.

"These farms are playthings for the men and a means of spending money. We do not believe that anything has so shaken and disrupted agriculture in Jackson County as this continued purchasing of large tracts of land for country estates by wealthy city men. They know little of agriculture and usually turn the operation of the farm over to a management company.

"The program of the Farm Security Administration has been intensified by this defense plant. Good young clients are forced to obtain outside income from some source by reason of the fact that rentals have increased and are so high that they cannot make ends meet on the farm alone. This problem will increase even more, as the bomber plant in Kansas City and the other defense plants in this area are completed.

"The demands on Farm Security Administration personnel have increased and are putting forth every effort to get our borrowers out of debt with the added income which they have. We had to do a great deal of night visiting in order to contact borrowers who have been at work at the plant.

"There are about 125 collection cases in Kansas City who have, in the past 6 months, obtained work. It is necessary to visit them at nights or week ends in order to collect on their loans."

HOUSING AND TENURE

The housing problem was acute even before the defense project came in. City men with families are showing a tendency to move into the country, and they are financially able to rent farms from under the farm-tenant to use only as a residence.

There are no houses available for farm laborers. This situation has been discussed by the Jackson County labor board, of which the Farm Security Administration supervisor is a member. Board members have expressed the opinion that houses should be made available for trained farm laborers and their families. Among the 125 collection cases in Kansas City are some good farm families who would fit admirably into a farm-labor program.

The county Farm Security Administration supervisor, in his report of March 19, 1941, made this comment.

"We hope to be prepared for the new shock which we feel is coming next March in the matter of farms and rural dwellings. A large number of our borrowers are located and were located ahead of the arms project for 1941. Many of these have

been served with notice that the landlord will raise the rent or will require them to move in 1942. Unless farm income takes a marked curve upward, the renting of farms for agricultural purposes will be almost out of the question."

April 16, 1941, his report included this item:

"We feel acutely the need of a leasing association or some similar group to represent the need of lessors in this defense area. We do not hope to be able to forestall the displacement or the adjustments that must necessarily take place when a much larger portion of the county is suburbanized; nevertheless, we feel that the economies of the situation is going to create an acute social problem, for which no one can be held directly responsible, yet one which forebodes ill for a large number of people."

The county supervisor reported on January 31, 1941, an instance in which he was unable to solve an acute rental situation:

"We have one borrower for whom a small supplemental loan is being submitted. This man has been a manager of a large truck farm for 8 years and has had a fairly good salary. His wife boarded a large number of farmhands and when he last came to our office for a loan, it was because his wife was not physically able to continue to board these hands. He located on 40 acres of good land and his program last year was largely a truck farming venture. We made the loan for a \$7.50 per acre rental on a 3-year lease, an unusually high rental for ordinary farm land but low for truck farming. This year the supervisor felt something should be done regarding this 3-year lease at \$300 per year on this 40 acres. We contacted the landlord and she suggested that the client break his lease and find another farm as she had an offer of \$400, cash in advance for this location. This case is indicative of the situation throughout the county.

FARM LABOR

The shortage of farm labor has affected dairy farmers most severely in that many of their milkers and other hired men, formerly getting about \$60 a month and keep, have gone to work in industry at higher wages. Thus dairymen have been forced to employ older and less efficient men or to purchase milking machines. Actually many milking machines have been bought since June 1941. The Farm Security Administration supervisor believes, however, that dairymen in the area regard extensive use of mechanical milkers as uneconomic in the long run and that they will return to hand milkers when a labor supply is available.

There has also been an increase in the purchase of other types of farm machinery. The farm labor committee estimated that the number of milking machines now believed to be 300, would double to 600, and that the number of pick-up balers would double to 150. The purchase of corn pickers, hay loaders, electric equipment, and other labor displacing machinery has increased. Jackson County is already one of the most highly mechanized in the State.

During the summer there were various complaints of farmers concerning a shortage of harvest labor. However, since a large part of the wheat crop was lost and the price of potatoes hardly justified their picking, the actual labor shortage has not materialized. Even when the crops were normal the farmers have been able to harvest them. At the meeting of the county labor committee on October 13, 1941, however, it was estimated that there were 10,000 bushels of apples lying on the ground and that no one could be found to pick them. The opinion was expressed at this meeting that operations requiring extensive hand labor would be reduced in the future in this high-cost area.

Apparently so far, wages paid farm laborers have increased only slightly. Work formerly done by farm laborers has been left undone rather than completed at high wage rates. In the long run the farm labor committee feels that this condition will work a hardship on farmers in the area. A representative of the State employment service gave the opinion that a considerable number of farm workers, both from the immediate area and from greater distances, are being used in construction of the munitions plant and that a substantial number of farm people would also be used in the permanent operations. This same official states that there had been an acute farm labor shortage during the past season. There is very little seasonal labor utilized in this area, he said. The main demand was for potato pickers for 2 or 3 weeks in July and August. He said that many women and children were used in potato picking, but that none of these had been placed through the State employment service.

It is the opinion that the whole river bottom area between Kansas City and St. Louis eventually will be used for growing of truck crops, and that there will be an increased demand then for seasonal labor.

One situation was reported in which there was ample labor available within 20 miles, but farmers were unwilling to have them transported to their area. The

farmers had asked for potato pickers and Work Projects Administration was willing to release enough employees to do the job, provided they could be transported 15 miles. Some transportation arrangement or provision of housing facilities near the potato area would probably solve this situation. Housing of farm workers within the area would help the situation. In these homes could be placed the local labor hands and a portion of the 125 collection—only Farm Security Administration cases from Kansas, Colorado, and other sections of the Dust Bowl who are now living in the Kansas City area and have, for the most part, been living on relief until recently. Seasonal industrial employment, as well as farm work, would be available to people living in these labor homes.

The Jackson County Farm Security Administration supervisor believes the housing shortage in the area is especially acute at low-rent levels. In his report of August 20 he quoted the mayor of Independence as stating there were 17,000 unemployed in Jackson County and more than 50,000 applications on file in the Remington arms plant. Low-rent public housing is needed not only for industrial workers in the plant but for farm operators and laborers. It is proposed to locate an airport in the county available to Kansas City. If this project goes through it also will probably displace some farmers. Farm people in sites considered for this project have been fearful less they have to move.

REMINGTON SMALL-ARMS AMMUNITION PLANT, JACKSON COUNTY, Mo.

CASE NO. 1

These parents and their seven children were making excellent progress on a farm they had leased, when they were forced to move to make way for the ordnance plants. Their landlord offered them no compensation except the cancellation of that portion of the rent not yet due. However, the Farm Security Administration induced the landlord to pay them \$400 for disturbance loss and moving costs.

The family used most of this money for food and living expenses during the winter of 1940—expenses they would not have incurred had they not been evicted. Then in the spring of 1941 they located on a 40-acre tract and the head of the family obtained work at the ordnance plant. The family had to liquidate most of its property to pay off debts.

CASE NO. 2

This man and his family, who had been renting a farm in the plant area, could not be impressed with the seriousness of finding another farm to rent, and other displaced farmers rented all that were available. All but the house and garden of the farm this man rented had been taken by the plant. However, he could not remain there because the landlord rented the house alone for more than he had been getting for the entire farm.

This family finally found a 40-acre farm, and the family head obtained part-time work in the plant. They have obtained a 3-year lease on a 160-acre farm, starting in the spring of 1942.

CASE NO. 3

The landlord sold to the Government the land on which this family of 11 was living. The only farm they could find was one that had excellent land, but only a two-room house in poor condition. They are all living in these two rooms, hoping to be able next spring to move into a better house on this same farm which now is occupied by the elderly owner.

The family has done a good job of canning vegetables this summer for winter use, and has increased its inventory substantially. They have a cheerful attitude, and are making progress despite the odds against them.

CASE NO. 4

A farmer displaced from the ordnance plant site bought the farm that had been rented by a widower and his three children, displacing them. They finally found a poor farm on which they got a 1-year lease.

CASE NO. 5

This family of 14 is an example of secondary displacement. They had to move off the farm they had been renting when a farmer displaced from the defense area bought it. They finally located temporarily on 200 acres of fairly good land owned by the Federal Deposit Insurance Corporation. Their lease is such that they can be required to move at any time.

CASE NO. 6

This man, father of six and a Farm Security Administration borrower, was displaced by another Farm Security Administration borrower, who in turn had been pushed off his land by a farmer evicted from the plant area. He obtained another farm and thought he was located permanently. However, this farm has been sold and it will be necessary for him to relocate again.

CASE NO. 7

Mr. A, a good tenant, lived on a farm owned by a large insurance company until the company sold the farm to a man employed at the small-arms plant. Mr. A, forced to move, rented another farm owned by the insurance company. In taking this farm, he displaced the tenant then on it.

Again the insurance company sold the farm from under Mr. A, and for the second time he had to move. By this time he was worried, fearing he might be left without a farm. He owned considerable livestock and equipment, and stood to lose heavily if he were left without a farm. So he bought a farm from the insurance company at a high price and probably will have difficulty meeting the payments if farm prices should recede.

In buying this farm, Mr. A. displaced another tenant, a low-income farmer who also was a Farm Security Administration borrower. Now this borrower is hunting desperately for another farm, and may be forced to buy one on a "shoe-string" from another large insurance company in order to keep going.

CASE NO. 8

This is the case of a family which benefited from location of the ordnance plant here. They owned a dimly poor farm upon which they were unable to make a living. They had been able to keep going with the aid of the relief office and the Farm Security Administration. When the War Department acquired the farm for the Remington ordnance plant site, the family was paid \$5,750 for it. This sum should enable them to get a fresh start on a new farm on which they can make a living.

CAMP CROWDER, NEWTON AND McDONALD COUNTIES, Mo.

An investigator from our Washington Labor Division made a special visit to this area at my request. His report shows:

Sixty-six thousand five hundred acres of land are included in the site of Camp Crowder, in Newton and McDonald Counties, southwest Missouri. Acquisition of the site displaced 962 farm families.

Construction of the camp, which began in August, is just now approaching its peak. By mid-October 8,000 employees were on the construction pay roll and a steady increase to 12,000 construction workers was expected. When the camp is completed, however, there will be only 500 civilian jobs.

Evacuation of the area is not yet well under way. By mid-October only 160 families had received notices to evacuate the area, but by February all 962 families are expected to be out. The effect on the people and upon agriculture in these 2 counties will be disheartening. More than 3,000 dairy cows are being removed from the area. More than 66,500 acres of land are being retired from production. More than 900 farm families must pack up and move, find another place to live and make a livelihood. Eighty percent of them likely will not be able to relocate in the same trade area. Moving expenses will exceed \$70,000. Four schools will be completely discontinued, five others seriously affected. A loss of 30,000 pounds of milk a day in Newton County is predicted. Five milk routes will be discontinued. Five thousand acres of orchard fruits will be taken out of production, and at least 1,000 acres of strawberries. The chief and most dependable trade territory of the county-seat town will be wiped out. A loss in assessed valuation of more than \$1,000,000 is certain.

Of the 962 farms absorbed, 625, or 65 percent, were owner-operated, and 337, or 35 percent, tenant-operated. The owner-operated farms totaled 43,250 acres, and tenants operated 23,250 of the acquired acreage. The average size of owner-operator families was 3.1 persons; tenant-operator families, 4.4 persons. The average age of the head of the family on the owner-operated farms was 51 years; on the tenant-operated farms, 40 years.

SECONDARY DISPLACEMENT

It is inevitable that there will be a large amount of secondary and subsequent displacement in the area surrounding the camp site. There are a number of instances already which have come to the attention of Farm Security Administration personnel in the area, in which present tenants have received notice from their landlords to vacate at the end of this contract year because the farm is for sale, and vacated property is more readily marketable than occupied property. In other words, the owner of the land is taking full advantage of the boom in real-estate prices and wishes to be in a position to give immediate possession if the property is sold. Another angle to this same situation is that if the farm in question is not sold it can be rented readily to a displaced tenant-farmer or former owner at a rental greatly in excess of that which the present tenant is paying. Property owners figure they have all to gain and nothing to lose by ordering the present tenants to vacate.

The better-financed and better-equipped families are able to get land in preference to the not-so-good farmers or ill-equipped operators, thus pushing them off in turn down the scale until finally it is the least-able class of farm families that finds no farms available and has to turn to farm labor or industry. This involves a problem in the Camp Crowder area due to the fact that little industrial work is available here, which means that displaced families who cannot find land must migrate to some industrial section, rely on making a living in farm labor, or public works. This lowers the standard of living of the family if it remains in the area, and complicates the industrial problem if it moves to an industrial section.

QUALITY OF LAND

Land acquired in Newton and McDonald Counties for the Camp Crowder site may be classified as follows:

	Newton	McDonald
Acres classified as cropland by Agricultural Adjustment Administration (in defense area)	25,000	725
Amount of this classed as excellent (bottom land)	8,000	150
Amount classed as fair	17,000	500
Amount classed as poor		75

The "excellent" land is creek bottom land and is good for the raising of corn, wheat, and other grains. The "fair" land is a lighter somewhat rocky soil, but has a high value because of its suitability for orchards and pasture and hay land.

ACQUISITION OF THE LAND

This project is so recent that practically no payments have been made as yet for land. The land acquisition is being handled by the Soil Conservation Service with the assistance of technical appraisers loaned or borrowed in most cases from the Federal land bank. Appraisals are satisfactory in very few cases, and the Farm Security Administration county supervisor in Newton County feels that the appraisals as a whole are much too low when present prices, present replacement values, local values, etc., are taken into consideration. He made a survey in the area, upon which he based his opinion.

The result of unsatisfactory appraisals is that the entire cantonment area proper had to be taken by condemnation. No final disposition has been made of the remainder of the camp area, but an effort is being made to negotiate the remainder of the acquisition on the basis of voluntary options.

Settlements that have been made have been upon petition of the seller to the Federal court for partial disbursement. No settlements have been made upon the basis of options executed. Approximately 40 options had been accepted by mid-October, with the information that settlement on accepted options could be expected in 30 to 60 days. Title clearance does not seem to be an obstacle.

Residents object to location of the camp here, and have done all they could to prevent it. They have been dissatisfied with negotiations from the beginning, are not evacuating until they are almost forced to do so by actual construction, and are making little effort to permanently relocate.

CROP DISPOSITION

On farms that were condemned, crops were advertised for sale by the construction quartermaster. There has been less dissatisfaction over appraisals on crops than over the land appraisals. In those areas outside the condemned area, the owners or tenants have been allowed to harvest crops prior to date of evacuation, but have been instructed not to plant anything else.

This is a heavy strawberry-growing country, and considerable disagreement arose over appraisal of this crop. The appraisers held that the value was the actual cost of planting and cultivating up to the present date, and the growers held that the potential value plus a large labor outlay should constitute the actual value.

RESETTLEMENT

The Farm Security Administration has done everything possible to help displaced farm families. Farm Security Administration has provided grant funds to pay for actual moving expenses, temporary and immediate subsistence needs, temporary housing, and in some cases the payment of rent. Sixty of the one hundred and sixty-two families evacuated up to mid-October were given outright grants of money to enable them to move.

Loans have been made available also to families who were unable to obtain funds from the sale of their property and who were unable to borrow the money from any other source. Eleven applications for loans had been submitted to mid-October, ranging from \$35 to \$2,250. These loans are based on the assignment of proceeds of sale of real estate or leasehold interest, and are repayable on demand at the time the proceeds of the sale or lease are obtained from the War Department.

A listing service has been provided whereby all farms for sale or rent have been listed in the Farm Security Administration office and these lists made available to any resident of the area at no expense to the seller or purchaser. The Farm Security Administration personnel, in cooperation with the Extension Service, has made a detailed survey of all the farm families in the area to be evacuated, and obtained such information as ownership, size of families, age of head of family, apparent ability to provide for themselves, apparent need for aid, etc. These lists were made available to the Missouri State Employment Service with the understanding they would circularize residents of the area, requesting them to register with the employment service if they desire employment in camp construction. Farm Security Administration supervisors have certified to the various agencies as to residence of individuals within the area.

Much difficulty has been encountered finding suitable land for resettlement. There is little available land in Newton County, but as long as employment lasts at the Camp Crowder site the families here will double up or find some kind of temporary housing. The Missouri Defense Relocation Association is preparing a relocation area in Bates County. In Jasper County, which adjoins Newton, 4,600 acres consisting of two large farms has been accepted for purchase by the relocation association, and additional acreage is being optioned. These large farms will be broken down into family-size farms and some dislocated families already are anticipating relocation on them.

The average size of farms in Newton County was 78 acres, according to the 1940 census. No large tracts exist for subdivision; therefore it will be necessary for many of the hundreds of displaced families, or those subsequently displaced, to leave the county.

EFFECTS ON THE FARM SECURITY ADMINISTRATION PROGRAM

The program of the Farm Security Administration has been seriously affected. The local personnel in Newton County has been increased with addition of two full-time supervisors. The regular routine of the county staff has been disrupted, due to demand for attention to the needs of those farm families in the defense area. The financial aid of the Farm Security Administration has been increased by the needs for grants, which was estimated at \$15,000 in Newton County. Thirty-eight standard Farm Security Administration borrowers live in the area and one tenant purchase borrower. It appears as if the majority of these 38 loans will be liquidated due to the fact they were unable to find suitable farms outside the area.

More standard Farm Security Administration loan cases will be lost within the camp area. The community-group problems organized within the county, the medical-care program which has been functioning in the county, the community and cooperative service program, the tenure improvement campaign—

all these functions of Farm Security Administration within the county will be affected adversely.

All public agencies are interested in helping these distressed families. The State employment service is attempting to find defense jobs for as many of those eligible as is possible, giving preference to those living in the site area. The social-security commission is cooperating in helping move and relocate direct aid recipients, aid to dependent children recipients, and old-age assistance families. The extension service is aiding in the survey of displaced families, has aided in the certification of residents in the area, has maintained a duplicate listing service of farms for sale and rent, and has cooperated with the Farm Security Administration in every way possible.

The local branch of a national dairy company has purchased many dairy cows and desirable breeding stock from farmers wanting to sell, and resold them to dairymen in this and surrounding territory. The local county court has helped secure employment for residents of the area, helped make surveys and in a few cases has advanced funds to approved borrowers for purchase of farms.

HOUSING AND TENURE

Many persons in the defense evacuation area have been on subsistence plats of part-time farms of 20 acres or less. A large proportion were owners.

It is estimated that land values surrounding the cantonment and extending within a radius of 50 or more miles have risen about 25 percent since spring of 1941. Some have risen as high as 50 percent.

Rentals also have increased sharply, and a number of tenants already have been forced off by higher rentals or the prospect of having the farm sold. One mortgage company representing owners has notified all its tenants that their leases will not be renewed and that the property is for sale.

FARM LABOR

In the defense area, little farm labor has been used because most of the farms are small. Some seasonal labor has found work.

Housing for both permanent and seasonal laborers in this section of Missouri is very poor. The county land use planning committee has recommended location of subsistence homes in Newton County. There is a fairly high seasonal use of labor in strawberry picking and some in bean picking in Newton, McDonald, and Berry Counties. About 4,000 migrant pickers are needed from May 20 to June 30, and there is practically no housing of any kind for them. Usually they do a sort of makeshift camping. Since they tend to spread out pretty much over the area, except at Butterfield, where there is a concentration, submobile camp units seem to be needed. This migration is part of the stream from Louisiana and Alabama, said to go into wheat harvest or to California or back South following the strawberry season.

CASE NO. 1

The coming of Camp Crowder set this family back just about 5 years from the standpoint of economic security on the land. They were Farm Security Administration borrowers and had an \$800 equity on 80 acres of land, which they were buying over a long period of time for \$2,000. When the Army began taking land, their farm was one of the first to go. They rejected an offer of \$1,650, and the land was condemned and the family notified to move.

With the aid of the county Farm Security Administration supervisor a run-down farm was located elsewhere in the county, but no settlement had been received from the War Department, and the family borrowed money from relatives to make the down payment.

A Farm Security Administration grant for moving expenses and repair of the dilapidated farmhouse was approved and the family finally moved. They had to sacrifice much of their livestock because no pasture was available on the new farm. They had to go in debt rather heavily to keep going, and it will take 4 to 5 years for this family to regain the economic status and security they enjoyed previous to their eviction.

CASE NO. 2

This man and his wife had a \$5,000 equity in a 113-acre farm they were buying. It was well-improved and well-located, and they had paid \$90 an acre for it, or a total of \$10,000. The War Department offered them \$6,500. They rejected the offer, and the land was condemned.

The family found another 80-acre farm in Newton County which they purchased for \$5,000. They had to sell some of their good Guernsey dairy cattle for lack of pasture on the new farm.

When they moved to this farm they displaced a tenant family, which has been unable as yet to locate another farm to rent.

CASE NO. 3

This family, a man, 50, who is disabled, and his mother, about 90, owned 20 acres of land which was capable of supporting three good dairy cows, a small flock of chickens, a large garden, and many fruit trees. The mother was receiving \$10.90 a month old-age assistance. For a price \$200 more than the price paid them for their land, they purchased a 22 $\frac{1}{2}$ -acre farm near Neosho, which was less productive than the farm they had moved from.

This family had to go \$200 in debt, pay moving expenses, and still operate a poorer farm than they had owned before.

CASE NO. 4

This family—a man 29 years of age, his wife and their small child—had purchased a 160-acre farm for \$7,123 with a tenant purchase loan from the Farm Security Administration. The farm was appraised and optioned at \$7,850 by the War Department, a price which was considered satisfactory.

The Farm Security Administration supervisor and this man have since spent more than a month in the area attempting to locate another farm equally as good, and for about the same amount of money. No such farm has been found, and it appears now that this borrower will have to pay off his entire indebtedness to the Farm Security Administration and use what equity he has left to rent or purchase a small farm at some more distant location.

CASE NO. 5

This man, 61, and two members of his family, who lived on a small rented acreage in the center of the cantonment area, were unable to find a house nearby to rent. The Farm Security Administration made him a grant which he used to buy a tent, in which he and his family are living while he works as a time-keeper on the camp construction. This man expects to save enough money by the time camp construction is over to purchase or rent some kind of farm.

CASE NO. 6

How the farm laborer has been affected adversely through the locating of the cantonment area here is illustrated in this case. The family had been getting along on the money the head of the family earned from work as a farm laborer and \$8 a month old-age assistance which his mother received. Being partially disabled, this man could not obtain work at the camp. He had to move when his employer's farm was purchased for the camp site.

The only house available was a dilapidated structure which required \$25 to repair. This amount was furnished by the Farm Security Administration. Rent on the house is \$8, just the amount of the old-age assistance.

WELDON SPRINGS ORDNANCE PLANT, ST. CHARLES COUNTY, MO.

The Weldon Springs ordnance plant near St. Louis occupies 17,500 acres, some 200 acres of which were villages. In all, 267 parcels of land were taken, and 140 of these containing 30 acres or more were classified as farms; 206 families were displaced, of which 110 were farmers.

Eighty owner-operated farms were taken, totaling 8,600 acres. The 60 tenant-operated farms totaled 6,200 acres and averaged 103 acres.

Of the 17,500 acres taken, about 12,000 has been classified as cropland. Of this, 6,000 acres is poor, 4,000 acres fair, and 2,000 good river-bottom land. The acquired area was about average for the county in farm production.

It is estimated that production in the county will be reduced one-twentieth directly as a result of the acquisition of the defense site. However, as a result of the disruption that location of the defense plant is causing throughout the county, total production probably will decrease 25 percent.

St. Charles County has been the largest wheat-producing county in Missouri, but many of the farmers seemed pleased at the opportunity given them to supplement their income by means of defense work. Some have been reluctant to leave their farms even in view of the prospect of greater cash incomes.

About 75 percent of the farm owners and 50 percent of the tenants will wish to return to farming after work in the defense plant has declined. More than half the Farm Security Administration borrowers in the county are working on construction at the TNT plant. It is estimated that about half of all farmers in the county are likewise employed at the plant. Little subsequent displacement thus has resulted but, when industrial employment drops back to normal, the land situation may become serious as farms are sought.

At peak construction now, the plant employs about 8,500 construction workers. However, by August of 1942 when the plant is scheduled to go into full operation it is expected to employ only about 2,500 operating personnel.

About one-half of the 80 owners displaced have bought other farms. Fewer than half the displaced tenants have relocated on farms, however. Due to the scarcity of farm land available in the county, the majority who have continued farming have gone outside St. Charles County. The county is thickly populated, being near St. Louis. Had more farm land been available in the vicinity, probably fewer farmers would have quit agriculture.

ACQUISITION OF THE LAND

Considerable bitterness was created by the method of acquisition. The War Department at first engaged a broker to make appraisals and take options. These appraisals in many cases were from three to four times the actual value of the farms. Then the War Department suddenly ceased honoring the original options and began taking new options at a considerable reduction in valuation. Condemnation proceedings were necessary and, although the War Department deposited funds with the Federal court which the owners holding options might draw pending final settlement, the payments have been held up.

The War Department had no direct negotiations with tenants who were displaced, and agreements had to be made by the tenants with the owners regarding settlements for damages.

LOSS OF CROPS

There was no serious crop loss as a result of location of the plant. The options were taken about October 1940. The corn already had been harvested. Some wheat and barley had been planted and these crops went with the farms and were harvested in the spring of 1941 by contract. The land probably will receive good care but there seems little possibility of allowing farming to be done on it.

In October 1941 the county Farm Security Administration supervisor resigned to become superintendent of land in the powder-plant area.

EFFECT ON FARM SECURITY ADMINISTRATION PROGRAM

Since December 1940 the Farm Security Administration case load has dropped 26 in the county. About 40 Farm Security Administration borrowers have paid off their loans in the past 6 months, 10 of them families displaced from the defense site.

Generally, the location of the plant has had a demoralizing effect upon the farm people. High wages and urban ways of life have influenced them to neglect their former constructive farming practices. Men working in the defense plant have not raised home gardens this year and the amount of home canning has been markedly reduced.

The Farm Security Administration supervisors in St. Charles County feel that, while in most cases the cash income from defense wages has been greater than the farm income of these people would have been, their living standard has possibly been reduced and the stability of family life has been greatly disturbed. They predict that a major impact on farm people will come in the future, first, in the way of secondary displacement following the settlement of outstanding claims and, second, in the unemployment and attendant distress that will follow the reduction of the construction force. They believe the load on Farm Security Administration will come within a year or two after the construction is completed.

HOUSING

The housing situation in the area has been acute. Much of the available housing has been rented to defense workers, in a number of cases for more than the entire farm previously brought. The situation will not be conducive to good health this winter because of the flimsy nature of many of the trailers and the temporary housing that has gone up. Generally speaking, farmers who have been displaced in the area have had to live in worse houses at higher costs.

FARM LABOR

St. Charles County has never required much farm-wage labor, and nearly all that was used was local. About 1 in 10 farm operators will use hired hands in normal times. A large proportion of both farm-wage labor and unpaid family workers have now gone to work at the powder plant, thus leaving the farms badly short-handed. What labor is available now costs from \$3.50 to \$4 a day, compared with a former average of \$2. There has been very little loss of crops due to lack of labor.

WELDON SPRINGS ORDNANCE PLANT AREA, ST. CHARLES COUNTY, MO.

CASE NO. 1

The Government agreed to pay \$13,500 for the 140-acre farm which had been in this family for many years, but the family would not have sold if it had not been inevitable. They did not get their money before they were evicted, and had to borrow \$550 from the Farm Security Administration to pay their moving expenses. They also owed Farm Security Administration a portion of a loan they had obtained several years ago. They paid off both loans as soon as they received payment for their land.

They could not find another farm in the county, and bought one in adjoining Lincoln County, along the Cuivre River. This fall the entire farm was flooded when the river went over its banks. All the crops were destroyed and most of their furniture too, when the water came up so suddenly during the night that the family had only time to save themselves. The family is greatly discouraged.

CASE NO. 2

This family operated a tavern and dance hall at Toonerville. With the \$13,000 the Government paid them for their tavern, they bought 80 acres of fertile Mississippi bottom land. The man they bought this farm from purchased an improved 240-acre farm in Warren County for \$14,000, displacing the parents of its owner, and also the hired man and his family. After much searching in Wright City, the displaced parents located a house. The hired man with his wife and two children finally rented three rooms with another family near Foristell and he obtained employment in the Weldon Springs ordnance plant.

CASE NO. 3

Here is a family that was benefited by location of the ordnance plant near their home. They had been unable to keep ahead of their debts and for 5 years the Farm Security Administration had endeavored to kindle a spark that would carry them on to a more successful existence. They were given two loans totaling more than \$1,600, and it had been necessary to give them many grants in emergencies. But they still were as far from rehabilitation as at first.

The father was just 32, and his wife 28. They had five young children. Their house was poorly maintained, the children were ill-kept, and the mother seemed to lack interest in anything. They were delinquent in payments on their Farm Security Administration loan, and their debts were pressing them.

Then the ordnance plant was located near their home. The father and his two teams of horses were hired at the plant. And the family has gotten back "on its feet."

They paid off all but \$745 of their delinquent Farm Security Administration loan, and paid up their other debts including a note which had been canceled because of the statute of limitations. Their house has been painted. The interior is kept spic and span. Better furniture has been bought cheaply at household sales of neighbors. New curtains hang from the windows. A new cook stove and washing machine have been added to the kitchen equipment. The sink was moved to a more convenient place. They bought a new radio. The mother and children keep clean and neatly dressed.

Recently the mother told one of the Farm Security Administration supervisors that everything was paid for, and added, "I had to wait a long time for this, but it was worth waiting for."

CASE NO. 4

Displaced by the defense plant, this tenant family of nine was unable to find another farm, and had to rent an old vacant house 25 miles away. They paid \$7 a month. Through a Farm Security Administration loan in 1939, they had

built up their livestock inventory, but upon moving much of it had to be sold at a loss because there was no barn or fences.

Two of the older boys secured employment in the ordnance plant. However, the father, 52, who had turned to carpentry work for more income during the depression, was unable to take work at the plant because of an ailment.

Early in the summer the family pooled resources and purchased 5 acres of ground in Father Pezold's "All Saints Addition" at Cottleville. They erected a chicken house which they lived in until they built a home. The moral effect that this new home and new start have had on this family is immeasurable.

CASE NO. 5

To buy a family-size farm, this family had received a \$3,886 tenant purchase loan from the Farm Security Administration in 1939. The farm was taken for the site of the Weldon Springs ordnance plant. The family rented a house nearby, but in a short time it was sold. The family then moved in with some friends, with whom they are still living. The head of the family, 44, is working as a guard in the ordnance plant area. He plans to give up farming permanently.

CASE NO. 6

Lifelong residents of the Hamburg community, this man, 60, and his wife, 58, were very much upset over being uprooted from their land in the ordnance plant site. They tried in vain to locate another farm to rent, and with winter coming on, the only recourse they had was a public sale of their property. This netted but \$800, about half the actual value of the things they sold. With this money they paid off the balance of their Farm Security Administration loan—a loan which was just beginning to give them a sound economic footing on their farm. Taking the few hundred dollars they had left, they rented several rooms in town and the husband finally obtained work at the ordnance plant, but not until after the couple was forced to get a grant for subsistence from the Farm Security Administration. It hurt their pride considerably to think they were receiving charity.

This family had secured a standard loan of \$446.50 from the Farm Security Administration late in 1937. At that time their farm was in poor condition, but by cooperating with the landlord and the Farm Security Administration, most of the land was limed and the family progressed rapidly. To further increase their working capital, a supplemental loan of \$130 was made in 1939. By 1940, they had paid all but \$100 of their Farm Security Administration loan and in addition had accumulated assets valued at \$1,675. It was then, just when this aged couple was attaining a degree of security, that the ordnance plant shattered their hopes. They do not know what they will do when the ordnance plant shuts down.

CASE NO. 7

With the money received from the War Department for their 140 acres in the ordnance area, this family purchased a farm near Wentzville. They displaced a tenant who had been there for 7 years. The tenant, who had a wife and seven children, was unable to find another farm to rent and finally ended up by moving to his father-in-law's farm in Pike County, which was then being operated by a brother-in-law. The brother-in-law was then forced to locate a farm elsewhere.

CASE NO. 8

After the War Department had paid this family for their 180 acres of land in the plant area, they bought a farm in Warren County. The son of the former owner, who had been operating this farm, could not find another farm and had to sell his livestock and machinery at public auction.

CASE NO. 9

Active in school, church, and community affairs in the small town near which their farm was located, this family was displaced when the Farm Security Administration purchased their farm and several others for a defense housing project.

The family had secured a standard loan of \$765 from the Farm Security Administration in the spring of 1939, and was on the road to successful farming when they had to sell their land.

Unable to find another farm, the family moved to a 5-acre tract of land. The barn was not large enough and they had to sell some of their livestock. They are still seeking another farm on which they want to get a new start.

EXHIBIT A.—THE AGRICULTURAL LABOR AND LABOR SUPPLY SITUATION IN FRUIT AND VEGETABLE PRODUCTION IN THE OHIO LAKE SHORE AREA, 1941

REPORT BY P. G. BECK, REGIONAL DIRECTOR, REGION III, FARM SECURITY ADMINISTRATION, UNITED STATES DEPARTMENT OF AGRICULTURE, NOVEMBER 1941

I. PURPOSE AND SUMMARY OF FINDINGS OF THE SURVEY

Intensive industrial expansion for national defense in 1911 aroused considerable concern among Ohio lake shore nurserymen, greenhouse operators, vegetable and fruit growers, and dairy farmers regarding the availability of year-round and seasonal labor essential for the successful maintenance of their operations. To investigate the validity of the reported stringency of the agricultural labor supply in this region of the State; to anticipate, if possible, what the probable situation will be in 1942, and to formulate, on the basis of this year's experience, methods of meeting possible shortages next year, the Labor Division of the Farm Security Administration in region III, assisted by a representative of the Washington Labor Division, conducted a reconnaissance survey in the counties along the shore of Lake Erie in Ohio. Agricultural producers, laborers, Ohio State Employment Service officials, Agricultural Adjustment Administration representatives, Extension Service and Farm Security Administration personnel, city and county officials, and others were interviewed to obtain the necessary information. The survey was conducted during the months of October and November 1941. The summary of findings follows:

1. The stringency in agricultural labor was found to be much less acute than commonly supposed. With the exception of a few individuals, no producers experienced actual crop loss or damage as a result of labor shortage.

2. The reduction and loss in crops which were reported were due largely to natural causes and to Government acquisition of farm land. A late frost in May and a windstorm in September were responsible for the loss of a significant portion of the fruit crop, and the location of the Plum Brook ordnance plant in Erie County caused an appreciable reduction in truck and dairy production.

3. Throughout the lake shore area, rapidly expanding industrial production related to the defense program is cutting deeply into the local agricultural as well as the normal industrial labor force. At the same time, large numbers of interstate and intrastate migrants have been attracted to the industrial and national defense centers in or within commuting distance of the lake shore counties. Higher wages, shorter hours, and better working conditions are potent factors attracting both resident and migrant workers to these industrial jobs.

4. Many farm operators and skilled agricultural workers, as well as some unskilled seasonal workers, are finding employment in these industries. Also, some of the industrial workers' wives and children, who formerly did part-time agricultural work, no longer do so because the men are regularly employed at sufficient wages to adequately provide for the whole family. As a result of these conditions, agricultural producers have made the following adjustments:

(a) They have utilized family labor more intensively than before, and have bought more machinery.

(b) For seasonal work they have relied more often on the labor of women of foreign extraction from nearby industrial centers (especially Cleveland, Toledo, and Lorain) and on the lower paid labor of Negroes, school children, and older men.

(c) They have employed a considerably larger number of migrants from other States than in former seasons. These migrants have come in the main from Tennessee, Kentucky, and West Virginia, and have been mostly low-income hill farmers. Some of these have migrated in anticipation of defense work and have taken farm work on the rebound when defense jobs were not available.

(d) For the first time in recent years, they have found it necessary to take the initiative in recruiting farm labor. They have placed orders with public and private employment agencies, advertised in both local and distant newspapers, obtained harvest workers from Work Projects Administration projects and from soldiers' and rest homes, and, in some cases, transported or contacted workers in other States for farm work.

(e) A few have reduced production, although not exclusively because of an actual labor shortage. This reduction has occurred partly because of a fear of labor shortage, but primarily because of the conviction that there would be insufficient return for the products raised to warrant paying wages comparable to those of industry. All through this area, agricultural producers state that they are paying about 25 percent higher wages than last year, and that they will have to

pay more in order to avoid losing their workers to industry. For the most part, they say that their returns have not kept pace with increases in labor and other costs. They attribute this condition to the competitive agricultural markets which keep prices down and to the fact that where increases have occurred in retail prices of agricultural products, the middleman has received the greater share.

5. Tending to counteract, in part, the absorption of the local agricultural as well as the normal industrial labor force, are the recent lay-offs of thousands of workers in Ohio, expected to approach figures between 44,000 and 48,000 before the turn of the year, because of reduction quotas and material shortages. Also, several thousand construction workers will be released shortly.

6. (a) Attitudes of producers toward the "Food for Freedom" program vary from a "business as usual" view to a dogged willingness to make great sacrifices for the national cause. The attitude of many of the larger commercial producers could be summed up in the statement: "We are as loyal as anyone, but we cannot see why farmers should be called on to take a beating while industry is making fat profits and labor is getting substantial wage increases." The other type of attitude is expressed in the statement made by one farmer: "If they can stop old Hitler over there, we'd have lots of boys to help."

(b) The general attitude expressed by the agricultural worker is, "If we could get a fair day's pay, we'd stick to farm work."

7. Despite wage increases, the level of living of most agricultural workers has probably not been improved, and, in some cases, it is no doubt worse than before. Increasing costs of living, and especially a shortage of decent housing and the attendant rent increases have probably offset the wage advances. There is evidence that hired hands formerly living on farms have been displaced by rental of these quarters to defense workers near the industrial centers. And in the competition for housing caused by the influx of migrants from other areas, the agricultural laborer, as the lowest paid worker, has been forced to accept the worst available accommodations. This situation is especially true of migrants who have taken permanent or temporary work in agriculture. Families of agricultural workers, as well as single men, were found in substandard living quarters in several locations along the lake shore area.

8. The social status of agricultural workers, and especially of migrant workers, is below that of almost any other occupational group. In several instances, migrant workers were spoken of scornfully by local people as unreliable and incompetent "floaters." Although the hill farmers from the Southern States are considered generally good workers and essential to the agricultural economy, they have been isolated from community activities.

9. Adequate housing for agricultural workers at rentals they can afford would aid the agricultural labor supply situation. Further study is necessary to determine what types of housing are most suitable and where they should be located.

10. Further study of agricultural labor and labor supply situations is recommended in the lake-shore area and in other sections of Ohio, especially in the two to three tiers of counties just south of the lake-shore area in northeast Ohio.

II. INDUSTRY IN THE AREA

The lake-shore area of Ohio is primarily an industrial region, with Cleveland and Toledo as the principal centers. Minor centers within the lake-shore counties are Sandusky (and its nearby Plum Brook ordnance plant), Lorain, Elyria, Painesville, and Ashtabula. Near the lake-shore counties in the northeast section are Akron, Youngstown, Canton, Warren, and Ravenna. During the depression, this whole area suffered greatly, and unemployment and relief rolls were high. In 1938, 13 counties in the northeast district Works Progress Administration District 4) had a Works Progress Administration case load of 148,000, about half that of the entire State and 10 percent of that of the Nation.¹ Eighty thousand of these were in Cuyahoga County alone. In October 1941, the load for the State of Ohio was 49,000, of which 16,000 were in the northeast district and 8,800 were in Cuyahoga County. It is interesting to note that the average age of Works Progress Administration clients in district 4 has risen from about 32 in 1938 to about 53 in 1941. A similar situation with regard to employment is reported in the western lake-shore area.

The Ohio lake shore area has received its portion of defense contracts later than some other sections of the Nation. During the past year, and especially within the past few months, employment has risen sharply, and migration into the area from southern Ohio and from other States has been accelerated. In

¹ Figures obtained from Edward Harris, acting director, district 4, of Ohio, Work Projects Administration, Cleveland, Ohio, October 31, 1941.

October the director of the Cuyahoga County office of the Ohio State Employment Service estimated that 13 percent of all their registrants were transients.

There are still several large industries in or near the Lake Shore area which have not reached peak employment. The Ravenna and Plum Brook ordnance plants (in Portage and Erie Counties, respectively) have not yet reached full operating force, but some of the construction workers will be released soon. Other industries are being expanded in Elyria, Painesville, Cleveland, Toledo, and other points, which will continue to boost employment during the next year. However, it was estimated by the Ohio Bureau of Employment Security on October 4, 1941, that within 90 days there might be a displacement of between 44,000 and 48,000 workers in Ohio because of reduction quotas and material shortages.² One industry in Cleveland will be forced to release 5,000 employees, it is estimated. Others in Cleveland, Toledo, Elyria, Sandusky, and other parts of the Lake Shore area will account for several thousand more.

III. TYPES OF FARMING IN THE LAKE SHORE AREA

The shaded area on map I shows the region studied, designated the lake shore area of Ohio. A large urban population and a high degree of industrialization have resulted in a highly specialized agricultural economy in this area. Vegetables, fruits, dairy, and nursery products are the principal agricultural enterprises. Table I shows the extent of agricultural operations and of the hired agricultural labor utilized in the state of Ohio and in the eight Lake Shore counties. Tables II and III give figures and percentages to show the relative importance of various types of enterprise in the lake shore area as compared with the State of Ohio, and in each of the eight counties within the area.

The Lake Shore counties require a large share of the State's hired farm labor, especially short-term seasonal labor. The 8 counties contain 6 percent of the acreage in farm land in the state, but utilize 16 percent of the hired farm labor in the peak season of September. During the same month they hire 19 percent of the farm labor other than that hired by the month, week, or day, most of which is piece and contract labor. In September 1939, these 8 counties employed 12,076 persons, as compared with 5,645 in March 1940. Leading counties were Ashtabula with 2,209, Cuyahoga with 1,750, and Lorain with 1,749.

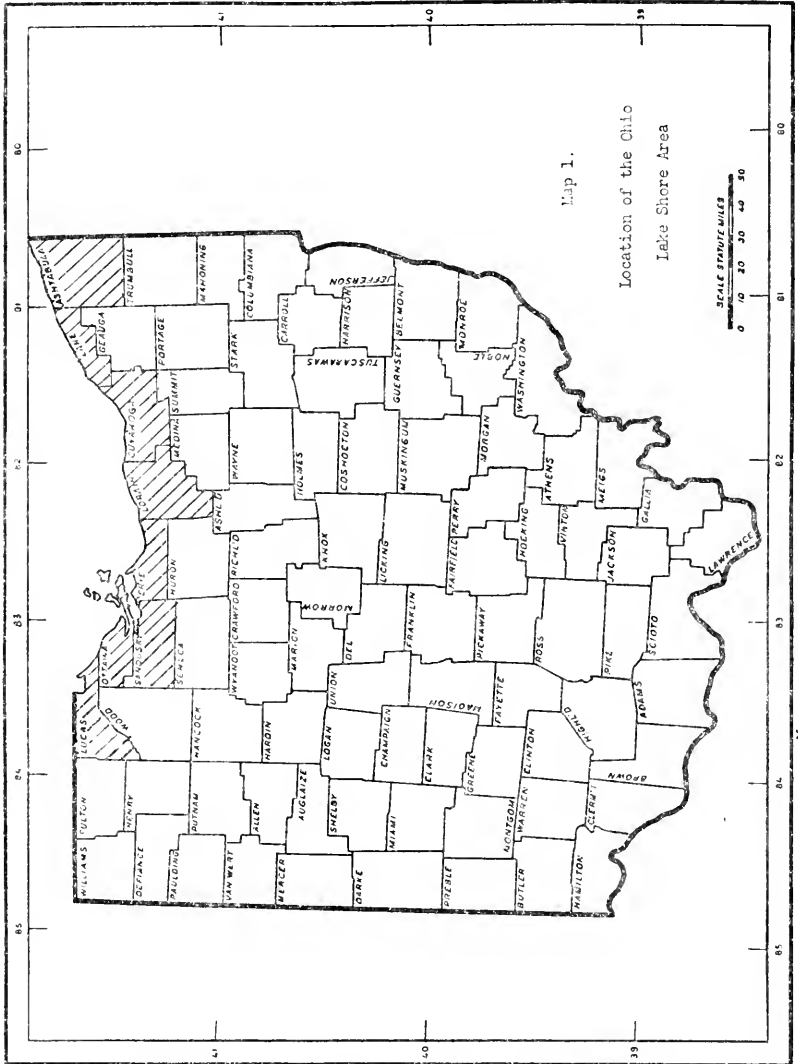
Table II demonstrates the fact that the lake shore area is very important in vegetable and fruit production. For instance, it contains 30 percent of the State's acreage of vegetables (excluding potatoes), 60 percent of the area under glass, 61 percent of the acreage in nursery products, and 27 percent of the land in fruit orchards, vineyards, and planted nut trees. These enterprises demand large numbers of workers to meet their labor requirements during the peak seasons. In vegetable production, probably 1,500 to 2,000 workers are used year-round in the Lake Shore area, while 4,500 to 5,500 are used in the peak season in August and September. The labor force is close to the peak from May through October. Fruit production utilizes an estimated 900 to 1,200 year-round and 3,500 to 4,000 in the harvest season of September and October. For both fruits and vegetables, probably 5,000 to 6,000 seasonal workers are used in the Lake Shore area. It is estimated that roughly 1,000 to 1,500 of these were migrants in 1941.

Each county's specialties are shown in tables II and III. For instance, Ashtabula and Lorain Counties have a high production of apples and grapes; Lake County has fully half the State's nursery products; Ottawa County excels in peaches and pears; and Lucas and Cuyahoga Counties are very high in production of vegetables, particularly those grown under glass.

Market gardening is one of the outstanding industries in the Lake Shore area. It is particularly prominent in areas surrounding the industrial centers of Toledo, Sandusky, Lorain, Cleveland, and Painesville. Market gardening has been developed around these cities to supply the industrial population with fresh vegetables. This market influence has been instrumental in encouraging small but highly capitalized vegetable enterprises. As a source of income, outdoor vegetable production ranks first in Lucas and Erie Counties. In addition to market garden vegetables, large quantities of potatoes and sweet corn are raised in the area.

² Reports of the Office of Defense, Health, and Welfare Services, region V, Cleveland, Ohio, October 1941.

OHIO



Map 1.

Location of the Ohio
Lake Shore Area

SCALE STATUTE MILES
0 10 20 30 40 50

TABLE I.—Extent of agricultural operations and hired agricultural labor, State of Ohio and 8 lake shore counties¹

	State of Ohio	8 lake shore counties	Percent of State total (8 counties)	Counties in order of importance								
				1	2	3	4	5	6	7	8	
Acres in farm land, 1940	21,907,523	1,398,535	6.4	2,359,757	3,249,100	4,235,046	5,137,171	6,130,101	7,122,272	8,833,464	9,811,601	
Value of land buildings, 1940 . . . dollars	1,443,917,176	150,938,384	10.5	9,283,408,338	3,233,671,185	4,290,100,454	5,149,185,569	6,173,951,826	7,166,632,918	8,133,263,711	9,111,437,170	
HIRED LABOR												
Farms reporting:												
March 1940	30,419	2,923	9.6	2,644	3,490	9,483	6,333	8,291	4,263	7,285	8,181	
September 1939	41,981	4,720	11.2	2,919	3,835	4,697	9,569	7,515	3,419	6,403	8,363	
Persons:												
March 1940	45,623	5,645	12.4	9,124	21,019	8,892	3,788	6,556	7,518	4,384	3,274	
September 1939	77,143	12,076	15.7	22,209	9,175	31,749	11,526	11,389	41,346	51,237	8,550	
Hired by month:												
March 1940	22,756	2,878	12.6	2,570	3,560	3,195	3,890	4,295	2,235	7,167	4,166	
September 1939	23,400	3,291	14.1	3,612	3,598	9,391	4,434	3,310	6,306	3,221	7,199	
Hired by day or week:												
March 1940	20,272	2,397	11.8	9,588	8,455	3,384	7,329	3,265	4,114	4,114	4,79	
September 1939	41,590	6,439	15.5	21,235	9,924	7,852	4,832	3,827	4,733	3,562	4,454	
Other hired labor (including piece and contract):												
March 1940	2,595	370	14.3	678	9,665	2,65	4,47	4,35	3,29	1,28	7,22	
September 1939	12,153	2,346	19.3	7,475	6,474	2,362	3,321	9,235	4,204	1,82	6,90	

¹ Source: 1940 Census of Agriculture, Ohio, series I and II, U. S. Bureau of the Census.

² Ashtrabula.

³ Lorain.

⁴ Sandusky.

⁵ Ottawa.

⁶ Erie.

⁷ Lucas.

⁸ Lake.

⁹ Cuyahoga.

TABLE II.—Agricultural statistics for State of Ohio and 8 lake shore counties¹

	Counties in order of importance							
	1	2	3	4	5	6	7	8
State of Ohio								
8 lake shore counties								
Percent of State total (8 counties)								
Vegetables harvested for sale (excluding Irish and sweet potatoes):								
Acreage, 1939	96,350	5,524	4,084	3,809	3,595	72,720	31,256	91,415
Value, 1939	7,096,289	491,964	312,802	249,831	247,186	2,133,283	1,041,994	935,966
dollars	87,464	2,813	2,587	2,607	4,706	3,171	3,171	7,161
Irish potatoes: Acreage, 1939	13,391	2,222	7,218	3,430	(19)	(19)	(19)	(19)
Sugar beets for sugar: Acreage, 1939	18,391	5,466	3,397	9,385	9,375	4,291	3,192	7,51
Small fruits, nut and berry farms reporting, 1939	3,073	2,855	2,211	8,166	9,112	4,739	3,551	78
Raspberries: Acreage, 1939	5,638	6,152	5,112	8,108	9,103	3,881	4,601	77
Strawberries: Acreage, 1939	28,638,581	3,216,713	3,047,060	2,151,300	3,367,513	3,291,100	7,700,000	412,300
Crops under glass, square feet, 1939	5,813	3,166	4,631	4,631	2,522	0,48	3,8	70
Nursery products: Acreage, 1939	2,642	8,340	8,170	4,111	6,771	4,171	9,14	70
Flower and vegetable seed: Acreage, 1939	152,590	9,708	6,849	8,261	3,478	3,436	2,573	41,983
Land in fruit orchards, vineyards, and planted nut trees: Acreage, 1940	102,664	9,719	5,714	21,325	8,141	41,008	8,826	7,721
Orchard fruits and grapes, trees, or vines: Farms reporting, 1940, and/or production, 1939	3,494,390	3,113,797	8,033,213	5,102,887	6,78,050	9,77,818	7,58,218	4,37,811
Trees of bearing age, 1939:	278,392	4,231,422	6,12,726	2,10,169	8,8,776	3,7,550	9,6,485	3,6,362
Apples	1,299,782	3,48,203	3,42,011	3,38,578	2,26,474	9,15,418	7,12,845	1,9,421
Cherries	274,674	85,456	9,12,133	8,0,011	2,7,417	3,6,978	7,4,742	4,1,720
Peaches	187,548	9,331	6,556	5,6,131	8,5,942	7,4,576	6,2,422	4,1,750
Plums and prunes	8,136,915	2,1,380,841	8,1,251,954	9,1,126,967	6,764,062	6,509,381	7,150,381	4,163,337
Grapes (vines)								

¹ Source: Census of Agriculture, 1940, Ohio, U. S. Bureau of the Census.

² Lucas.

³ Erie.

⁴ Sandusky.

⁵ Cuyahoga.

⁶ Lorain.

⁷ Ottawa.

⁸ Lake.

⁹ Ashtabula.

¹⁰ Other counties, none.

TABLE III.—*Estimated gross cash income from the sale of agricultural products from the farm and the percent of the total from each of the most important enterprises in the 8 counties of the Lake Shore area, Ohio, during the periods 1933-35¹ and 1938²*

Rank of the sources of income and their relative importance	Lucas		Ottawa	
	1933-35	1938	1933-35	1938
First.....	Truck crops, 21 percent.....	Truck crops, 20 percent.....	Dairy, 18 percent.....	Dairy, 22 percent.....
Second.....	Greenhouse, 18 percent.....	Greenhouse, 16 percent.....	Fruit, 16 percent.....	Fruit, 14 percent.....
Third.....	Dairy, 12 percent.....	Dairy, 13 percent.....	Wheat, 13 percent.....	Poultry, 14 percent.....
Fourth.....	Potatoes, 9 percent.....	Hogs, 8 percent.....	Poultry, 10 percent.....	Wheat, 11 percent.....
Fifth.....	.....	Poultry, 8 percent.....	.....	Sugar beets, 7 percent.....
Sixth.....	.....	Wheat, 6 percent.....	.....	Truck crops, 7 percent.....
Rank of the sources of income and their relative importance	Sandusky		Erie	
	1933-35	1938	1933-35	1938
First.....	Dairy, 19 percent.....	Dairy, 21 percent.....	Dairy, 22 percent.....	Dairy, 24 percent.....
Second.....	Wheat, 15 percent.....	Wheat, 14 percent.....	Truck crops, 16 percent.....	Truck crops, 24 percent.....
Third.....	Hogs, 13 percent.....	Hogs, 14 percent.....	Wheat, 13 percent.....	Wheat, 11 percent.....
Fourth.....	Truck crops, 9 percent.....	Truck crops, 11 percent.....	Fruit, 10 percent.....	Poultry, 10 percent.....
Fifth.....	.....	Poultry, 10 percent.....	.....	Hogs, 9 percent.....
Sixth.....	.....	Cattle, 8 percent.....	.....	Fruit, 5 percent.....
Rank of the sources of income and their relative importance	Lorain		Cuyahoga	
	1933-35	1938	1933-35	1938
First.....	Dairy, 43 percent.....	Dairy, 47 percent.....	Greenhouse, 50 percent.....	Greenhouse, 46 percent.....
Second.....	Truck crops, 11 percent.....	Poultry, 14 percent.....	Truck crops, 12 percent.....	Nursery, 14 percent.....
Third.....	Greenhouse, 10 percent.....	Truck crops, 11 percent.....	Nursery, 14 percent.....	Truck crops, 12 percent.....
Fourth.....	Poultry, 10 percent.....	Greenhouse, 9 percent.....	Dairy, 10 percent.....	Dairy, 12 percent.....
Fifth.....	.....	Wheat, 5 percent.....	.....	Poultry, 9 percent.....
Sixth.....	.....	Potatoes, 4 percent.....	.....	Fruit, 4 percent.....

Rank of the sources of income and their relative importance	Lake		Ashtabula	
	1933-35	1938	1933-35	1938
	First.....	Nursery, 53 percent.....	Nursery, 61 percent.....	Dairy, 47 percent.....
Second.....	Dairy, 11 percent.....	Dairy, 11 percent.....	Greenhouse, 17 percent.....	Greenhouse, 16 percent.
Third.....	Fruit, 10 percent.....	Fruit, 7 percent.....	Poultry, 9 percent.....	Poultry, 12 percent.
Fourth.....	Truck crops, 7 percent.....	Truck crops, 7 percent.....	Potatoes, 8 percent.....	Fruit, 5 percent.
Fifth.....	.....	Poultry, 6 percent.....	.....	Nursery, 4 percent.
Sixth.....	.....	Greenhouse, 5 percent.....	.....	Potatoes, 3 percent.

¹ Source: Sitterly, J. H., and Falconer, J. J., Better Land Utilization for Ohio, Department of Rural Economics, mimeo. Bulletin No. 108, Ohio State University and Ohio Agricultural Experiment Station, June 1938, p. 56.

² Source: Wallerstein, P. P., and Falconer, J. J., Estimated Gross Cash Income From the Sale of Agricultural Products From the Farm, and From Agricultural Adjustment Administration Payments for Ohio Farms, by Counties, 1938. Department of Rural Economics, mimeo. Bulletin No. 121, Ohio State University and Ohio Agricultural Experiment Station, September 1939, pp. 4-5.

In areas of heavy vegetable concentration, stake tomato culture and overhead irrigation are characteristic. These areas are found, for the most part, on the rural-urban fringe. In fact, many of the outdoor and hothouse vegetable enterprises are located within city limits. For example, it is estimated by the Agricultural Extension Service of Cuyahoga County that in February 1937 there were 300 acres of vegetables operated by 26 growers within the city limits of Cleveland. Of these 300 acres, 36 were under glass. The size of such enterprises ranged from 3 to 40 acres. Similar conditions are found in other industrial centers of this region.

Vegetables for canning in the lake-shore area are grown mostly in Ottawa and Sandusky Counties and, to some extent, in Erie County. Tomatoes, pickles, cabbage, pumpkins, and cherries are the principal canning crops. The remaining counties along the lake-shore area produce principally fresh vegetables for the market. Growers are serviced by the Gypsum Canning Co., at Port Clinton; the J. Weller Co., at Oak Harbor; Kingan's Arcadia Farms, at Curtice; the Heinz Co., at Fremont; the Lippincott Co., at Defiance; the Lake Erie Cannery, at Sandusky; the Clyde Kraut Co., the Fremont Kraut Co.; and the Campbell Soup Co., which has a loading station at Bowling Green. Production of these crops for canning has increased in the last decade, and the canning industry is expanding constantly. Large numbers of workers are required in the fields and canneries for seasonal employment during the late summer and the early fall.

Vegetable forcing (production in greenhouses) is a highly specialized and important industry in the area. Income from greenhouse production accounted for 46 percent of the total agricultural income of Cuyahoga County in 1938. Other counties in which greenhouses are prominent are Lucas, Ashtabula, Lorain, and Lake. Indoor vegetable production is a year-round enterprise, and it requires huge investments beyond the reach of the average dirt farmer. It might better be termed an industrial enterprise. It is estimated that vegetable production under glass requires, on the average, a \$25,000 per acre investment. Under these controlled conditions, it is possible to produce vegetables the year round. Tomatoes, radishes, leaf lettuce, and cucumbers are the principal crops grown in this manner. The Cleveland Hothouse Vegetable Growers' Association publicizes the following growing seasons for these crops:

Tomatoes: April 1 to August 1; September 15 to January 15.

Radishes: November 1 to May 1.

Leaf lettuce: October 1 to June 1.

Cucumbers: May 15 to August 1; September 15 to December 15.

Unlike the short peak seasons in outdoor production, the seasons are long and varied in the vegetable forcing industry. This difference is reflected in the labor requirements. Greenhouse producers require a year-round crew of workers, with an additional number during the growing seasons.

The fruit-growing industry is scattered throughout the lake-shore area. These operations employ a small year-round force for planting, spraying, pruning, and other such tasks, but require an additional labor force during the harvest season in September and October. It is in harvesting operations that a considerable number of migratory laborers have been used.

Nursery operations, most important in Lake County, require a moderately large year-round force, with the highest peak employment in the late spring, and a minor peak in the fall. The labor requirements could be estimated at 400 year-round workers, with an additional 800 in the spring and 400 in the fall. Nurseries for many years have relied upon migratory workers for seasonal and even for year-round work. Probably 200 to 300 were employed during the 1941 peak.

Although it is given only incidental treatment in this report, dairy farming is the most important agricultural industry in the lake-shore area. As a source of farm income, it ranks first in Lorain, Ottawa, Sandusky, and Ashtabula Counties; second in Erie and Lake Counties; and third in Lucas and Cuyahoga Counties. In the Census of Agriculture for 1940, it was reported that 13,404 farmers in the lake-shore region had 70,829 cows and heifers producing milk in 1939. Ashtabula County is one of the most important dairy counties in the State, having 23,838 cows and heifers on 3,435 farms. Milk production requires a steady year-round labor force besides additional workers during the summer months. A good dairy hand must possess a considerable degree of experience and skill and is difficult to find even in normal times. Today, shortages of this type of labor in this area is especially acute.

IV. COMPOSITION OF THE AGRICULTURAL LABOR FORCE IN THE AREA

In the past, practically all the agricultural labor used in the lake-shore area has consisted of local rural resident labor and seasonal workers from nearby industrial centers. Many of these seasonal workers sought employment in the agricultural enterprises of the area because family heads and other members of the family found no work in the cities. Recently, increased industrial employment in defense or defense-induced enterprises, however, has reduced the supply of these workers for agriculture. Industry has taken also a considerable number of experienced year-round hired hands and family labor from the farms. Such workers have been replaced by a heterogeneous group of persons comprised of school children, women of foreign extraction, Negroes who are discriminated against in industry, older Work Projects Administration workers, and aged men previously unemployed, along with migrants from other States, particularly distressed hill farmers from Tennessee, Kentucky, and West Virginia.

The composition of the present agricultural labor force varies according to the crop and the locality. In this study, particular attention was given those localities in which migrant as well as resident seasonal agricultural labor were utilized. The survey revealed the following areas in which these types of labor were employed:³

1. The Lucas, Sandusky, and Ottawa Counties, sugar-beet areas.⁴
2. Catawba Islands, Ottawa County.
3. Danbury Township, Ottawa County.
4. Port Clinton area, Ottawa County.
5. Bellevue, Clyde area, Sandusky County.
6. Berlin Heights area, Erie County.
7. Eastern Lorain and Western Cuyahoga Counties area.
8. Painesville area, Lake County.
9. Harpersfield area, Ashtabula County.

V. THE FARM LABOR SUPPLY SITUATION

Reports were received from several sources of an acute farm labor shortage in the Ohio lake-shore area. On the basis of the investigation made, it can be stated that the stringency in agricultural labor has been much less serious than reported. With few exceptions, there was no crop loss or damage reported as a result of labor shortage. The situation might have been more serious in Lake and Ashtabula Counties had it not been for a frost in May which reduced production of grapes, and a windstorm in September which blew down a considerable portion of the apples. In Cuyahoga and Lorain Counties there were a few vegetable producers who allowed certain crops to be unpicked, but usually it was a case of an unfavorable market coupled with somewhat increased labor costs, rather than an actual labor shortage, which was responsible.

There were also reports of a significant withdrawal from production of farm land, but these, too, were found to be exaggerated. The most serious instance of this kind was the loss for agricultural purposes of 9,000 acres of land in Erie County taken over by the Plum Brook ordnance plant. A large portion of this was very fertile land and supported a heavy production of truck crops. In most of the other reports, however, it was found that when farm operators left agriculture, their land was taken over by neighbors or other producers. Several truck farmers near Cleveland reported that they had reduced their plantings during the past season, and others reported that they would do so during the coming season. The reasons given were increased costs of labor and of materials and a fear of acute labor shortage.

1. *Factors influencing farm-labor supply.*

The most important factor influencing farm-labor supply in the lake-shore area is the industrial labor situation. Reports from various sources indicate that there has been a sharp increase in industrial employment during the past year, and that this increase has been in some degree at the expense of agricultural labor

³ There may be other localities in which migrant seasonal workers are employed, but time did not permit a more exhaustive study. In the areas not mentioned above, the seasonal labor used is practically all local rural or that commuting from nearby cities.

⁴ For description of the sugar beet-labor force in these areas, see the study on sugar-beet labor in northwest Ohio, presented by P. G. Beck, regional director, region III, Farm Security Administration, to the Tolan committee.

supply. The increases have been in plants either directly or indirectly related to defense production. Some of the employment has been in construction of defense plants. For example, the Plum Brook ordnance plant near Sandusky and the Ravenna ordnance plant have employed from 10 to 12 thousand construction workers each. Both have taken their labor supply primarily from the Ohio lake-shore area. There are reports from the rural areas near these projects that a considerable number of farm laborers have gone to work on construction. It is stated also that a significant number of farm operators have sold out, and have gone into defense employment, especially from Geauga County and from other areas surrounding Ravenna. Various industries in Toledo, Cleveland, and minor cities within or near the lake-shore area have increased employment during the past year, and some will expand further during the coming year.

Offsetting this rapid expansion in employment are two important factors. The first is a series of lay-offs predicted for the fall and winter months of 1941 and 1942, previously noted, and priorities unemployment which has already occurred. The second is the migration of a considerable number of workers to the lake-shore area from other points.

2. *Effect on crops.*

Except in a few isolated instances, there was no evidence of crop loss because of shortage of farm labor. Many growers said that there would have been a loss in the grape and apple crops, if it had not been for the frost and windstorm previously mentioned. In cases in which vegetable and fruit crops were not harvested, the reason given was unprofitable due to an unfavorable market coupled with increased labor costs, rather than an absolute labor shortage. Most of the small-scale growers, who have a few family workers available, are relying more on these, and are attempting to continue production on the same scale or a slightly increased scale. Some of the large producers, however, are saying that they can hardly maintain present production, much less increase it, unless they have a cheap labor supply available or get considerably higher prices for their crops. Fruit and vegetable growers say they are getting only slightly higher prices than last year, although their costs, including labor, fuel, containers, and other costs, have increased considerably. One large vegetable producer, an officer in two associations, stated that the growers do not feel impelled to expand their operations without some prospect of a fair return. In contrast to the farmers' situation, he mentioned the profits taken by industry and the wage increases obtained by industrial labor. A large fruit grower said he did not see why producers of food should suffer from a labor shortage while many luxury items are still being produced, with labor needed for more essential items.

Agricultural Adjustment Administration goals for the year 1942 call for from 5 to 10 percent increase in milk production in the eight counties studied, from 4 to 8 percent increase in egg production, from 11 to 17 percent increase in potatoes, and a 1 percent increase in market gardens.⁵ No allotments are given for fruit, although fruit growers say that there is pressure for them to increase production.

Producers are especially worried about labor supply for the next season, in view of expanding industrial production and the food-for-freedom program calling for greater production.

3. *Migrant workers.*

In the past, there has been a very little long-distance seasonal migration associated with the agricultural economy of the lake-shore area. Most of the seasonal workers have been local rural people or residents of nearby cities. There have been a few transient workers employed in the nurseries of Lake County and in fruit picking throughout the area.

The two counties in the lake-shore area which attract the largest number of seasonal migratory agricultural workers are Ottawa and Sandusky. These counties also utilize a great many local persons during the fruit- and vegetable-harvest seasons. It should be noted that, while Ottawa and Sandusky Counties use a larger number of migratory workers than other counties in the area for harvesting operations, the length of peak-season employment is much shorter than in most of the other localities.

The cherry crop attracts the greatest number of migrants for the shortest period of time. The two counties contain about 33,000 cherry trees, which are operated by 660 growers; two-thirds of the cherry growers are located in Sandusky County. It is in this county where migration has been found to be concentrated.

⁵ Farm Defense Program, State and County Production Goals, Ohio Agricultural Defense Board, Columbus, Ohio.

Cherry growing is centered principally between the towns of Bellevue and Clyde in Sandusky County. Ownership of the cherry orchards is concentrated in the hands of a comparatively few individuals and companies. Two of the largest cherry orchards in this section reported as using migratory workers are the Silver Fleece Orchards and the Highland Fruit Farms. Two other large cherry orchards in the western lake shore area are owned by Harold Pickett at Bellevue and the Farnsworth Farms located in Lucas County. These, however, are reported to utilize mostly local labor.

The Highland Fruit Farms, owned by the Port Clinton Gypsum Canning Co., operate about 250 acres of cherries and this year produced 650 tons. In addition the company owns and operates approximately 30 acres of peaches and 20 acres of apples. During the cherry-harvesting season (approximately between June 25 and July 15) the company hired 400 pickers. About 225 to 250 of these were estimated to be Negroes, who had been recruited from Cleveland and other industrial cities and had worked in the orchards previous years. The additional 150 cherry pickers were principally resident seasonal workers, most of whom were of Italian, Hungarian, and Mexican extraction. It is reported that on the average cherry pickers earned \$3 a day picking 30 pails of cherries, at 10 cents per pail. Each pail contained 7 to 8 pounds.

Representatives of the company stated that many of the Negro workers were transported about July 15, after the cherry-picking season, to North Port, Mich., where the Port Clinton Gypsum Canning Co. operates the North Port cherry factory and uses these Negroes as pickers in its orchards. The Negro workers are said to be through with the cherry season in North Port about August 5, after which they travel to Benton Harbor and vicinity in search of seasonal employment.

The canning company provides for its migrant workers, most of whom are single men, 28 bunkhouse units and 6 individual cabins. Each bunkhouse unit is about 8 by 10 and contains 3 double-decker structures with straw used as mattresses. One unit housed a minimum of 6 workers. Those who were unable to squeeze into the bunkhouses and cabins slept in the garage, corner, or outdoors. According to the information received the canning company had provided tents in the past for additional workers but discontinued the practice this year. It was reported that the company had intended also to discontinue a commissary and the services of a cook, which they provided last year, but when the workers protested against this step by refusing to pick cherries the company complied with their wishes.

The Silver Fleece Orchards, owned by the Clyde Kraut Co., operate 112 acres of cherries on which there are 8,000 cherry trees. Company officials estimated that it has an annual labor bill in cherries of \$13,000. The workers are paid three-fourths of a cent per pound and, according to the farm manager, averaged \$3 to \$3.50 per day during the 1941 season.

Each year this company hires about 300 migrants during the cherry season. They are mostly southern migrants from Kentucky, Florida, Alabama, North Carolina, Arkansas, and Missouri. This year there were at least 30 Mexican workers in comparison with a maximum of 8 or 9 in previous years. The remaining workers were single "floaters" from indeterminate parts of the Nation. The company provided 5 bunkhouses and a cooking shed in 1941 and is building additional quarters intended to house a number of family groups next year.

Estimates indicate that in the two counties of Ottawa and Sandusky possibly as many as 1,000 migrants come into the area during the cherry-picking season. The migratory labor force is composed principally of Negroes, single "floaters," southern worker families, and hill farmers. In addition, about 2,000 to 2,500 local workers, those who live on the farms year-round or within commuting distance, are employed in the cherry orchards of both counties during the harvesting season.

Some sources have maintained that there was a well-defined migration path running from Ottawa County west and northwest into Michigan; that the season started with cherry picking around Port Clinton, migrants following the crop around the lake into Michigan; that they returned to the starting point when the peaches were ready for harvesting, returned again to pick apples, and finally to harvest the grapes. While no thorough investigation of this alleged pattern of migration has been made by the Labor Division of the Farm Security Administration, information received from farmers and local Government representatives

* A police official of Port Clinton reported that the police department systematically had raided "jungles" and "hobo camps" this year and had given the occupants the alternative of jail or work. From 100 to 150 of these men had been placed on fruit farms at the request of growers. A similar practice was reported in Lake County for workers in the nurseries.

during the present survey leads to the conclusion that no such well-defined pattern exists. Furthermore, no migrants at all were reported to be employed in the grape harvest. Possibly 200 to 300 migrants, composed mostly of "floaters" or "tramps," intra-state migrants, and some southern workers, were reported in the peach harvest in Ottawa County, and about the same numbers in the apple harvests of both Ottawa and Sandusky Counties. The migrants who were employed on the pickle crop were to a large extent of Mexican extraction and were supplementing their sugar-beet earnings by working a patch of pickles on a share-crop basis. Finally, the cherry-picking season is said to begin not at Port Clinton in Ottawa County but in the vicinity of Clyde and Bellevue in Sandusky County.

Likewise, little evidence was found regarding a well-defined migration path from the hill country of the State south of Ohio up through northeast Ohio and into the States of Pennsylvania and New York. It was reported that a small number of workers follow the grape harvest around the shore of Lake Erie and northeast from there, but this movement might be described as a trickle.

For many years, a migrant labor force of perhaps 200 or 300 workers has been used in the large nurseries in the vicinity of Painesville in Lake County. These workers come from every part of the country and are predominantly single males who are perennial migrants. Several of the nursery operators maintain barracks or other types of housing for these seasonal workers.

During the 1941 season many more migrant workers were employed in agriculture in the lake shore area than in any previous year. Many of them have come to the area looking for industrial work, but resorted to agricultural labor when no jobs were available for them in industry. Numerical concentration of these migrants was found particularly in eastern Lorain and western Cuyahoga Counties. The following localities were particularly affected: Westlake, North Olmstead, Olmstead Falls, West View, and Berea, in Cuyahoga County, and Columbia Township in Lorain County. These are regions of concentrated greenhouse and truck crop production. For the most part, these workers came from southern Ohio, Tennessee, Kentucky, and West Virginia, and many of them represented distressed hill farmers. Some of them were in family groups, others, single men, and the rest were married men who had left their families at home. Among the particular areas from which they came were Lawrence, Meigs, and Scioto Counties, Ohio; Lawrence County, Ky.; Cumberland County, Tenn.; and the vicinity of McMinnville, Warren County, Tenn. It was estimated that possibly 200 persons came to this area this year from Cumberland County, Tenn.

A random spot check of 74 persons who had registered for agricultural work during September and October at the Cuyahoga County office of the Ohio State Employment Service showed that 55 held their last job in Ohio (mostly metropolitan Cleveland), 3 in Tennessee, 2 in New York, 2 in Georgia, and 1 in each of the following States: Iowa, Indiana, Kentucky, Alabama, Michigan, Texas, Pennsylvania, West Virginia, Missouri, Florida, South Carolina, and Delaware. This represented about a 20 percent sample of all the registrants for these months. A check of the "dead" files revealed almost an identical distribution of registrants as to place of last job held. Practically all the agricultural workers placed by the employment service were transients. Of the 152 placed in October, 99 were sugar-beet workers sent to the Isabella Sugar Co., Mount Pleasant, Mich. The company transported them in chartered busses.

During the 1941 season, some farm operators patronized the State employment service for the first time. State employment service officials received many requests for year-round farm hands, but were unable to meet the demand for several reasons. The first reason was that farm laborers have not yet learned to register with the employment service. The second is, of course, that there are fewer workers willing to register for farm work. The third reason is that farmers have not always been able to provide housing for family men, or to pay wages now demanded for skilled farm workers. This situation probably obtained in several other branches of the State employment service.

A considerable number of Work Projects Administration workers and aged men from soldiers', sailors', and rest homes were utilized for harvest operations. According to information given by the district 4 office of the Ohio Work Projects Administration, which comprises 13 counties in northeast Ohio, about 600 Work Projects Administration workers were released from their projects to engage in short-time harvest operations, at the end of which they were returned to the project.

Rates of pay for these Work Projects Administration workers averaged 35 cents per hour. Where apple picking was done by piecework, the usual rate was 8 cents per bushel. Farmers throughout the lake shore area also resorted to workers from several homes for the aged. These men were usually transported to the farm, paid from 30 cents to 40 cents an hour, and given their noon meal.

In a few cases, there were attempts to recruit labor from southern Ohio and from other States. Several farm operators wrote letters or actually went in person to certain areas in Kentucky, Tennessee, and West Virginia, in an attempt to induce workers to come to their farms. In the case of at least two large nursery operators near Painesville, workers were recruited in some quantity from the vicinity of McMinnville, Tenn. A nurseryman was reported to have transported several workers to his nursery from this point. One of them was a boy 18 years of age. After he had worked a few days, he quit and returned to Tennessee. It was stated that he had received practically no pay after his travel expense had been deducted, and that he had given his case to a lawyer for action. Another nursery made a practice of contacting workers in the same locality, bus advancing or railroad transportation costs. This advance, was later deducted from wages earned.

VI. STATUS OF AGRICULTURAL WORKERS

1. *Economic status.*

(a) *Wages.*—Throughout the lake shore area, an average wage increase of about 25 percent during the past year was reported. This was an increase over rates of approximately 20 cents per hour for seasonal workers and \$25 per month, with room and board, for year-round hired men, with some variations. Consequently, agricultural wage rates are still far below industrial wages and average considerably less than the minimum wages current under provisions of the Wages and Hours Act.

The lowest-paid agricultural workers were school children, who received as little as 12½ cents per hour for work on truck farms. Year-round farm hands were paid \$30 to \$50 per month with room and board furnished. Local steady greenhouse workers were paid from 35 to 50 cents per hour, with rates as high as 65 and 70 cents reported in a few instances. Migrant greenhouse workers received, on the average, about \$80 per month, without maintenance, or 35 to 40 cents by the hour. Adult truck farm workers, who are mostly seasonal, obtained 25 to 35 cents per hour, depending on the area where they worked. Generally higher wages were paid in the metropolitan areas than in other sections. Fruit pickers in 1941 were paid most often at a rate of 35 cents per hour. Where apples were picked on a piece-work rate basis, 6 to 8 cents per bushel was offered, as compared with a previous average of 5 cents per bushel. In nursery operations, the better paying employers paid 40 to 50 cents per hour, but several of the larger nurseries offered almost half this rate. In contrast to these agricultural wages, industrial rates in the area usually began with about 70 cents an hour for unskilled and \$1 for skilled labor. The majority of the agricultural workers contacted indicated that they preferred to remain in their present work if wages and working conditions were comparable to those of industrial jobs.

(b) *Living costs.*—The most important factor in rising living costs in the lake shore area is house rent. The latter has already increased considerably in every section of the area, particularly in the immediate vicinity of industrial centers and ordnance plants. The competition for living quarters has driven farm workers to the least desirable housing available. Several instances were found in which houses on farms previously used by farm workers had been rented to industrial workers at higher rentals than formerly. In Lake County, near the west end, houses which had rented formerly, mostly to farm laborers, at rates as low as \$2 per week, were being rented in 1941 for \$20 to \$25 per month, or being sold to occupiers.

The prices of food and other commodities have risen considerably in the past year. Added to the 3 percent general sales tax in Ohio (on most retail sales except groceries) are the new Federal excise taxes which have raised the cost of many items.

It is doubtful if the wage increases so far accorded agricultural workers have raised their standards of living.

Those migrant workers who were interviewed stated that although they were getting more cash than before, it was spent faster.

2. *Housing.*

Most of the steady hired single men are furnished reasonably adequate room and board on the farm. The local seasonal workers commute, for the most part, from nearby cities and towns, where rents have materially increased in some instances. It is particularly the migrant workers who have been forced to accept substandard housing. Those interviewed stated that they were living in worse housing than back home. In the truck and greenhouse area of east Lorain

and west Cuyahoga Counties, people were found living in extremely substandard quarters. As one farmer put it: "They just get in anywhere they can find a roof overhead. They just pick up anything they can get hold of. They live in houses no one else would live in." For instance in one dilapidated 6-room farmhouse were found 18 people, all from Cumberland County, Tenn. Local police reported that during the 1941 season several families lived in barns and garages, for which they are charged rent.

Near Berlin Heights in Erie County were found several migrant families living in cramped quarters in houses which had been abandoned and allowed to go for years without repair. Local growers freely admitted that these living quarters were inadequate.

Near Painesville in Lake County, single men transients who worked in nurseries were found to have occupied various types of makeshift housing for years. Some of the nurseries operated barracks which were highly inadequate for the needs imposed upon them. The barracks formerly operated by one of the nurseries had the appearance of a county jail, being built of concrete and stucco. They contained a large mess hall and two dormitory rooms with double decker beds placed very close together. The barracks were in a run-down and filthy condition with a very insanitary privy nearby. Near another nursery was a "jungle" which had been built up by migratory workers over a period of years. This consisted of about 25 shacks, each about 8 feet square, covered with building paper or corrugated cardboard. Another nursery employed about 15 migrant Negro workers who were found camping out and cooking in the open.

In Ashtabula County there had been very little migratory labor until this year. Employment of migratory workers in the fruit harvest had been limited in the past because of the unavailability of housing. Growers reported many migrants coming through during the spring and summer months but unable to find a place to live. One large grower operated a barracks in a garage near his orchard, but found these facilities very unsatisfactory. Operation and supervision of the barracks took so much attention, it was reported, that the orchard work suffered. The Ohio State Employment Service had a proposal to transport 400 Negro National Youth Administration boys from southern Ohio to Ashtabula and Lake Counties for the fruit harvest, but could not carry out the plan because growers could not guarantee to house them.

EXHIBIT B.—THE FARM LABOR AND LABOR SUPPLY SITUATION IN THE FRUIT AND VEGETABLE AREA OF SOUTHERN ILLINOIS, 1941

REPORT BY P. G. BECK, REGIONAL DIRECTOR, REGION III, FARM SECURITY ADMINISTRATION, UNITED STATES DEPARTMENT OF AGRICULTURE, NOVEMBER 1941

PURPOSE AND SUMMARY OF FINDINGS OF THE SURVEY

National defense activities in 1941 aroused considerable concern among southern Illinois farmers regarding the availability of seasonal labor needed to harvest their huge perishable crops of peaches, apples, strawberries, and vegetables. To investigate the validity of the reported stringency in the farm labor supply in this region of the State, to anticipate, if possible, what the probable situation will be in 1942 and to formulate, on the basis of this year's experiences, methods of meeting possible shortages next year, the Labor Division of the Farm Security Administration in region III conducted a reconnaissance survey in the Anna and Centralia fruit districts of southern Illinois. Farmers, laborers, Illinois Employment Service officials, Agricultural Adjustment Administration representatives, Extension and Farm Security Administration personnel and others were interviewed to obtain the necessary information. The survey was conducted during the summer months of 1941, between July 10-16, August 12-17, and September 21-29. The summary of findings follows:

1. No actual labor shortages occurred this year in any of the crops harvested, strawberries in May, early apples and truck crops in June, tomatoes and other vegetables in July, peaches in August and late apples in September.

2. Farmers experienced a high labor turn-over during each of the seasonal crop operations, a fact which can be attributed in large part to the workers' dissatisfaction with existing housing and sanitary facilities or to the utter lack of such facilities, and in part to comparatively low wage standards and transportation difficulties.

3. The labor supply consisted of year-round and seasonal workers. The seasonal labor supply was composed of resident workers within commuting distance of the fruit and truck belt, other Illinois workers from localities within a

25-to-50-mile radius, and migratory workers from the south, chiefly Arkansas and southeast Missouri.

4. In 1942, the Illinois ordnance plant, located at Crab Orchard Lake in Williamson County, can be expected to absorb a significant amount of local labor which otherwise could be available for farm work. The food-for-freedom program, on the other hand, will increase the number of farm laborers needed, particularly on truck farms.

5. Adjustment of wage rates and improvement of existing housing facilities and construction of additional shelters would in effect make farm employment more attractive, minimizing the flow of local labor away from the farms, and reducing turn-over and discontent among migrant farm laborers.

Types of farming in the area.

The production of oil and coal and the growing of fruit are the principal industries of southern Illinois. Oil is booming; coal is declining; and the prosperity of the fruit industry depends on the weather and market conditions. The two large fruit regions in southern Illinois are the Anna district, embracing Union, Pulaski, Johnson, and Jackson Counties, and the Centralia district, located about 75 miles north of the town of Anna and embracing the counties of Marion, Jefferson, and Washington. (See map 1.) This year (1941) southern Illinois had a bumper crop of peaches, a short crop of strawberries, and a fair crop of apples.

The heart of the fruit belt in this area is located north of the town of Anna, about 20 miles along United States Highway 51 and the Illinois Central Railroad. Union County is the major fruit-producing county, and for this reason the study was centered there. Large quantities of strawberries, apples, and peaches are raised in this county around the towns of Anna, Cobden, and Alto Pass. It also produces an appreciable supply of vegetables. The importance of the fruit industry in Union County as contrasted with the other counties in the Anna district and in the Centralia district may be observed in table 1.

The vegetable and fruit crops in this area require a large number of resident and migrant workers, particularly during the harvest seasons. The latter succeed one another, beginning in early May with strawberries and ending in the first part of September when late apples are picked. The labor requirements, however, vary according to the crop and weather conditions. This year, Union County, as well as other counties in southern Illinois, better known as Little Egypt, had had a bumper peach crop and more harvest workers were needed than in any year during the past decade.

TABLE 1.—*Distribution of fruit trees by kinds on fruit farms² in southern Illinois, 1938*

District and county	Number of farms	All trees (number)	Proportions of total trees by kinds			
			Apple	Peach	Pear	Total
Anna:			<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Union.....	103	354,953	34.2	64.7	1.1	100
Pulaski.....	22	43,812	15.8	72.6	11.6	100
Johnson.....	18	135,869	60.2	39.8	.0	100
Jackson.....	30	127,448	55.0	44.7	.3	100
Total.....	182	662,082	42.3	56.3	1.4	100
Centralia ³	40	126,989	22.7	76.1	1.2	100
Total.....	222	789,071	39.2	59.5	1.3	100

¹ Source: Ekstrom, V. A., *The Tree Fruit Industry in Southern Illinois: Summary of a Survey*. Agricultural Experiment Station, University of Illinois. AE 1164, May 1939.

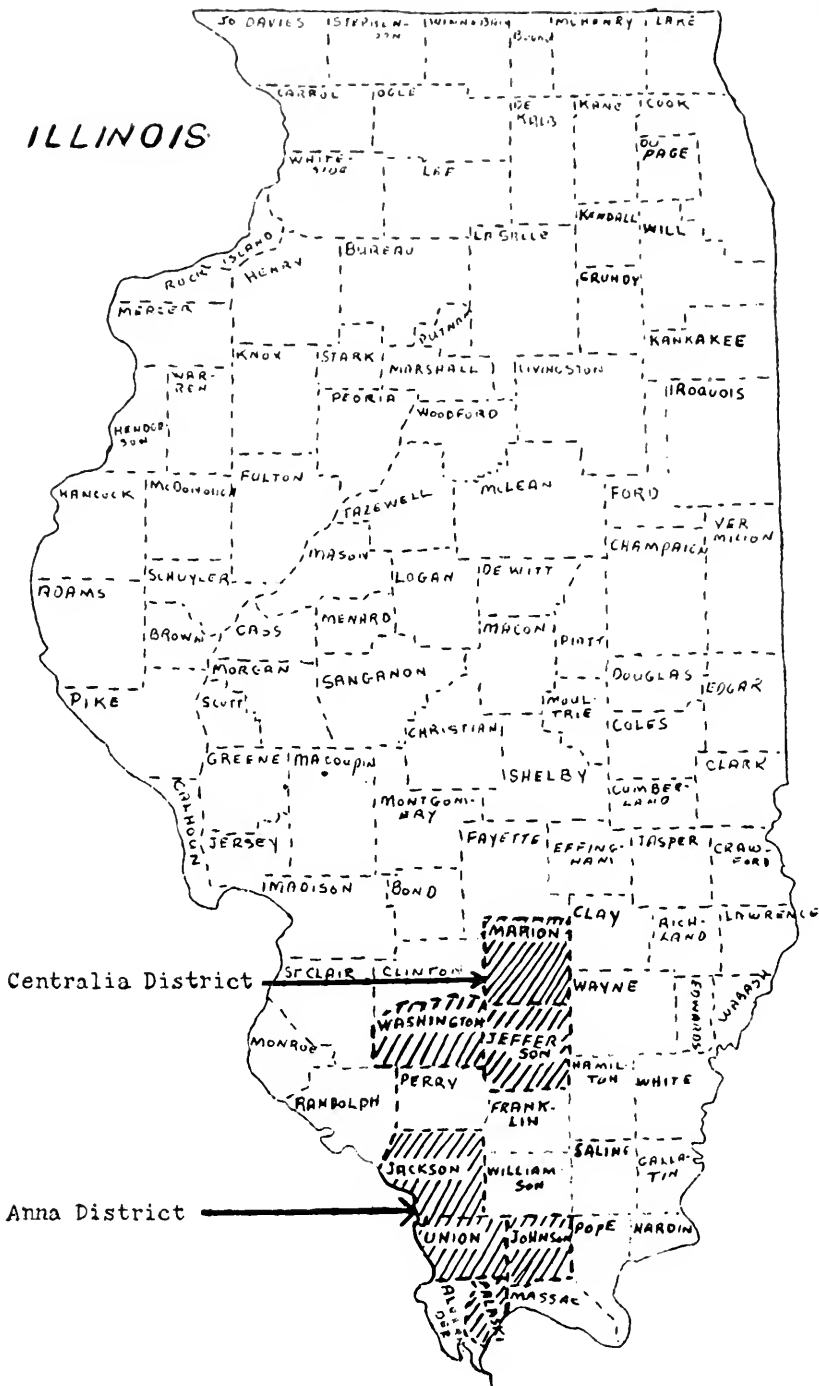
² Only farms on which 300 or more fruit trees were grown were considered fruit farms in this survey.

³ Includes Marion, Jefferson, and Washington Counties, Ill.

More than one-half of the fruit trees in the Anna district are found in Union County, and with the addition of 127,000 fruit trees in the Centralia district, the 103 Union County fruit farms have only slightly less than one-half of the fruit trees on all the fruit farms in southern Illinois.

The 1938 figures also show that peaches and apples are the two most important fruit trees grown in southern Illinois, with peaches ranking first. About 60 percent of the approximately 790,000 trees reported bore this fruit. The most important apple-producing area in Illinois is Calhoun County, located north of East St. Louis along the Mississippi River.

ILLINOIS



Union County produces various kinds of small fruits and vegetables, as well as peaches and apples. (See table 2.) These figures on vegetables and small fruits do not, however, represent the total acreages in the county. Agricultural Adjustment Administration estimates for 1941 indicate that there were about 660 farmers engaged in commercial vegetable production on 3,450 acres, 275 of whom raised about 550 acres of tomatoes; there were 300 farms growing 600 acres of strawberries, with acreages ranging from one-half to 10 acres.

The University of Illinois survey of 1938 found that vegetables were more commonly grown on the small fruit farms in the Anna district. It was reported that vegetables were grown on 55 percent, and small fruits on 38 percent of the farms included in the survey, with vegetables averaging 6 acres and small fruits 4 acres per farm. Union and Pulaski Counties had the heaviest production of these crops.

TABLE 2.¹—*Fruit and vegetables grown on 100² Union County fruit farms*

Item	Number of farms growing designated crops	Size of enterprise	
		Total trees or acres	Trees or acres per farm
Tree fruits:		<i>Trees</i>	<i>Trees</i>
Peaches.....	89	186, 871	2, 100
Apples.....	86	95, 675	1, 112
Pears.....	17	3, 879	228
Vegetable crops:		<i>Acres</i>	<i>Acres</i>
Asparagus.....	18	79. 5	4. 4
Green beans.....	20	27. 75	1. 4
Cantaloupes.....	22	46. 75	2. 1
Cucumbers.....	25	31. 0	1. 2
Peppers.....	6	4. 25	. 7
Potatoes.....	10	12. 25	1. 2
Rhubarb.....	4	5. 0	1. 2
Squash.....	4	4. 0	1. 0
Sweetpotatoes.....	39	107. 5	2. 7
Spinach.....	5	12. 5	2. 5
Tomatoes.....	33	68. 0	2. 1
Small fruits:			
Strawberries.....	35	112. 75	3. 2
Raspberries.....	12	27. 75	1. 9

¹ Source: Ekstrom, V. A. The Tree Fruit Industry in Southern Illinois: Summary of a Survey. Agricultural Experiment Station, University of Illinois, AE 1164, May 1939.

² Three of 103 farms studied in the analysis cited above are not included because of insufficient data.

This small, concentrated fruit-and truck-crop belt in southern Illinois is one of oldest truck and fruit crop areas in the Midwest. The first refrigerator car was built in Cobden, Ill. Its growth is largely attributed to the development of the Illinois Central Railroad which runs through this area.¹ This particular belt has had, over a long period of years, 5 inches more rainfall than the remainder of southern Illinois. These and other contributing factors, such as soil, have made this area the heart of the fruit country in southern Illinois.

From the preceding analysis it would appear that all of Union County was strictly a fruit- and truck-crop area. But, as a matter of fact, fruit and truck crops form only a small portion of the agricultural economy of this county. The fruit- and truck-crops belt extends along the Illinois Central Railroad from Dongola, 9 miles south of Anna, to Carbondale 20 miles north of Anna. The length of the belt is thus approximately 30 miles, while its width is approximately 10 miles.

While fruits and vegetables typify Union County, the majority of farms are characterized as general. Union County is located in a type of farming area designated as area 9 in Illinois. (See map 2.) According to a survey conducted by the Extension Service in 1937, general farms comprised 41.4 percent of all farms in the county; 12.3 percent of the farms were designated as fruit farms, and 11 percent as truck farms. The general break-down may be observed in table 3.

¹ Today, three railroads cross Union County. The Illinois Central Railroad and the Gulf, Mobile & Ohio Railroad serve the fruit and vegetable belt, while the Missouri Pacific handles principally grain along the Mississippi Valley. Truck transportation is serviced by highways U S 51 and route 3, running north and south, with route 146 running east and west. Because of the volume of fresh fruit and vegetable marketing, Union County is serviced with four shipping centers located at Dongola, Anna, Cobden, and Alto Pass. Union County also has two municipal markets at Anna and Cobden, maintained and operated by the cities and open to all farmers.

TABLE 3.—*Farms of specified types in Union County, Ill., 1937-38*¹

Type	Percentage of total	Type	Percentage of total
General	41.4	Part-time	3.4
Fruit	12.3	Crop specialty	3.1
Self-sufficing	11.5	Poultry	.7
Truck	11.0	Others	.5
Dairy	7.1	Total	100.0
Cash grain	5.3		
Animal specialty	3.7		

¹ Based on data compiled by the Agricultural Extension Service, Union County, Ill.

In 1940, the Agricultural Census reported 1,724 farms, a decrease of 250 farms. Of the 1,724 farms, 1,203 are operated by owners, 89 by part-owners, 11 by managers, 54 by cash tenants, 2 by share-cash tenants, 309 by share-tenants and croppers, and 56 by other unclassified tenants. About one-fourth (24.4 percent) of the farms are tenant-operated.

The largest proportion of farms in Union County are small-sized. The average-size farm was 110.5 acres in 1940. In 1930, the average gross farm income of Union County was \$1,650 (State average was \$2,467), with 33.9 percent of the farms earning a gross income of less than \$600.

Concentration of fruit production.

Peach growing in southern Illinois is concentrated in the hands of comparatively few producers. In a recent analysis² of the fruit industry in southern Illinois, it was revealed that of the 190 farms growing peaches, 74 percent had up to 2,500 peach trees, but only 37 percent of all the peach trees, while 26 percent of the farms had more than 2,500 trees per farm and accounted for 62.5 percent of all peach trees. Most of this concentration is found in Union County. The following are a few examples of large fruit production in this county:

(1) Metzler & Sons, Inc. (formerly American Fruit Growers, Inc.), had as of 1941 a total of 14,824 fruit trees; 1,659 early apples, 5,514 late apples, and 7,651 peaches.

(2) Hugh Lamer is reputed to be the second largest individual farmer in Illinois, and as of 1936 it is reported he had a total of about 9,800 trees.

(3) Grover Rendleman, it is reported, had a total of approximately 7,500 trees.

(4) Other fruit growers whose farms are above average size are the Keith family, the Venable Estate, the Flamm Bros., Willis Hartline, and W. Venable.

EMPLOYMENT OF LABOR IN THE SPECIALIZED FRUITS AND VEGETABLE ENTERPRISE OF UNION COUNTY

Seasonality.

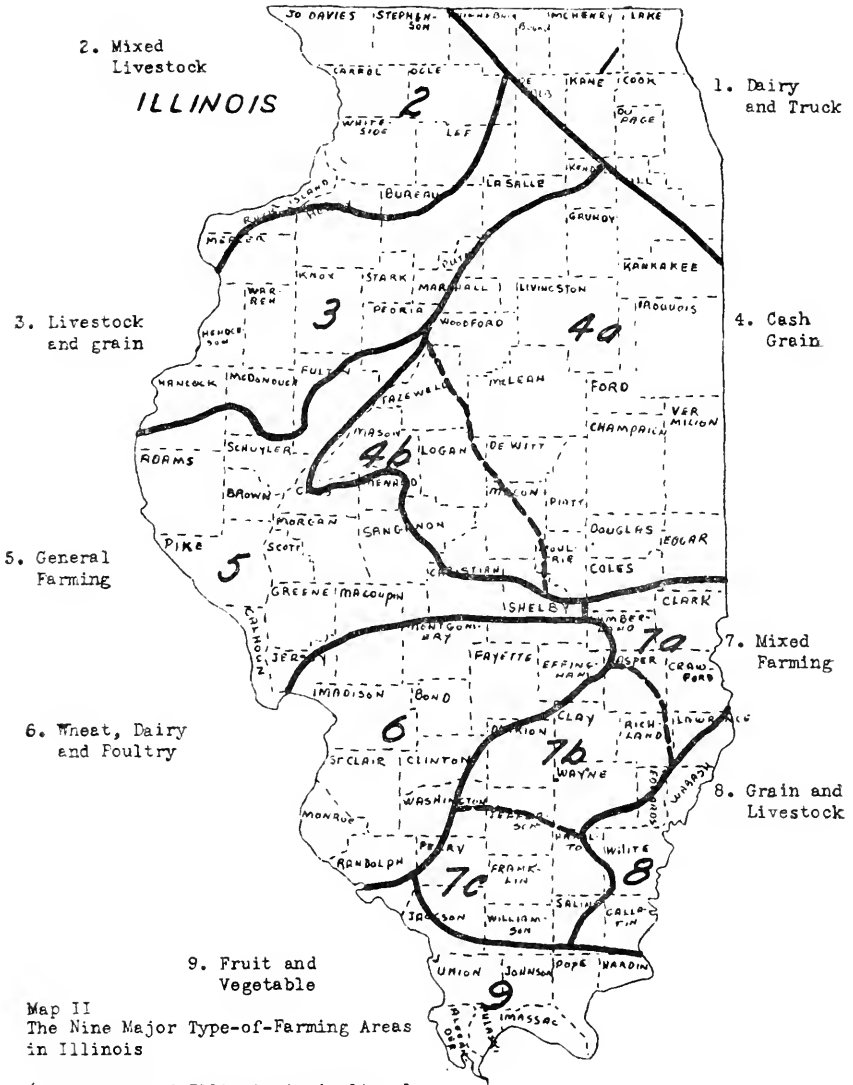
From the early part of May to the late part of September, commercial vegetables and fruit crops are harvested in Union County, demanding a large force of resident and migrant labor. The crops requiring the largest volume of labor are: (1) Strawberries, harvested between May 10 and June 1; (2) early apples, harvested between June 20 and July 10, and thinned between May 10 and May 25; (3) peaches, harvested between August 5 and August 22 and thinned between May 25 and June 30; and (4) late apples, harvested between September 1 and October 15. These dates are based largely on this year's crop experiences. Over a long period of time the various crop seasons will approximate these dates.

Between May 10 and October 15 other crops of lesser importance also are harvested by hand labor. The harvesting and peak shipments of these crops are listed below:³

Crop	Dates harvesting season	Dates peak shipment
(1) Asparagus	April 18-June 20	May 10-May 20.
(2) Snap beans	June 1-July 15	June 10-June 20.
(3) Cucumbers	June 20-July 20	July 1-July 5.
(4) Raspberries	June 15-July 7	(Not available.)
(5) Tomatoes	July 8-Aug. 15	July 10-July 15.
(6) Cantaloups	July 15-July 30	July 20-July 25.
(7) Snap beans (late)	Sept. 5-Oct. 15	Sept. 25-Sept. 30
(8) Late spinach	Oct. 25-Dec. 1	Nov. 5-Nov. 10.

² Source: Ekstrom, V. A. The Tree Fruit Industry in Southern Illinois: Summary of a Survey. Agricultural Experimental Station, University of Illinois, AE 1164, May 1939.

³ The dates of the harvesting seasons and peak shipment of the crops presented were computed by the Illinois Cooperative Crop Reporting Service.



Map II
The Nine Major Type-of-Farming Areas
in Illinois

(University of Illinois Agricultural
Experiment Station Bulletin 403)

The above data illustrate the variety and seasonality of commercial crops grown in Union County. Peak seasonal employment, however, falls between May 10 and August 22.

It will be noted that the peak loads of migratory employment occur during strawberry picking, early apple and peach thinning, early apple picking, and peach picking. The largest demand for labor falls between August 5 and August 22, during the peach harvest, when, as in 1941, an estimated 5,500 workers were employed in the orchards and packing sheds. Employment rises during the strawberry season, remains high through the packing of early apples, the thinning of peaches, and the picking of asparagus, cucumbers, beans, and raspberries. The lowest level in the demand curve is in July and the peak of employment is reached in early August.

The farm worker in Union County.

1. *The year-round worker.*—It is estimated that there are approximately 1,200 year-round farm hands in Union County. These workers may be found principally on the commercial fruit and truck crop farms in the county, ranging from 1 to as many as 30. They are rarely employed in the harvesting of small fruits and vegetables. When employed during the apple and peach seasons, they usually drive wagons or trucks, in general facilitating the harvest work but not directly employed in the capacity of pickers.

All the year-round workers are white, and all but a few are family heads. The farmers provide housing for them, usually gratis, but of very poor construction and appearance. They are furnished but a few other perquisites, and these are usually of meager portions. Their average daily earning is about \$1 per day.

The opportunities for these workers to climb the agricultural ladder is strictly limited. Their earnings are too meager and no other favorable circumstances exist for their advancement. In general, their social and economic status is low and disadvantaged.

2. *The resident seasonal worker.*—His social and economic status is not unlike that of the year-round worker, except that his existence is more precarious. He faces greater periods of unemployment; his whole problem of eking out an existence is unstable and leads to a considerable degree of mobility.

The resident seasonal worker may be more aptly described as an out-of-county worker. In the peach season, for example, it is estimated that of the 5,500 workers employed, 1,450 are so-called resident seasonal workers. But, it is to be noted, of these 1,450 it is conservatively estimated that only 350 reside in Union County. In 1941, Work Projects Administration supplied about 200 of these workers and the Relief Administration cut off 50 for the peach season; the remainder from Union County represented largely local high school boys and odd job seekers. About 1,100 came from adjoining or nearby counties within a radius of 35 to 40 miles, with some traveling distances of 50-60 miles to work. These workers came in old-model cars, trucks, and some hitch-hiked; a number were also trucked in by fruit growers. The usual cost of transportation to the job was 25 cents per day.

The out-of-county workers, for the most part, returned home after a day's work. In 1941, it was reported, many of them did not return for resumption of peach-orchard work because of (a) dissatisfaction with wages, (b) dissatisfaction with sanitation, such as inadequate toilet facilities, and (c) dissatisfaction with distance of travel and cost. Some fruit growers, on the other hand, complained of the high labor turnover, but dismissed the situation by stating that "these fellows are shiftless and don't like to earn an honest dollar." While 1,100 out-of-county workers were employed at any one time, it is highly probable that at least twice that many persons held jobs during the peach season in this area. The same set of circumstances and conditions applied in the other seasonal crops, although smaller numbers of workers were employed.

There is a huge surplus of labor outside of Union County. This surplus is located largely in Franklin and Williamson Counties, northeast of Union County, but they are drawn from practically all of southern Illinois. Some of the towns from which these out-of-county workers come are Johnson City, Marion, Wolf Lake, Herrin, West Frankfort, Carterville, Pittsfield, Royalton, Mulkeytown, Murphysboro, Olive Branch, Cypress, and even from towns as distant as Mount Vernon and Salem. Union County cannot, however, really depend upon drawing their total labor supply from these surplus centers. Two important deterrents are low wages and transportation factors. The majority of workers in the counties immediately northeast of Union County are unemployed or partly employed coal miners who, in many instances, will not accept wages of 17½ cents per hour and a 10-hour work day, with a deduction of 25 cents for transportation. Those workers who do come from these counties are usually the totally unemployed

Work Projects Administration worker (released for a day of two), high school students, and odd-job seekers. They cannot hope to earn much at the prevailing wage, but they are sufficiently hard-pressed to accept this type of seasonal employment.

Some of these workers interviewed stated that if transportation were provided free of charge they would return each day until the harvesting was completed. Others expressed the thought that they felt too tired to drive 35 to 40 miles home after a day's work. They would prefer, they said, to remain overnight, but no housing accommodations were available for them.

3. *The migrant worker.*—The type and extent of migration into southern Illinois vary according to the season. The most extensive migrations occur during the strawberry harvest, May 10–June 1, and the peach harvest, August 5–August 22. In 1941, about 800 workers, including family members, migrated to southern Illinois to pick strawberries. This estimated number is extremely conservative; other estimates show that from 1,200 to 2,000 migrants were employed during the strawberry harvest.⁴ During the peach harvest, it is estimated that approximately 2,900 workers migrated into southern Illinois, many of whom left their families behind.

(a) *Source of migration:* During the crop seasons of 1941, the Illinois State Employment Service maintained offices in Anna, Cobden, and Alto Pass, all located in Union County and in the heart of the Fruit Belt. More than 1,500 individual records of Illinois State Employment Service, collected between May 17 and August 13, were analyzed by the Labor Division of the Farm Security Administration, region III. Of the 1,539 persons who registered, 685 or about 45 percent were from other parts of the State of Illinois, mostly from the depressed coal mining areas; almost half were from southeastern Missouri and Arkansas⁵ and the remainder from other States. Below are listed the States and the number of migrants who reported residence in those States:

Missouri (southeastern).....	428	West Virginia.....	1
Arkansas.....	332	Connecticut.....	1
Kentucky.....	19	Arizona.....	1
Tennessee.....	19	North Carolina.....	1
Mississippi.....	13	Pennsylvania.....	1
Louisiana.....	11	Indiana.....	1
Texas.....	8	Georgia.....	1
Alabama.....	7	Wisconsin.....	1
Oklahoma.....	3	Michigan.....	1
California.....	3	Florida.....	1
Massachusetts.....	1	Idaho.....	1

The registrations at the Illinois State Employment Service offices represent, admittedly, only a small portion of the migrants who came through Union County. The migrant who has followed the same path, year after year, and worked on certain farms, usually goes directly to the farm without contacting or registering at the employment offices. Also, the worker who is trucked in by farmers does not register; nor does the worker register whose friends inform him of work available on a particular farm.

Special study was made of the Union County migrant labor force during the peach harvest by the Labor Division, Farm Security Administration, region III. The great bulk of the 2,900 estimated migrants during this season came from southeast Missouri. They came from Scott, Mississippi, Stoddard, New Madrid, and even from Pemiscot and Dunklin Counties, distances of approximately 65 to 130 miles. Some of the workers, it was revealed, were tenants of the Delmo Labor Homes, a Farm Security Administration project in southeast Missouri.

A large proportion of the southeast Missouri workers, it was found, return home at the end of a day's work, because no housing facilities are available for them. In this connection it should be noted that transportation problems constantly arise. First, bridge tolls are exceedingly high. The bridge at Cairo, for example, charges \$1.50 for a round-trip ticket. The Cape Girardeau bridge charges 75 cents each way. Secondly, fruit growers have been informed that it is illegal to transport workers across State lines. Nevertheless, bootleg trucking is widespread in this area with the law apparently overlooking these irregularities.

⁴ Kofoed, Ralph K. (Rev.) *Migrant Labor in Union County, Illinois, 1941.* This study was made at the joint request of the Illinois Church Council and the Extension Service, which thought the problems of migratory workers in this area serious enough to be investigated. While the study deals principally with moral and religious issues, it contains valuable socio-economic information.

⁵ Those whose records indicated that they came from Arkansas were registered principally during the strawberry harvest and gave Bald Knob as their last place of work. Many of these workers, it is believed, originated in Texas and followed the strawberry crop to Bald Knob, and thence to southern Illinois.

One Delmo tenant stated that he had come to Union County with his family to pick strawberries, then took his family back to Dunklin County with his truck, then returned with a bunch of boys to pick early apples and thin peaches, then returned home until peach picking. When the peach harvest began he returned to Union County with his wife and two children and also brought some friends with him to help defray expenses. They lived in a cement basement of a dismantled shed house. They had one mattress on which to sleep, placed on the cement floor. The one redeeming feature of this shelter was its coolness during the hot August days. The wife earned additional income by boarding several peach pickers.

As poorly as this migrant family lived, in contrast to the lot of the majority of the other migrants, it was well-housed. This family owned a truck and was able to defray transportation costs and earn an additional income by using it on the job, and from one job to another. The food costs were absorbed by virtue of the fact that his wife cooked meals for other workers. After these trips to southern Illinois, the family was able to return to a decent home (Farm Security Administration home in southeast Missouri) in which it took great pride. The head of the family stated that the fact that he lived in the Farm Security Administration group labor home community gave him a feeling of security and encouraged him to seek migratory farm work in order to supplement the meager income he derived from cotton picking in southeast Missouri.

Another migratory family, stumbled upon at dusk on the land of a large fruit grower, presents even more nakedly the plight of the migrant seasonal agricultural worker in Union County. This family also was typical of the majority of insecure, undernourished, and poorly housed cotton farm workers who migrated into southern Illinois. They lived in what once was a toolshed. There were no sides to the shed, the floor was dirt, and the roof had many planks missing. The night before it had rained and the two mattresses were soaked.

This family had come from near Risco, southeast Missouri, in an old-model Ford, which needed considerable repair at the time. They had come to this farm on July 7, and the husband and eldest son had thinned peaches until about August 5 when they began picking them. During the woman's first week on the farm she gave birth to a child in the shed. She called a doctor for delivery. That was the first and last time she had seen a doctor since she was pregnant. The mother, father, and infant slept on one mattress, and the two sons slept on the other.

When they left southeast Missouri they were not permitted to retain their shack for later occupancy and hence were compelled to take all of their belongings on the road. They expected to return to southeast Missouri when cotton picking began, but did not know where they were going to live. This was the situation for the majority of migrants who were interviewed. They lived poorly at home just as they did in Union County, but they came to this fruit area because they could not secure work in the South during the off seasons which are practically all seasons but that of cotton picking.

(b) Housing and sanitary conditions: The living conditions of the migratory worker in the region surveyed were deplorable. Some lived in sheds, such as described above; others slept in barns; still others on straw stacks; a few in small canvas tents, and even in the orchards with protection offered only by the trees. There were toilet facilities neither in the orchards nor in the surrounding buildings. One fruit grower, indifferent to the plight of the worker, commented: "Over the hill was what they're used to and it's good enough for the like of them." This was not, however, the feeling of most growers interviewed. They recognized and readily admitted the need for housing and sanitary improvements for these harvest workers but contended they could not afford the expenditures involved for seasonal accommodations.

Tent camps were found in groups of a dozen or more. Many of the tent camps were established on the lawns of the fruit growers or beside the packing sheds, so that the workers might have water available. There were, however, no facilities for bathing or washing clothes. In only one instance were bunk houses of fair construction observed.

Conditions during the strawberry harvest were very similar. In the study previously cited, *Migrant Labor in Union County*, the conditions of strawberry pickers were found to be demoralizing and unwholesome. The following excerpt from this study not only clearly defines the situation which confronts the strawberry picker, but that of all migratory workers in Union County during the various crop seasons:

"The employers' relations with the workers were pretty well comprehended in the equation '6 quarts of berries equal 15 cents.' Delivery at the packing shed is about all that counts. Where and how they live is solely the workers' concern.

"There are no workers' camps, and the people scatter out to the farms on which they work. Here the housing is usually despicable or nonexistent. Some have tents which they pitch; none have trailers. The others use the barns, machine sheds, or old packing sheds and other outbuildings for shelter. Not infrequently they sleep under the trees in the open. Occasionally a farm has a suitable cabin available but this is the exception. Other living conditions are in keeping with the housing. Meals are cooked on the open fire, usually with a piece of sheet metal laid across two rocks. Water is secured at the farm cistern or from the nearby creek or spring. There are very few wells, and it does not seem possible that the water is usually poor. Baths are taken in the stock pond, creek, or by bucket; though often enough, not at all. The toilet is simply yonder clump of trees or bushes. In camp or shelter there is a minimum of privacy. The tent or shed has never more than one room. In one instance, bedding for 20 or more people was observed lying side by side in an open building. Men, women, and children slept together in this way. Many farms have from 20 to 50 people living on them under these conditions, usually camped close together, though not always."

(c) *Mobility*: Mobility of migrant workers is highest among strawberry pickers. They follow the crops to a much greater extent than do the migrants working at picking apples, thinning peaches, picking vegetables or even those picking peaches. Reports gathered from fruit growers and Government agencies indicate that strawberry pickers first pick strawberries in Texas, then move into Louisiana, then travel through Tennessee and Kentucky, and come through southern Illinois and move on to Michigan. Another pattern of migration reported is one by which berry pickers work in vegetables and berries in the Gulf States in the early spring, then move on to Arkansas to pick strawberries, particularly around Bald Knob. From Bald Knob they move on to the southern Illinois counties, mostly in and around Anna and Cobden, then move on to Centralia and Fairina, Illinois, then to Paris, Ill. From Paris they usually move directly to the berry fields of Michigan. The latter pattern of migration would seem to be the more common one followed.

For the peach, apple, and vegetable harvests, however, migrant workers come mostly from southeast Missouri and Arkansas, and their mobility is not as high as that which characterizes the workers in the strawberry harvest. The distances Arkansas and southeast Missouri migrants travel are shorter and they do not, in the main, follow-the-crops through from one State to another.

(d) *Working conditions*: Wage and hour conditions of workers are exceedingly poor. In 1940, workers were paid from 10 to 15 cents per hour for all types of seasonal farm labor. This year, they were paid wages ranging from 15 to 20 cents per hour, more frequently 17½ cents per hour. Piece rates were almost uniformly at 2½ cents per quart for strawberries, and 25 cents per bushel for picking beans. Packing shed workers earned from \$1.50 to \$2 per day.

Work during the crop seasons is extremely arduous. "Bossmen" are constantly pressing the workers both in the orchards and in the packing sheds. "Stoop" labor and "step-ladder" labor characterize the types of work required in fruits and vegetables. The average number of hours worked is 10 hours. Sometimes the workers are required to work as many as 14 hours if the fruit grower finds the market price rising. These are the workers to whom the wage-and-hour law does not apply.

(e) *Racial factors*: Racial prejudice is strong in Union County. It may well be termed a "Lily White" county such as is frequently found in the South. Negroes are told not to stay overnight. They also are discriminated against with regard to employment. For the first time in many years several groups of Negroes found employment this season in the fruit orchards. One fruit grower, for example, had a crew of 20 apple pickers. He trucked them in from Cairo in the morning and returned them at night, charging each person 25 cents for the journey. During peach picking, several crews of Negroes were trucked in from this city for the day. On the whole, however, fruit growers are very reluctant to hire Negroes.

On one occasion, a fruit grower visited the employment office at Anna and inquired whether any peach pickers were available. The Employment Service official stated that he did not have any workers immediately available but that he could get some Negroes for the work. The fruit grower remarked: "Hell, I don't have to go to the Employment Service for that. I can go down to Alexander County and get all the niggers I need." While Union County employers - both industrial and agricultural - will not employ Negroes, the Pulaski and Alexander Counties, immediately south of Union County, employ a large number of Negroes, particularly on the farms.

The farm labor supply situation.

Because of anticipated large crop yields for 1941, a number of large farm operators in the area feared that a serious labor shortage would develop. Increased industrial activities outside of southern Illinois and the Selective Service Act were instrumental in stimulating this fear. Now that the seasons for these various crops have come and gone, it is admitted by practically all concerned that no labor shortages occurred. Workers may not have remained with any one fruit grower through the crop season, but, in most cases, they were replaced. That no labor shortage existed in this area as well as other areas of the State, was later substantiated by all agencies represented, including the Illinois Agricultural Association at a meeting of the State subcommittee on farm labor, held in Chicago, Ill., September 9, 1941.

It was observed, however, that while no labor shortages prevailed through the peak of the crop season, some shortages occurred on several farms in the last day or two when workers were needed to complete the harvest. These occurred only in a few instances and resulted in some crop loss, but of no serious proportions. This merely indicates that as soon as workers find jobs elsewhere they leave farm employment. They were not interested in seeing the job through because of low wages and poor housing conditions.

Next year the question of an adequate labor supply undoubtedly will become more serious, and for two specific reasons: (1) The Illinois Ordnance Plant, located at Crab Orchard Lake, Williamson County, will be practically completed by next summer, and will draw most of its workers from a labor force within a 25-mile radius, which includes a great portion of Union County; (2) the food-for-freedom program will be in effect by next summer, and more workers will be required to harvest the truck crops.

Hence, a situation presents itself where, on the one hand, some of the farm labor supply is withdrawn and, on the other hand, more labor will be required. These facts should be noted, however, in regard to the farm labor supply situation this year as compared with 1942: (1) the 1941 peach crop in this area was the largest in 10 years; it will not be as large next year; (2) a large proportion of the workers needed are available for the fruit and vegetable harvest season within a 25-to-40-mile radius of Anna, Ill., but their availability depends largely on higher wages and better transportation arrangements. This will be increasingly true with the development of alternative sources of employment.

The food for freedom program could be greatly aided by Union County farmers. They have the equipment and the land to grow more truck crops. It would help in the diversification of their specialized economy. Metzler & Sons, Inc., one of the largest fruit growers in Union County reported, prior to the announcement of this program, that they were intending to increase their vegetable production and also raise hothouse tomatoes. The manager estimated that it would necessitate an increase of 25 to 30 percent in their labor force. Many other fruit growers could do likewise, but only recently some expressed concern whether sufficient labor would be available to harvest the crops next year.

Despite the fact that Union County is located near centers of high population density and large-scale unemployment (which should decrease as defense employment increases) farmers cannot expect to attract workers from these sources in sufficient number to meet all labor requirements. As local or State defense employment expands, fewer local workers may be available even though farm wage rates greatly increase. Union County, however, normally draws in a large number of workers from the South and particularly from southeast Missouri, where alternative work opportunities are few, and where the slack seasons correspond with the peak seasons in Union County.

CONCLUSIONS

Unattractive wages and transportation arrangements and utter lack of housing facilities are the significant drawbacks to the securing of workers in this area. The significance of these factors will be accentuated next year as a result of the obtaining of jobs in defense plants or service establishments, particularly the Crab Orchard ordnance plant, by many local persons who were in the unemployed labor market this year.

The lack of housing facilities constitutes not only an important limiting factor in the labor supply but a menace to the health, morale, and well-being of the migrant and local worker.

For the welfare of the community and the migrant worker who continues to be willing to come to the area for seasonal work, as well as for the success of the food-for-freedom program in the area, the necessity for providing housing and shelter is

obvious. The Farm Security Administration could appropriately give consideration to the development of permanent housing for local farm laborers and temporary shelter facilities for seasonal farm workers. Mobile camps would serve definite needs near Anna, Cobden, and Alto Pass in Union County; near Centralia, Walnut Hill, Alma and Salem in Washington and Marion Counties.

Farmers, likewise, could well consider adjusting wage rates and improving transportation arrangements as well as improving housing facilities.

EXHIBIT C.—THE FARM LABOR AND LABOR SUPPLY SITUATION IN NORTHWEST OHIO, WITH SPECIAL REFERENCE TO SUGAR-BEET WORKER FIELD LABOR

REPORT BY P. G. BECK, REGIONAL DIRECTOR, REGION III, FARM SECURITY ADMINISTRATION, UNITED STATES DEPARTMENT OF AGRICULTURE

I. PURPOSE AND SUMMARY OF FINDINGS OF THE SURVEY

National defense activities in 1941, aroused considerable concern among northwest Ohio farmers regarding the availability of seasonal labor needed to harvest their huge crops of sugar beets, fruits, tomatoes, and other vegetables. To investigate the validity of the reported stringency in the farm labor supply in this region of the State, to anticipate, if possible, what the probable situation will be in 1942 and to formulate, on the basis of this year's experience, methods of meeting possible shortages next year, the Labor Division of the Farm Security Administration in region III conducted a reconnaissance survey in the sugar-beet areas of northwest Ohio.

Because of the wide diversification and dispersion of crops in the area it was found necessary to analyze the farm labor and labor supply situation in northwest Ohio by, (a) limiting one phase of the study to an analysis of the most important type of labor used in the area, e. g., the sugar-beet worker, and (b) investigating the lake shore area where the fruit crop is a major enterprise and demands concentrations of migratory fruit pickers, in addition to the labor in its sugar beet, tomato, and pickle fields.¹

Farmers, laborers, Ohio State Employment Service officials, Agricultural Adjustment Administration representatives, Extension and Farm Security Administration personnel, sugar beet company officials, and others were interviewed to obtain the necessary information. The survey was conducted during 1941, between October 6 and October 11, and October 14 to October 22.

The summary of findings follows:

1. Sugar-beet labor is the most predominant type of labor employed in the fields of northwest Ohio; more workers of Mexican extraction were hired in 1941 than in any previously known year. Approximately 3,000 Mexican workers and at least 2,000 of their dependents migrated from Texas to work in the sugar-beet fields of northwest Ohio, in 9 adjoining counties in Indiana,² and 2 in Michigan.³

2. The Belgian, Bohemian, and Hungarian labor supply, once a major source of the sugar-beet labor supply, has declined significantly. The young people are finding employment in the factories and foundries of the industrial cities, while their parents are growing too old for the arduous labor required in the sugar-beet fields. Some of the Belgians, Bohemians, and Hungarians have settled permanently in the sugar-beet area, and those in the middle-age group still work in the sugar-beet fields. Others come every season from such industrial cities as Chicago, Toledo, and Detroit.

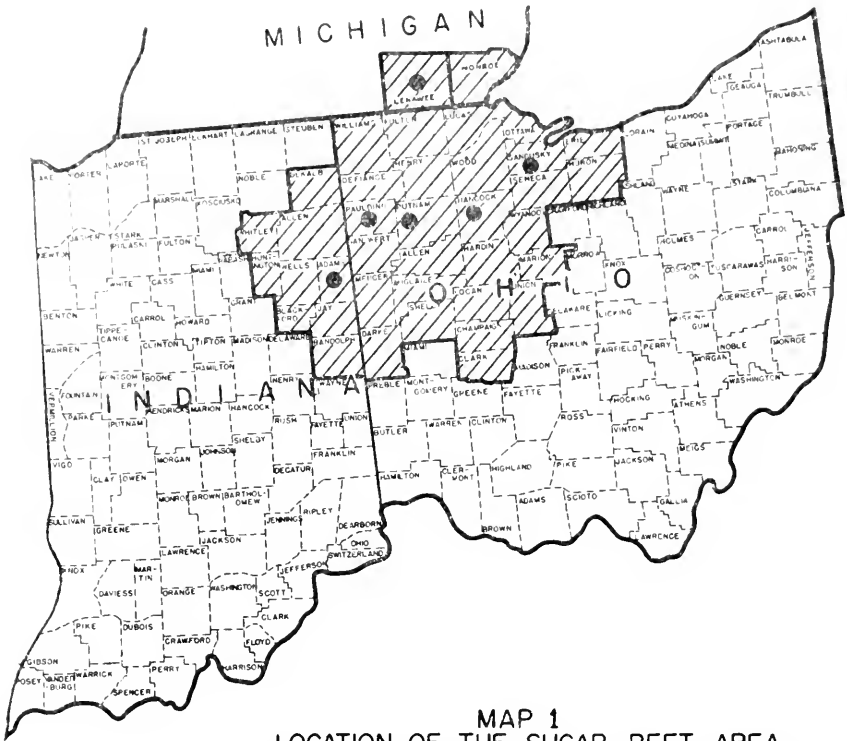
3. Many of those interviewed observed that the large influx of Mexican beet workers prevented a shortage of farm labor in 1941. These migrants were used not only in the beet fields, but also in the harvesting of tomatoes, pickles, potatoes, and to some extent in fruit, small grains, and meadow crops.

4. About one-fifth of the Mexican migrants are reported to have returned to Texas and other Southwestern States after late August and September for cotton picking. Nevertheless, no shortage has resulted owing to the fact that a surplus of Mexican workers had been imported in anticipation of a labor shortage. Moreover, most of this migratory labor remained until the bumper tomato crop had been harvested. In addition, fewer workers are required during sugar-beet harvesting in the fall than in the spring and summer work.

¹ The second report—The Agricultural Labor and Labor Supply Situation in Fruit and Vegetable Production in the Ohio Lake Shore Area, 1941—appears in a separate report submitted to the committee.

² See map I.

³ See map I.



MAP 1
LOCATION OF THE SUGAR BEET AREA
SERVICED BY SIX SUGAR BEET PLANTS
LEGEND:

● — EACH DOT REPRESENTS THE COUNTY
 LOCATION OF A SUGAR BEET PLANT

U S DEPARTMENT OF AGRICULTURE
 FARM SECURITY ADMINISTRATION
 REGION THREE

5. The majority of migrants return to the Southwest and to the industrial cities after the topping of beets. That a number usually remains is evidenced by the fact that over a period of years a number of small permanent Mexican settlements have cropped up throughout the area.

6. The living, housing, and working conditions of the migratory farm worker in the sugar-beet fields of northwest Ohio, as well as those in the vegetable fields and fruit orchards, are exceedingly poor. A more intensive study of the area is required and recommended to develop a constructive program which would improve the morale and well-being of these disadvantaged citizens, particularly with respect to housing, sanitation, health, and nutrition.

II. SEASONAL EMPLOYMENT OPPORTUNITIES IN THE AREA

Northwest Ohio is principally a corn-, hog-, wheat-, and hay-producing area. Its important labor-requiring crops are sugar beets, tomatoes, pickles, a variety of vegetables, and such fruits as cherries, peaches, and apples. This area has attracted for many years thousands of migratory farm workers for harvesting these crops. However, only one of these crops, sugar beets, and the labor attached to it are treated in this survey in some detail.⁴

For the bulk of the migratory beet workers who come to northwest Ohio for seasonal employment, work is available intermittently from about the first part of June to the last week of November. Blocking, thinning, and hoeing of sugar beets, from about June 1 to July 31, offer approximately 5 weeks of full employment. A period of 2 months elapses before beet work (harvesting) is resumed on approximately October 1. Topping provides about 5 to 6 weeks of full employment through the months of October and November. During the 2 months sugar beets do not require attention, the largest proportion of the sugar-beet labor force is employed in harvesting other crops. Tomatoes usually are harvested from the first part of August to early in October, frequently as late as frost. Besides utilizing the beet labor, the tomato crop attracts an additional supply of migrant workers⁵ for a period of 3 to 4 weeks at the peak of the season. The pickle harvest begins the last week in July and continues for about 6 weeks. Fruits are harvested for short periods of time; cherries, from the last week in June to the third week in July; peaches, from about September 1 to September 15; and apples, from about the third week in September to the last week in October. The fruit seasons attract a considerable number of migratory fruit pickers, composed of Negro workers from the industrial cities of Ohio and nearby States, and workers from the hill country of southern Ohio, Kentucky, Tennessee, and other States, to several counties in the lake shore area.

Sugar beets offer the longest employment to migratory labor in northwest Ohio. Labor is brought into the area primarily to work in this crop and is only incidentally employed in others. Hence the migratory workers in tomatoes, pickles, and other vegetables in the fields of northwest Ohio are, in most cases, sugar-beet laborers supplementing their earnings during the slack beet-growing period. The sugar-beet worker is unquestionably the most important type of migratory farm worker in northwest Ohio.

III. PRINCIPAL AREAS OF DEMAND FOR SUGAR-BEET LABOR

The sugar beet area⁶ includes 27 counties in northwest Ohio, 9 counties in the eastern part of Indiana, and 2 counties in the southern tip of Michigan. (See map I.) Six beet-sugar plants, owned and operated by 4 companies, service these 38 counties. (See map I.) Since the beet-sugar companies compete with one another, more than 1 plant frequently is found to be servicing any one county. Four plants are located in Ohio, 1 in Indiana, and 1 in Michigan. Since the 2 out-of-State plants service northwest Ohio as well as counties in their home States, it was considered desirable to include these additional counties in the survey to comprehend better the total labor situation. The area surveyed and the location of the beet-sugar plants are shown in map I.

While 6 sugar-beet processing factories contract the acreage in this sugar-beet area, more than half the beet acreage is contracted by the 3 plants owned by the Great Lakes Sugar Co. The remaining acreage is contracted by the other 3 companies. Table 1 shows this distribution.

⁴ The survey was conducted over a wide and sprawling territory in a relatively short period of time. The analysis and observations made in this report, therefore, should not be considered as conclusive.

⁵ This additional supply of migratory farm workers is composed largely of Mexican beet workers from the State of Michigan, workers from the hill country of southern Ohio, Kentucky, and Tennessee.

⁶ The area discussed, which includes the 38 counties shown in map I, is here referred to as the sugar beet area.

TABLE 1.—The number of growers and acres contracted by the 6 sugar beet plants servicing northwest Ohio and parts of Indiana and Michigan, 1941

Plants	Location			Number of counties	Number of growers	Acres contracted
	City	County	State			
Paulding Sugar Co. ¹	Paulding..	Paulding..	Ohio....	7	844	7,933
Ohio Sugar Co.....	Ottawa...	Putnam...	do.....	12	868	7,002
Great Lakes Sugar Co.....	Findlay..	Hancock..	do.....	15	679	9,307
Do.....	Fremont..	Sandusky..	do.....	7	1,144	8,914
Do. ²	Blissfield..	Lenawee..	Michigan	4	³ 1,000	10,331
Central Sugar Co. ⁴	Decatur...	Wells.....	Indiana..	17	1,343	11,814
Total.....					5,878	55,301

¹ The Paulding Sugar Co. serves 6 Ohio counties and 1 county (Allen, 690 acres) in Indiana.

² The Blissfield Great Lakes Sugar Co. serves 2 Michigan counties and 2 Ohio counties with a total acreage of 3,912.

³ Estimates.

⁴ The Central Sugar Co. serves 9 Ohio counties with a total acreage of 4,318.

Source: Sugar Beet Co. data.

In 1941 the 6 sugar factories contracted more than 55,000 acres with almost 6,000 sugar-beet growers in this area. On the basis of these figures, the average-sized sugar-beet grower raised 9 acres of sugar beets with an average of about 1,400 acres of sugar beets grown in each of the 38 counties. While it is evident that the sugar beets are grown by a large number of farmers over a wide area production is more concentrated in some than in other counties. The large sugar-beet-growing counties, however, are not grouped together, but are found distributed widely over the sugar-beet area. Sugar-beet production is centered principally around the sugar-beet plants. A brief discussion of each area serviced by a sugar-beet plant follows:

(a) *Decatur area*.—Almost two-thirds of the Central Sugar Co.'s contracted acreage lies in 9 counties of Indiana, the bulk of the contracts of this company falls in Adams, Allen, and Wells Counties of Indiana and in Mercer and Van Wert Counties of Ohio. Over 1,300 farmers located in 17 different counties supplied beets to the company. Table 2, below, illustrates the wide territory sought by the company to contract its beets:

TABLE 2.—Sugar beet acreage contracted by the Central Sugar Co., Decatur, Ind., by counties in Indiana and Ohio, 1941

INDIANA		OHIO	
County:	Acreage	County:	Acreage
Adams.....	1,906.0	Allen.....	340.8
Allen.....	2,323.8	Auglaize.....	54.3
Blackford.....	201.8	Darke.....	448.3
DeKalb.....	191.8	Mercer.....	827.1
Huntington.....	469.8	Paulding.....	10.6
Jay.....	207.0	Putnam.....	203.4
Randolph.....	282.4	Shelby.....	42.0
Wells.....	1,713.9	Van Wert.....	2,391.0
Whitley.....	200.0		
Total.....	7,496.5	Total.....	4,317.5
		Grand total.....	11,814.0

Source: Sugar-beet company data.

The average sugar-beet acreage on farms contracted by this company was about 9 acres, but the range varied from one-half to 79 acres. A few of the large sugar-beet growers are indicated below in table 3.

TABLE 3.—Location and contracted acreage of several large sugar-beet growers in the Decatur area, 1941

Sugar-beet grower (names omitted)	Town	Location		Acres con- tracted
		County	State	
A.....	Burkettsville.....	Mercer.....	Ohio.....	79
B.....	Markle.....	Wells.....	Indiana.....	64
C.....	Van Wert.....	Van Wert.....	Ohio.....	54
D Central Sugar Co. ¹		Adams.....	} Indiana.....	} 750
		Allen.....		
		Wells.....		
		Mercer.....		
		Van Wert.....			Ohio.....

¹ The Central Sugar Co. owns 34 farms in the 5 counties and operates these farms on a 50-50 share lease, furnishing the land and buildings. The 750 acres of sugar beets are raised by its share tenants.

Source: Sugar-beet company data.

(b) *Paulding area.*—In 1941 the Paulding Sugar Co. contracted almost 8,000 acres from 844 growers in 6 Ohio counties—Paulding, Defiance, Van Wert, Williams, Putnam, Henry, and in Allen County, Ind. The greatest share of the acreage contracted was in Paulding, Defiance, and Van Wert Counties. The average-sized sugar-beet acreage under contract to the company was 9 acres, with a range of 1 to 80 acres. Several of the larger sugar-beet growers are shown in table 4.

TABLE 4.—Location and contracted acreage of several large sugar-beet growers in the Paulding area, 1941

Sugar-beet grower (names omitted)	Town	Location		Acres con- tracted
		County	State	
A.....	Haveland.....	Paulding.....	Ohio.....	80
B.....	Woodburn.....	Allen.....	Indiana.....	80
C.....	Antwerp.....	Paulding.....	Ohio.....	50
D.....	Van Wert.....	Van Wert.....	do.....	50

Source: Sugar-beet company data.

(c) *Findlay area.*—The Findlay area is composed of 15 counties in Ohio in which the Great Lakes Sugar Co. in 1941 contracted over 9,000 acres operated by 679 growers. The largest share of the acreage was contracted in Hancock, Hardin, and Wood Counties. Table 5 shows the distribution of growers and acreage contracted, by counties.

TABLE 5.—Number of sugar-beet growers and acres contracted in the Findlay area, by counties, 1941

County	Number of sugar- beet growers	Acres con- tracted	County	Number of sugar- beet growers	Acres con- tracted
Allen.....	4	68.10	Marion.....	2	21.20
Champaign.....	15	544.16	Putnam.....	31	255.60
Clark.....	1	49.90	Seneca.....	31	323.60
Defiance.....	6	37.20	Union.....	1	35.00
Hancock.....	139	1,617.50	Wood.....	306	3,571.32
Hardin.....	55	1,352.79	Wyandot.....	26	666.40
Henry.....	57	504.90			
Huron.....	3	205.80	Total.....	679	9,307.27
Logan.....	2	53.80			

Source: Sugar-beet company data.

The Findlay area has some of the largest sugar-beet farms in the area. The average-sized contract was 12 acres. Five of the largest growers of sugar beets in this area are shown in table 6.

TABLE 6.—Location and contracted acreage of the 5 largest sugar-beet growers in the Findlay area, 1941

Sugar-beet grower (names omitted)	Town	Location		Acres contracted
		County	State	
A	McGuffey	Hardin	Ohio	200
B	Plymouth	Huron	do	250
C	Upper Sandusky	Wyandot	do	212
D	McGuffey	Hardin	do	180
E	Portage	Wood	do	108

Source: Sugar-beet company data.

(d) *Other areas.*—Similar patterns are found in the Ottawa, Fremont, and Blissfield areas. In the Ottawa area the Ohio Sugar Co. contracted 7,002 acres from 868 growers located in 12 counties—Allen, Auglaize, Defiance, Fulton, Hancock, Hardin, Henry, Logan, Putnam, Shelby, Van Wert, and Woods. Most of the sugar-beet acreage was contracted in Henry, Putnam, and Hardin Counties. The average-sized sugar-beet contract was 8 acres. The Fremont area is composed of 7 counties in which the Great Lakes Sugar Co. has contracted 8,914 acres from 1,144 growers. A great share of the sugar-beet acreage was contracted in Sandusky and Ottawa Counties where fruit and tomato production also is large. The Blissfield area is the most concentrated sugar-beet area studied. It is composed of 4 counties in which the Great Lakes Sugar Co. has contracted 10,331 acres from approximately 1,000 growers. Two counties, Lenawee and Monroe, are located in Michigan and Lucas and Fulton Counties are in Ohio. About one-half of the total acreage in the Blissfield area is contracted in Lenawee County and about 40 percent of the total contracted acreage is located in the 2 Ohio counties.

IV. NUMBER OF SUGAR-BEET WORKERS IN THE AREA AND SOURCES OF SUPPLY

Total labor requirements in the area for field work in sugar beets can be estimated on the basis of an existing acreage-worker ratio. This ratio has been estimated to be a maximum of 10 acres to a worker. This amount of beets which one worker now blocks, thins, hoes, and tops represents a reduction as compared with the acreage he worked in former years, estimated to have been about 15 acres. The shortening of the planting season, made possible by the increased use of the tractor, has reduced the time required for blocking and thinning beets from 6 to 4 weeks, and for hoeing of beets from 2 and 3 weeks to 1 week. With the total acreage remaining about the same, it became necessary to employ more workers than before for these operations, in order to complete this early seasonal work in a shorter period of time before laying-by the crop. These changes, which accelerated the planting season and crowded in the earlier seasonal operations in a shorter period of time, led to increased total labor requirements, but reduced the acreage work allotment per laborer. On the other hand, total labor requirements in harvest operations—topping and loading—have remained about the same. The rate of these operations are under the control of the beet-sugar companies, and the harvesting work is usually spread out accordingly.

On the basis of the above maximum acreage-worker ratio, it is estimated that about 5,400 persons were engaged in the preharvesting and harvesting operations in the sugar-beet area in 1941.⁷ More than half (55 percent) of the total labor engaged in the sugar-beet fields were of Mexican descent imported from Texas, a distance of about 1,500 miles. An additional 17 percent were drawn from the sugar-beet grower's own family, from his neighbors, and from a number of indeterminate sources. Another 16 percent were composed of resident seasonal laborers, mostly of Mexican, Belgian, Hungarian, and Bohemian extraction, who previously had migrated into the area and remained here permanently. The remaining 12 percent of the sugar-beet labor force was recruited from some of the

⁷ In addition, the 6 sugar-beet plants gave factory employment to approximately 2,000 workers during the 1941 season. These workers were, for the most part, farmers and their sons living in the sugar-beet areas.

large industrial cities in Indiana, Illinois, Michigan, and Ohio, including a very small proportion from the rural areas of southeast Ohio. In short, two-thirds (67 percent) of the total labor force in the sugar-beet fields were migratory workers.

Table 7 shows the estimated numbers, the sources and national origin of the workers engaged in the sugar-beet fields of the principal areas of demand. The data reveals that, conservatively estimated, 64 percent of the sugar-beet labor force was of Mexican extraction, and 18 percent were of Belgian, Hungarian, and Bohemian extraction. The sources from which these workers are drawn may be observed in table 8.

TABLE 7.—Estimated numbers, sources, and national origin of workers engaged in the sugar-beet fields, by principal demand areas, 1941

Area	Total number of workers	Mexican migrants from Texas	Mexican migrants from industrial cities	Mexican resident seasonal labor	Belgian, Hungarian, and Bohemian migrants from industrial cities	Belgian, Hungarian, and Bohemian resident seasonal labor	Native white Americans from southeast Ohio	Farm neighbors and family labor and others, national origin undetermined
Decatur	1, 100	620	20	80	130	50		200
Paulding	800	145	40	50		270	45	250
Ottawa	700	70			75	145	20	390
Findlay	950	920			25		5	
Fremont	850	420	75	100	75	100		80
Blissfield	1, 000	800		100	100			
Sugar belt area	5, 400	2, 975	135	330	405	565	70	920

Source: Data gathered principally from the sugar-beet companies and supplemented by other sources.

TABLE 8.—Type of labor by national extraction and source of origin in the sugar-beet area, 1941

Type of labor and national origin	Source of origin	Percent
Migratory labor:		
Mexican	Texas	55
Do	Industrial cities	3
Belgian, Hungarian, Bohemian	do	8
Native white American	Southeast Ohio	1
		67
Resident seasonal labor:		
Mexican	Resident area	6
Belgian	do	10
		16
Family labor of grower, neighbors, and others	do	17
Total	All sources	100

Source: Data gathered principally from the sugar-beet companies and supplemented by other sources.

V. VARIATIONS IN THE COMPOSITION OF THE SUGAR BEET LABOR FORCE

The data presented in table 7 show that variations exist in the type of worker hired in the different sugar-beet plant areas. Some areas employ practically all Mexican labor, while others hire workers of Belgian, Bohemian, or Hungarian as well as of Mexican extraction. The Texas-Mexican migratory workers, however, is the most prominent type hired.

At one time the Belgian worker and others of central European extraction were the prominent type of laborer used in this sugar-beet area. In recent years the supply of these workers has decreased significantly for a number of reasons: (1) Some grew too old to continue with the arduous labor required to earn a livelihood in beet-field work; (2) during and after the World War I, many of them, who generally were keen, intelligent, and industrious workers, found employment in

war industries and continued on with industrial employment; (3) the American-born children of these people have had a greater degree of education than their parents and were unwilling to work at such back-breaking jobs as required in the beet fields, particularly in view of the fact that the work was seasonal, the hours of work long, and wages and annual earnings low.

The types of labor used in the principal demand areas are described below:

(a) *Decatur area*.—It is estimated that about 1,100 workers are involved in the blocking, thinning, hoeing, and topping of sugar beets in the 17 counties contracted by the Central Sugar Co. Table 9 shows the varied composition of this sugar beet labor force.

TABLE 9.—*Type of labor by national extraction and source of origin in the Decatur sugar-beet area, 1941*

Source	Total	National origin			
		Mexican	Belgian	Hungarian	Native-white Americans
Migratory workers (long distance): Texas.....	620	620	0	0	0
Migratory workers (shorter distances):					
Chicago, Ill.....	30	20	0	10	0
South Bend and Mishawaka, Ind.....	70	0	50	20	0
Detroit, Mich.....	20	0	20	0	0
Toledo, Ohio.....	10	0	0	10	0
Molene and Rock Island, Ill.....	20	0	20	0	0
Subtotal.....	150	20	90	40	0
Resident seasonal workers: Decatur area.....	130	80	30	20	0
Family labor of grower, neighbors, and others: Decatur area.....	200	0	0	0	200
Grand total.....	1,100	720	120	60	200

Source: Data gathered principally from the sugar-beet company and supplemented by other sources.

The importation of 620 workers of Mexican extraction from Texas does not include the nonworking members of the family. Conservative estimates indicate that a total of no less than 1,000 persons are brought into this area from Texas. The bulk of the labor supplied by the industrial cities, Chicago, South Bend, Mishawaka, Detroit, Toledo, Molene, and Rock Island, are Belgians, with a smaller proportion of Hungarians and Mexicans. The workers who migrate from the industrial cities usually are referred to as stags, indicating that the largest proportion of them are single men or at least some "unattached." Most of the stags are older men. The young members of the Belgian and Hungarian families are finding employment in the foundries and factories.

In the communities and in outlying areas of the 17 counties there are about 130 workers, who originally came to this area to work in the beet fields for the season but who remained and settled permanently. The majority of these workers are Mexican, the others being of Belgian and Hungarian stock.

On some of the farms in the area farmers work their own beets with family labor and hire or exchange labor with their neighbors. This represents, however, only a small proportion (about 18 percent) of the total number of workers.

(b) *Other areas*.—The labor force in the other principal sugar beet demand areas differs considerably from that of the Decatur area. For example, it is estimated that of the 950 workers in the Findlay area in 1941, Texas supplied over 95 percent. Lorain, Ohio, and the southeastern part of the State⁸ provided the rest. Those from Lorain were mostly of Slavic extraction. Of the approximately 700 workers in the Ottawa area, on the other hand, more than one-half represented local labor. This labor consisted of family labor as well as hired and exchanged labor. Only about 10 percent were Texas migrants. The largest proportion of migrants was of Belgian stock. At one time this area was serviced exclusively by Belgian labor and it is claimed that this is the first year migratory workers of Mexican extraction were employed by growers contracted to the Ohio Sugar Co. This year southeast Ohio and Detroit, South Bend, and Mishawaka supplied the balance. The 12 counties in the Ottawa area contained an additional 146 workers.

⁸ It was revealed that about 20 other workers and their families had come to the Findlay area from south-east Ohio to work in the sugar-beet fields, but became discouraged with the outlook and returned home.

The Fremont area presents another situation. It is located near the industrial cities of Toledo, Lorain, and Elyria and hence many of the beet workers are able to commute daily to work. These "commuters," about 200 in number, evenly distributed as between Mexican and Slavic, may be considered as part of the resident labor supply. Another 175 who came to this area from the industrial cities can be classified as migrants because they travel considerable distances and remain in the area most of the time while on the job. About 420 workers of Mexican extraction were imported from Texas in 1941; the remaining 80 workers consisted of members of the growers' families and exchange labor permanently resident in the locality.

The labor supply in the Paulding area consisted of about 800 workers. Of this total, Texas supplied 145 Mexican workers, southeast Ohio 45, and Chicago, 40 Mexican workers. The communities in the Paulding area supplied about 320 workers, 50 of whom were Mexicans. Of the remaining 270, 40 percent were Belgian, and 60 percent Hungarian and Bohemian evenly divided. The farms in the vicinity supplied about 250 workers, consisting of family labor and that exchanged among neighbors.

Still another variation in composition of beet workers was found in the Blissfield area. Its labor supply consisted of about 1,000 workers; 80 percent of the total was Mexican migrant labor from Texas; the remaining 20 percent was composed of resident workers of Mexican, Belgian, and Bohemian extraction.

VI. METHODS OF TRANSPORTATION AND RECRUITING PRACTICES ⁹

The Texas-Mexican usually travels in groups of four or five persons. Occasionally, these groups are composed of friends or relatives, but more frequently of family members. These groups traverse the 1,500-mile trek in several ways, either in self-owned automobile or trucks, in commercially operated trucks, by bus, or by train.

This year a larger number came by train than in former years. The Interstate Commerce Commission has been cracking down on unlicensed truckers,¹⁰ and as a result this means of transportation has been checked or reduced temporarily. The major means of transportation this year were train and auto, although according to information received some were bootlegged in by truckers. An example of the extent to which transportation by train was resorted to this year is noted best in the case of the Findlay sugar-beet plant area which relied almost wholly upon Texas labor of Mexican extraction. It was reported that there were three importations by railroad, consisting of five cars on one "shipment," three cars on the second, and two cars on the third. The company further reported that the remaining workers (about two-thirds) came by way of automobile and trucks owned by the beet-field workers.

Some of the workers interviewed reported also that they knew of instances where workers had been trucked into the area on a commercial basis, a lucrative business.

According to information received it costs the worker between \$10 and \$15 one way by truck, bus, or train. A group of five adults would, therefore, pay from \$50 to \$75 to get to their destination of work. On the basis of a round trip, it would necessitate an expense to a family of five adults of between \$100 and \$150 for the privilege of working in the sugar-beet fields. Figuring the initial cost of a used car, gas, oil, and tires, the need for constant repairs, and depreciation, auto travel would be almost as expensive. These estimates include neither food expenses nor time lost in travel.

Unlike many other long-range recruiting practices of farm employers, the recruitment of the 3,000 Texas-Mexican workers into this sugar-beet area was executed with precision, organization, and fineness of detail. Nothing was left to chance.

The sugar-beet companies do not wish to be implicated in the hiring of labor. There has been created, therefore, employment committees, presumably composed of sugar-beet growers, which are supposed to recruit workers for the growers and not for the sugar-beet companies.¹¹

⁹ Testimony relating to sugar-beet workers was presented before the Tolan committee in 1940. See Oklahoma City and Chicago hearings, 1940, held before the Select Committee of the House of Representatives to investigate the Interstate Migration of Destitute Citizens.

¹⁰ A summary of the case involving the Great Lakes Sugar Co., the Great Lakes Growers' Employment Committee, Inc., and Julio Dela Pena, a trucker, is presented in exhibit A.

¹¹ The nature of the function of such committee is described in an unpublished report by Mr. M. M. Emery, Ohio Interstate Commerce Commission District Supervisor. Of the Great Lakes Growers' Employment Committee, Inc., Mr. Emery states: "It appears that the Great Lakes Growers' Employment Committee, Inc., was organized for the purpose of allowing the company to engage indirectly in the procurement and financing of cheap labor to work in the beet fields of farmers who contract to sell their beet to the company and also to work in the beet fields farmed directly by the company."

In the sugar-beet area studied, two such committees are known to exist. Growers contracting with the Great Lakes Sugar Co. plants at Blissfield, Mich., and at Fremont and Findlay, Ohio, are represented by the Great Lakes Sugar Beet Growers' Employment Committee, Inc., organized in the three respective areas. The growers contracting with the Paulding Sugar Co. are represented by the Paulding Growers' Employment Committee, Inc. This committee was utilized also by the Ohio Sugar Co. The Central Sugar Co. claimed no such committee had been organized for its contracted growers.

Most of the recruiting of beet-field workers is reported to be done through correspondence with former employees, followed up by direct contacts. Other means also are employed. For example, the Acosta Labor Agency located in San Antonio is represented as being the employment agency in Texas for the Great Lakes Sugar Co. or the Great Lakes Growers Employment Committee, Inc.¹² It is reported that the beet field workers were registered at this office for a fee of \$1 and that most of them received a medical examination before leaving for the North. Immediately before leaving for the North, the workers are advanced some money by the sugar-beet companies on behalf of the growers to meet the expenses of the trip, which money is later deducted from wages.

Before the worker leaves he also signs a work contract, a replica of which is presented as exhibit B.

Single or unattached workers are recruited from the industrial cities in a number of ways. In the case of workers who have worked in the same beet fields year after year, it is reported that company field men merely visit them to ascertain whether they will work the coming season. Others are recruited in saloons and other "hang-outs" located in neighborhoods predominantly Slavic or Mexican. One company field man asserted that he usually offers to buy a drink for the potential recruits and in this manner gathers around him a group of workers, receiving promises from them that they will report to the beet fields when the season opens.

VII. FACTORS GOVERNING THE EMPLOYMENT OF MEXICAN WORKERS

The Texas-Mexican beet-field worker is an American citizen. But, according to all reports, he differs from the ordinary American citizen in that he can endure the most difficult type of stoop labor. This is the argument offered by most protagonists of migration of these Mexican workers into the northern sugar-beet areas. These people, they maintain, will do the job, while the unemployed in the North are either too lazy or incapable of such physical exertion.¹³

The position is held that unless these Texas-Mexicans are imported into the sugar-beet area, a severe labor shortage would result.

Those who advocate the use of Mexican labor state that all workers, whatever their origin, receive a uniform wage and that therefore Texas is not resorted to as a cheap labor supply area. As a matter of fact, however, the Mexicans do constitute a supply of cheap labor. An abundant supply of labor means that each worker receives less for the season. Even the Mexicans complain about the fact that each of them could handle a great deal more acreage than is allotted. Another significant argument for the employment of Mexican labor is that it is more efficient. A Mexican, it is claimed, can produce three to five times as much as the ordinary native American, and, it should be added, for the same wage.

It is quite likely that were the Texas-Mexican labor supply shut off, the following changes would take place: (1) Wage rates would be raised to a higher level, (2) beet growers would facilitate the work of hand labor by plowing their fields more often and meeting other like obligations with the result that beet work would become more attractive to local labor, (3) acreage per worker would be increased, and (4) housing, working, and sanitary conditions, now in a deplorable state, would be remedied.

It is true that stoop labor is arduous work. However, the major reason for employing Texas-Mexicans is not only that they will endure arduous labor, but because, in the main, they represent a docile, illiterate and inchoate group of people who more readily than the local workers accept the unattractive working and living conditions characteristic of employment in sugar beets.

The sugar-beet companies deny that they are encouraging these workers to remain in the area after the season. However, inducement to remain is strong. The thought of returning to Texas, a distance of about 1,500 miles, is not very

¹² Because of the distinctions drawn between the functioning of the Great Lakes Sugar Co. and the Great Lakes Growers' Employment Committee, Inc., the status of the Acosta Labor Agency as an agent of the company or the committee is not clear.

¹³ Contrary to the general opinion, there are some unemployed in the Northern States who will work in the sugar-beet fields even under present conditions. Exhibit C is offered to substantiate this observation.

appealing to the beet-field migratory workers, particularly in view of the fact that they are compelled to spend a material portion of their income in traveling. As a result of these circumstances, a number of small permanent settlements of these working families now exist and there is a natural tendency for new ones to be added. Mexican settlements, comprising 2, 3, or 4 groups of Mexican families, have been established on a permanent basis in houses owned in most cases by sugar-beet companies. Larger settlements of Mexicans also have taken root. Estimates indicate that nearly 350 Mexican working families are now permanent residents of the sugar-beet area. How long they have lived here has not as yet been determined, but judging from those interviewed, it would appear that a number of them arrived in 1935.

The forecast that a significant proportion of the current and future Texas-Mexican migratory workers will continue to settle in the sugar-beet area in the next few years is based on the following considerations: (1) Fears of growing farm-labor shortages, (2) apprehension over possible action by the State of Texas to curtail the yearly exodus of many of its best agricultural workers, (3) the natural desire of these people to settle down, (4) the subsiding of local resentment as farmers visualize the opportunities of a local cheap labor supply in the face of a tightening labor market, (5) the offering of inducements in the form of rent-free houses, possibly intermittent winter work, money or credit advances, and other arrangements favorable to the worker and (6) the possibility that younger Mexican migrants can find industrial employment in expanding defense industries.

VIII. THE DISADVANTAGED STATUS OF THE BEET-FIELD WORKER

Wherever the beet-field worker has migrated from, whether it be Texas or the industrial cities of the North, his social and economic status is lowly and disadvantaged. When the beet-field worker settles either permanently or for a period of 6 months in the sugar-beet area, his status is in no way improved. He lives in unhealthy, often filthy quarters; his earnings are small; he must pay rent for his abode, at least during the working season, as he is furnished nothing gratis; he works hard and faces many days of unemployment during the sugar-beet season; and while he is accepted politely by the community because he is the best type of an allegedly necessary evil, he is isolated completely from all community activities.

(a) *Housing situation.*—Housing is provided principally by the sugar-beet companies at a rental charge, averaging \$3 per month during the season, or \$18 per season. The extent of ownership and control of housing by sugar-beet companies may be noted in the following examples: The Central Sugar Co. at Decatur, Ind., owns 48 three-room cabins rented at \$18 per season, 10 two-room cabins rented at \$12 per season, 40 large farmhouses located on company-owned farms rented at \$18 per group for the season (in most cases 2 to 3 families or groups live in 1 farmhouse), and about 80 wagon or "hunky" houses presumably at no rental charge. In addition, the company has sold 18 three-room cabins to growers who rent these cabins to the beet-field worker at a rental of \$18 per season. The Great Lakes Sugar Co. at Findlay, Ohio, owns 270 cabins and wagons and rents an additional 50 houses in which are housed the majority of the beet-field workers at a rental of \$3 per month, or \$18 per season. At Fremont, Ohio, the Great Lakes Sugar Co. owns about 100 cabins for which they also charge a rental of \$3 per month, or \$18 per season. Similar patterns of ownership exist in the other sugar-beet-plant areas.

Many of the cabins owned by the sugar-beet companies have been built during the past decade. They are, however, a type of construction not suited to cold spells which prevail during the topping season in the months of October and November. The company-owned cabins, moreover, are usually small, either 12 by 12 feet or 12 by 18 feet in size, lending to crowded conditions when occupied as they are, customarily, by four or more persons. The two-room and three-room cabins are the most adequate types of housing offered to beet-field workers. The farmhouses, including those rented and owned by the company, are usually old and in poor condition. Sometimes as many as 12 to 18 persons of two to three families live in one house. The cabins and farmhouses are used almost exclusively to house migratory workers of Mexican extraction. Wagon houses or "hunky" houses¹⁴ are used primarily to house single men, otherwise known as stags. Prior to the advent of the automobile, wagon houses were the major housing facilities available. In those days the wagon houses were on wheels and the workers' quarters were moved constantly to keep them within walking distance of the

¹⁴ The wagon houses are referred to often as "hunky" houses because they are occupied usually by stags of Slavic extraction.

beet field. Today, it is very rare that a wagon house is seen on wheels. Because most beet-field workers can commute to work in their own, or their friends' autos or otherwise,¹⁵ the wagon houses are set up as part of the permanent and stationary housing facilities for workers.¹⁶ The wagon houses are relics of the days gone by and hardly suited for habitation.

In addition to the wagon houses, cabins, and farmhouses, the sugar-beet area has its share of dilapidated shacks, bunkhouses and slums in which beet-field workers, both migrant and resident, reside. The sugar-beet area covers a wide territory and a concentration of beet-workers' dwellings may be found in relatively few places.¹⁷

(b) *Wage rates and earnings.*—The average gross income of a sugar-beet worker during 6 months of intermittent employment in sugar beets and in other crops is estimated to be about \$250. From this income must be deducted employment fees, travel expenses, and rent which probably bring his net income to about \$200. Much of this is spent for living expenses, leaving little for him to return with to Texas.

According to the minimum wage rates announced by the Sugar Division of the Agricultural Adjustment Administration, the producer of sugar beets must pay \$11 per acre for blocking, thinning, and hoeing, or 40 cents per hour for blocking and thinning, and 35 cents per hour for hoeing. On a time basis, the producer must pay to the beet-field workers 45 cents per hour for topping and on a piecework basis he pays as follows:

Net tons per acre	Rate per ton	Net tons per acre	Rate per ton
3 or below	\$1.50	10	\$0.91
4	1.30	11	.89
5	1.15	12	.87
6	1.06	13	.85
7	1.00	14	.83
8	.96	15	.81
9	.93	16 ¹	.80

¹ 16 or above.

In a number of cases sugar-beet workers reported they were not paid in full for work completed in the spring and summer. This withholding of wages was done, apparently, to guarantee the return of the worker in the fall for harvesting operations. At the end of the harvest season he is paid in full. There were no instances reported in which a worker received his wages on other than a piecework basis.

(c) *Economic opportunities.*—During the 6-month period that the migratory beet-field worker spends in the sugar-beet area it is possible to estimate that he secures about 16 weeks of full employment in sugar beets, tomatoes, pickles, potatoes, other vegetables, and fruits. In short, he is unemployed about one-half the time. Because of the Ohio settlement law arrangements¹⁸ he can receive no public assistance and he must live on "advances." By the time he is ready to leave the area, he has a very small cash reserve.

Nevertheless, it is contended by many of those interviewed that these economic opportunities, limited as they are, attract the workers voluntarily into the area. It also is pointed out that many of these workers, upon returning to the South, find seasonal agricultural work there during the winter months.

The fact that Texas-Mexican labor is imported into the area has been a great boon, according to some sources, to the tomato industry. Tomato picking also requires stoop labor and it is the general feeling in the area surveyed that the Mexican beet-field worker is suited excellently for this type of work. This claim is held likewise for the potato crop, the pickle crop, and other truck crops.

For the farmer and the sugar and tomato companies, the mass influx of Mexicans has provided expansion of economic opportunities; for the Mexican migratory worker, whose objective in coming was to improve his economic status, it has meant hard work, small wages, and intermittent employment with no apparent opportunity to advance either his status or provide for future security; for the resident farm labor supply, it has meant the curtailing of agricultural employment

¹⁵ According to information received some beet-field workers were trucked to, from, and between beet fields. Other workers, living close to the fields, walked there each day.

¹⁶ See exhibit E which is a photograph of a typical immobilized "hunky" or wagon house.

¹⁷ A description of one of the concentrated areas noted on the survey is described in exhibit F. The area described is known as Guadalupe Square, located at Paulding, Ohio. Several photographs are presented illustrating the housing situation.

¹⁸ See exhibit G.

opportunities, the depressing of wage levels and the fostering amongst some farm workers of an attitude of "race superiority" to the effect that such stoop labor-requiring jobs as beets and tomatoes are suited for the Mexicans but not for "white men," which of course is not only fallacious but a dangerous precept.

IX. GENERAL OBSERVATIONS

The fact of the dependence of northwest Ohio's sugar beet industry upon migratory workers, mostly of Mexican extraction, is well established. Whether or not improvement of living and working conditions would remove the necessity for large-scale migrations by inducing local laborers into this type of work can hardly be completely answered at a time when industrial employment in the area is in its expansive period. However, it hardly seems to require any keen analysis to indicate the uneconomic process of low-paid workers migrating 1,500 miles or more each year at their own expense for the short period of employment they can obtain by so doing. Their yearly migrations support the sugar-beet industry of the area, and are a boon to other similar industries requiring stoop labor for field operations.

It has been indicated that "islands" of these laborers will very likely remain as permanent settlements and that some such settlements have already been established.

Low yearly earnings, lack of adequate housing, of sanitary facilities, of community recreations, and of medical care are problems faced by the migrant sugar-beet worker. Those workers who establish themselves permanently are likely to become relief recipients during off seasons of the year, particularly to the extent they are dependent upon seasonal work only.

It is conceivable that large-scale migrations, particularly those involving surpluses of labor, will have the result of discouraging the utmost use of local available labor. While migratory labor is essential in many instances, and is acknowledged to be necessary under present conditions in the sugar-beet fields in this industrialized area, the problems of post-war readjustments may be increased by the tendency toward local labor displacement, even though this displacement may in part result from the refusal of local people to work in sugar-beet fields and to be housed in the manner provided.

Assuming that migration of sugar-beet workers is necessary for the crop economy of the area, and that their presence gives impetus to the Food for Freedom program, the question remains of constructive measures for improving the morale and well-being of these disadvantaged citizens. While further study is needed, the possibilities of an adequate garden program, in view of their long stay, presents itself together with housing, sanitation, and medical betterment. From the standpoint of the economic improvement of the beet-field workers, sugar-beet companies and growers might well give consideration to the possibilities of larger acreages per worker, local as well as migrant, and to bearing the costs of recruitment, transportation, and the housing of the migrant workers.

APPENDIX A

A CASE OF ILLEGAL INTERSTATE TRANSPORTATION ¹

Prior to 1941 many workers had been transported into the Findlay area of northwest Ohio by truckers, some of whom were reputed to be employed by the Great Lakes Sugar Co. This year the company, the growers' employment committee and a trucker were prosecuted by the Government for the violation of interstate, commerce laws. This case will be described briefly. The case was stated as the *United States v. (1) Julio Dela Pena, (2) Great Lakes Sugar Company, and (3) Great Lakes Growers' Unemployment Committee, Inc.*

Julio Dela Pena was the trucker involved in the case. He owned three trucks but also was employed by the Great Lakes Sugar Co. at Findlay, Ohio, as an interpreter and field instructor. In an interview ² with Mr. Pena it was revealed that he had been engaged in the transportation of Mexican laborers to Ohio and other States growing sugar beets since 1934. He stated that he had owned three trucks and employed six truck drivers, two drivers to a truck. Since 1938 he has been an employee of the company, living in Ohio through the sugar-beet season, then returning to his home in Texas.

¹ Based principally on court proceedings at Toledo, Ohio; Federal Judge Frank L. Klobb presiding.

² Mr. Pena was interviewed by a representative of the Labor Division of the Farm Security Administration.

In an unpublished report submitted to the United States attorney's office by M. M. Emery, Ohio District Supervisor of the Interstate Commerce Commission, he stated that during the months of April, May, and June of 1940, 10 loads of laborers and families, involving 205 persons, were trucked by Pena into Findlay and outlying areas of northwest Ohio. Mr. Emery emphasized that the conditions under which the workers traveled were very poor, not only because there were no adequate facilities on the trucks, but the trip involved almost continuous driving from Texas to Ohio. The workers were advanced enough money by the company to finance only the truck fare.

Mr. Julio Dela Pena was cited with violating the following United States codes:

- (1) Title 49, section 306 (a), which involves certification.
- (2) Title 49, section 306 (d), which involves publishing of fares or charges applicable to transportation of passengers.
- (3) Title 49, section 322 (a), which involves such matters as surety bonds and insurance.

Both the company and the committee were charged with the violation of United States Code, title 18, section 550, which involves aiding and abetting.

On September 15, 1941, Julio Dela Pena was arraigned and entered the plea of guilty. The Great Lakes Growers' Employment Committee also was arraigned on this date, but entered the plea of nolo contendere. Nevertheless, the committee was found guilty. Pena was fined \$1,000 and costs and the committee was fined \$2,000 and costs. On October 8, 1941, on the motion of the United States attorney, an order was entered to dismiss the case against the company, thus lending legal recognition to the claimed distinction between the company and the committee.

The defendants were charged with the violation of the United States codes in the following periods:

- (1) From May 15, 1939, through May 18, 1939, Pena was charged with trucking workers from Corpus Christi, Tex., to Findlay, Ohio, at a charge of \$9 per person, and both the company and the committee were charged with aiding and abetting.
- (2) From May 15, 1940, through May 29, 1940, Pena was charged with trucking workers from Realitos, Tex., to Findlay, Ohio, at a charge of \$9 per person, and both the company and the committee were charged with aiding and abetting.
- (3) From October 13, 1940, through October 17, 1940, Pena was charged with trucking workers from San Antonio, Tex., to Findlay, Ohio, at a charge of \$9 per person, and both the company and the committee were charged with aiding and abetting.

Mr. Pena claims he trucked these workers but did not know he was violating any law until it was brought to his attention. He also contends that there are five or six other truckers in the area who were not prosecuted, and that many Mexican workers have been trucked from Texas to Wisconsin and other States this year but that they have not been prosecuted.

APPENDIX B

[Specimen Copy]

GROWER'S CONTRACT WITH FIELD WORKER

UNDERSIGNED GROWER AND FIELD WORKER AGREE

THE FIELD WORKER AGREES:

To do all field work and properly care for the Grower's field of beets according to instructions given from time to time by the Grower.

To bunch and thin beets so as to leave the beets, when hoeing is completed, not more than eight to ten inches apart on the average, and not more than one beet in a place.

To hoe the beets whenever required, so as to remove all weeds, keep the beets clean in the rows and for four inches on each side of each row.

To pull and top beets when ready for harvest, removing all the dirt possible by striking beets together before removing tops.

To top beets at the lowest leaf line at a right angle to vertical axis.

To pile topped beets in piles consisting of the beets from sixteen rows, the piles to be at least two rods apart. To cover piles every night with all the leaves.

To level and prepare the surface of the ground where beets are to be piled.

To accept as full payment for said work the amounts shown on the schedule printed on the back of this contract, payable as stated in said schedule.

To pay the cost and expense of doing any work which he fails or refuses to do at the time or in the manner in which it should be done, and he authorizes the deduction of any such cost or expense from the amount herein agreed to be paid to him.

To pay any cost or expense, including attorney fees, imposed on the Grower or Great Lakes and/or Lake Shore Sugar Company by reason of any attachment or garnishment of the amount payable to him hereunder, or by any litigation of any nature, or by any damage done by him to property of the Grower or said Company, and he authorizes the deduction and withholding of the amount of any such cost or expense from the amount payable to him.

THE GROWER AGREES:

To keep beets cultivated clean between the rows in a proper manner and give them at least one cultivation before they are blocked and thinned.

To lift the beets when ready for harvest.

To pay the Field Worker for said work according to the schedule printed on the back of this contract.

To make all settlements with the field workers through the Company's fieldmen.

To furnish free a suitable dwelling for field worker to live in until harvesting is completed and to provide pure water.

That, to secure payment to the Field Worker, any and all proceeds to which the Grower may in any way become entitled to receive under his contract with the Company shall be charged with the payments and be paid out by the Company as provided in said contract, and this contract when filed with the Company shall be an order for such payment.

To haul or deliver the beets to the Great Lakes and/or Lake Shore Sugar Company's plant.

GENERAL AGREEMENTS:

In case the Grower fails to obtain a satisfactory stand of beets, or if at any time for the performance of work hereunder the condition of the crop shall be such that in the judgment of the Grower further work on the crop would not be justified, the Grower may terminate this contract by giving notice to the Great Lakes and/or Lake Shore Sugar Company, the Field Worker and the holders of any orders given by the Grower and paying the Field Worker the fair value of what he has done to such date as nearly as may be according to the schedule on the back hereof.

The Grower and Field Worker shall be bound by the acreage as measured and the tonnage per acre as determined by the Company.

In the event the Grower and Field Worker disagree as to any matter pertaining to this contract or the performance thereof in any respect, or as to the amount payable hereunder, either party may notify Great Lakes and/or Lake Shore Sugar Company, or upon said Company hearing of any such disagreement, it may appoint a representative to look into such matter and his decision shall be final and binding upon the parties, but that Company shall not come under any liability to the parties or either of them if it fails or refuses to decide such matter or because of any decision.

All debts incurred by the Field Worker as a result of credit extended or guaranteed by the Grower or Great Lakes and/or Lake Shore Sugar Company shall be paid out of proceeds due the Field Worker hereunder from whatever source.

Great Lakes and/or Lake Shore Sugar Company by accepting this order or otherwise shall not come under any obligation or liability to pay the Field Worker except out of money that may become payable to the Grower and then only after deducting therefrom any amount owing by the Grower to said Company and any other items provided to be first paid by the terms of its contract with the Grower.

In accordance with the regulations of the U. S. Department of Agriculture governing benefit payments to beet growers under the Federal Sugar Act of 1937, children under 14 years of age are not permitted to work in sugar beets and those between 14 and 16 years of age may not work more than 8 hours in any one day. The grower and worker agree that if the worker permits his or any other children to work in violation of these regulations of said Act, this contract shall automatically terminate as of the date such violation shall first become known to the grower; the worker receiving payment in full for work performed before such date.

SCHEDULE OF PAYMENTS PER MEASURED ACRE

For Blocking, Thinning and Hoeing

\$11.00 for blocking, thinning, hoeing and keeping beets free from weeds, payable when work is completed.

For Harvesting

Net tons per acre	Rate per ton	Net tons per acre	Rate per ton
Below 4	\$1. 50	Below 10	\$0. 91
4	1. 30	11	. 89
5	1. 15	12	. 87
6	1. 06	13	. 85
7	1. 00	14	. 83
8	. 96	15	. 81
9	. 93	16 or above	. 80

(The rate for all fractional tonnages between 4 and 16 tons rounded to the nearest tenth of a ton shall be in proportion within each interval.)

(Provision has been made in the determination that if, because of unusual circumstances, it is essential to employ labor on other than a piece rate basis, and/or in those circumstances in which the use of special machine methods are used, rates other than the above may be applicable, provided such rates are approved by the State Committee as equivalent to the piece rate for such work specified herein. See your Fieldman.)

Final settlement, according to terms of contract, to be made as soon as practicable after all beets have been delivered and net weight per measured acre determined.

APPLICATION FOR EMPLOYMENT WITH BEET GROWERS

Fully understanding the Grower's Contract with Field Worker for the Season of _____, copy of which is printed above, we have subscribed our name below and do hereby faithfully promise to work for Growers of the Great Lakes and/or Lake Shore Sugar Company _____ PLANT.

If accepted, we agree to take care of _____ acres of sugar beets, according to the terms of aforementioned contract, which we agree to sign with grower when placed.

It is further understood and agreed that neither growers furnishing sugar beets to the Great Lakes and/or Lake Shore Sugar Company, the Great Lakes Growers' Employment Committee, Inc., or their emigrant agent or any other of their agents or employees have furnished, provided or arranged for transportation of the undersigned to Michigan and/or Ohio or return transportation therefrom nor have they or either of them made any representations, promises or agreements relative to such transportation. We shall furnish, provide or arrange for our own transportation to and from Michigan and/or Ohio.

Address _____	Signature _____	Age _____
City _____ Date _____	" _____	" _____
Worked for _____ Plant last year _____	" _____	" _____
Signature _____ Age _____	" _____	" _____
Signature _____ Age _____	" _____	" _____
Signature _____ Age _____	" _____	" _____

APPENDIX C

RECENT RULINGS BY ATTORNEY GENERAL ON THE GENERAL CODE SECTIONS PERTAINING TO LEGAL SETTLEMENT ¹

(Opinion No. 2473, April 7, 1934)

SEC. 3477. "Legal settlement" defined.—Each person shall be considered to have obtained a legal settlement in any county in this State in which he or she has continuously resided and supported himself or herself for 12 consecutive months, without relief under the provisions of law for the relief of the poor, or relief from any charitable organization or other benevolent association which investigates and keeps a record of facts relating to persons who receive or apply

¹ Source: Ohio Department of Public Welfare—Division of Public Assistance, 1208 State Office Building, Columbus, Ohio.

for relief. No adult person coming into this State and having dependents residing in another State, shall obtain legal settlement in this State so long as such dependents are receiving public relief, care, or support at the expense of the State, or any of its civil divisions, in which such dependents reside.

SEC. 3479. *Who considered having legal settlement.*—A person having a legal settlement in any county in the State shall be considered as having a legal settlement in the township, or municipal corporation therein, in which he has last resided continuously and supported himself for 3 consecutive months without relief, under the provisions of law for the relief of the poor, or from any charitable organization or other benevolent association which investigates and keeps a record of facts relating to persons who receive or apply for relief. When a person has for a period of more than 1 year not secured a legal settlement in any county, township, or city in the State, he shall be deemed to have a legal settlement in the county, township, or city where he last had such settlement.

Most of the farm operators and laborers interviewed in the areas where migrant workers were used in some quantity agreed that some new form of housing would be necessary if successful employment of this type of labor is to continue.

3. *Social status of agricultural workers.*—Year-round greenhouse workers and general farm hands, especially dairy hands, have the highest social status of any agricultural workers. The highest paid greenhouse workers are on a par with the unskilled industrial workers, and many are stable residents of a community and participants in its social life. The more skilled farm hands also enjoy a relatively high place in their communities. Local seasonal workers are, for the most part, wives and children of industrial laborers, and share the status of the family head.

Migrant workers generally have a lower social status than local agricultural laborers. In most areas they are regarded as an "undesirable element" in the community, even though their value to the agricultural enterprise is recognized. The extreme attitude toward migrants from Southern States was expressed by a nursery operator who said, "Did you ever hear of anybody from Tennessee who ever did anything?" The idea seemed to be current among the families of agricultural producers that these "hill billies" and "floaters" were very unstable, subject to going on drunken sprees, and unpredictable as to the length of time they will work. It was also stated that they pay no taxes and are a burden on local welfare agencies and police. In the lowest social status of any, however, are Negro workers, especially Negro migrants from the South. Discrimination against them in industry forces some into lower-paid farm work.

TESTIMONY OF P. G. BECK—Resumed

Mr. OSMERS. Please state your name and occupation.

Mr. BECK. Philip G. Beck, regional director, Farm Security Administration, Indianapolis, Ind.

Mr. OSMERS. What is the extent of defense displacement of farm families in Indiana, Ohio, Illinois, and Iowa?

Mr. BECK. To date 3,700 families have been displaced from 400,000 acres purchased for various defense plants and Army camps.

Mr. OSMERS. What has happened to them?

Mr. BECK. The displaced farmers? That is a long story. I would like to take a few minutes to sketch it for you. Of course, those who are equity owners, who own fairly good farms, are amply compensated in most cases, I think, and are able to buy another farm, and thereby, perhaps, displace somebody else.

Mr. OSMERS. Some tenant?

Mr. BECK. Someone else along the line. There is not much reason to be concerned about the full owners with sizable equities. The small owner, who had perhaps a small farm in the Ozarks around Camp Leonard Wood and Camp Crowder worth \$500 would have been paid a good price in money, but has found himself worse off although the Army paid him very adequately.

Mr. OSMERS. Because he could not purchase a farm unit with the amount of money he was gaining?

MR. BECK. Yes. The tenant who had to move and try to find a farm has suffered. The shock has been eased somewhat about camp sites because these folks, if they have been able to find shelter, have been able to find common labor for the duration of the construction. After that is over they will be looking for some place to alight.

MR. OSMERS. In Nebraska we found considerable evidence of hardship among tenants displaced. That has also been your experience?

HARDSHIPS VISITED ON DISPLACED TENANTS

MR. BECK. Yes; very definitely. There has been a great deal of hardship visited on tenant farmers because we had no mechanism to determine and work out the relationship between the tenant and the man who owned the land, as to who got what.

MR. OSMERS. Do you feel the Government has given ample consideration to the value of the leasehold to the tenant?

MR. BECK. My personal opinion is that we have not.

MR. OSMERS. It seems again, making a general observation from a great deal of testimony that we heard, that the landlord in nearly every instance was well compensated for his land, sometimes over-compensated. But the tenant was left out in the cold, because he had to look to the landlord in order to get his part.

MR. BECK. Our historic method of Government procurement of land did not foresee that situations of this kind would develop with the landlord. We have recognized this to some extent—but I think that tenants, generally, did not get compensated as much as they should have.

MR. OSMERS. Is there an abundance of good farm land available at reasonable prices in the Middle West?

MR. BECK. Not in the form in which the average farmer can get hold of it. There is a tendency in the better land areas toward mechanization and larger farms. Your average farmer can't afford to farm like that and it makes it very difficult for the average farmer to get hold of land. There has been a tendency with these displacements—and it is just a small example of a larger trend—to force poorer farmers who are not so well equipped on to poorer land, and the snowball keeps on rolling.

MR. OSMERS. Do you think that trend will ever stop?

MR. BECK. I doubt it, unless there are some things that we can do—I know there are many things that we can do to help slow up that trend and help some of these folks who are not able to get more security than they have now.

NEED FOR FARM PURCHASE PROGRAM

MR. OSMERS. The committee after hearing testimony in Omaha and Hastings, Nebr., is coming to the conclusion that there is need in the United States for a farm purchase program, not Government financed, but a program similar to the F. H. A. program which will use private capital backed by a Government guaranty. From your experience would you say that such a plan would be sound?

MR. BECK. Such a plan would be valuable. However, with present market prices, it would be very difficult for a farmer to buy farm land and get adequate housing and improve it on any relatively small

acreage. If you could loan him the money to buy 160 acres in the best areas, he could afford to build a house on it.

Mr. OSMERS. I was thinking in terms of the existing farms. We are not contemplating new housing construction under F. H. A. I was thinking of the willing seller-willing purchaser situation.

Mr. BECK. I think there is a place for such a program, but what I was trying to say was that you are still going to have a problem with a lot of tenants who don't have a foothold. Our tenant purchase program is doing a little in that regard.

Mr. OSMERS. We found that the trouble with the tenant purchase program was that it was not extensive enough to make any material dent in the situation. Each transaction has been helpful and has had merit, but taken as a whole—the number of farms involved compared to the number of people seeking farms—the percentage is far too low.

Mr. BECK. I wouldn't want to differ with you there, or on the other. It takes a number of types of programs to reach people in different circumstances.

Mr. OSMERS. It is going to take many solutions because there are so many causes to the problem. Would you care to discuss for us, for a moment, the farm labor problem?

Mr. BECK. It is the one thing that strikes anyone who studies the farm problem. The poor living conditions of farm laborers, of course, are tied up with low wages. In past years this group has been augmented by an expanding rural population, which, as all of us know, is much beyond replacement needs, to the point where their bargaining power has become pretty low. Of course, the current defense boom may ease that situation somewhat.

Mr. OSMERS. But that is to be a temporary easing.

Mr. BECK. Yes. In that connection, with the competition we are going to have for labor, as this defense program goes on, we may run up against some pretty serious labor shortages in spots. It does not appear there are any very serious farm shortages to date; but when a man has a choice between two jobs, he is likely to take the one where he has the best living conditions. I think agriculture should take cognizance of that in terms of having farm labor available.

Mr. OSMERS. You heard Mr. Snow speak about the average income of day laborers?

Mr. BECK. Yes.

Mr. OSMERS. Do you think an available labor supply in that part of the country will be maintained, in view of the defense emergency, and considering the low rate of pay in that area?

Mr. BECK. That is a hard question to answer. What will probably happen will be a step-by-step migration toward the North. If some do go out, others may come on in from the South where living conditions may be no better or may even be worse. For example, cotton picking wages in southeastern Missouri have been consistently higher than in other parts of the South. In that area, then, one might expect the in-migration to balance the out-migration and the labor supply, therefore to remain rather constant.

Mr. OSMERS. If people begin to leave the South to enter the Missouri cotton area, you will have an increase in pay in the southern area. Someone is going to feel the pinch.

Mr. BECK. It can depend a great deal upon the extent of industrial employment, which is going to be pretty great if we spend the amount of money we have appropriated to date.

Mr. OSMERS. Are there any problems in region 3 you would like to discuss?

Mr. BECK. Mr. SNOW has discussed some of the problems in southeastern Missouri. There are other areas in Union County and neighboring counties in Illinois, where we have serious problems, also the lake border areas in Ohio. Then there are the sugar-beet areas in Ohio.

Mr. OSMERS. There is considerable study being given to the problem of planting sugar-beet seed singly instead of in the present form. How far that will go I don't know. In your statement you class industrial workers and farm workers together. Would you care to comment on that?

Mr. BECK. Of course uncontrolled migration is undesirable in both cases. We should be able to have in this country a basis which will provide all people minimum adequate housing and adequate living. Of course, with all this migration from farm to city, we should go ahead and handle our housing problem in urban areas. It is likely that the situation on farms is even worse than it would necessarily be if living conditions there were on a par with what they are in the city areas.

Mr. OSMERS. What do you suggest that the Government do to raise the standard of living on the farms?

LABOR HOME PROGRAM

Mr. BECK. I don't have a panacea. Farm Security has done a number of things. Our labor home program is, of course, one step toward furnishing shelter. In southeastern Missouri we have some homes of that type, some five or six hundred, and we have also developed some labor homes on plantations with the cooperation of the landlord in setting up the land and making it available for 10 years. That is a contribution to the solution of this problem.

Mr. OSMERS. Do you feel that the program will cushion the shock of the post-war emergency that is bound to come?

Mr. BECK. You mean our present program?

Mr. OSMERS. The things that you have started. Will they have any bearing on the post-war solution?

Mr. BECK. Yes; if we add a number of other things that need to be done. The thing that worries me is the problem that is going to face this country in trying to avoid the crash after we quit making guns and start making plowshares again. We are going to have a lot of labor available in the cities and on the farms. We also have a lot of things in the country that need to be done—housing generally, rural electrification, hospitals. We have been attempting to develop a medical care program and find that we can't get the job done in many areas because there are not enough physicians and the hospitals are nonexistent. There are many public services that would make a contribution to life in America that need to be done and need to be built. There are going to be a lot of hands looking for something to do and I hope we can put them to work.

Mr. OSMERS. It would certainly seem like a partial solution of the post-war problems if we could do that.

The CHAIRMAN. Thank you very much, Mr. Beck.

Mr. ABBOTT. Mr. Chairman, I should like at this time to offer for the record a group of exhibits from sources not represented by witnesses.

The CHAIRMAN. The exhibits will be made a part of the record. If there is nothing further, the committee will stand adjourned.

(Whereupon the committee adjourned, subject to the call of the chairman.)

The following testimony was presented at an informal session held in Room 513, Old House Office Building, Washington, D. C., on December 12, 1941. The chairman designated Mr. John W. Abbott, chief field investigator for the committee, to preside. The session was held to get factual information concerning Manitowoc and Two Rivers, Wis., which would serve to round out the picture described at the St. Louis, Mo., hearing. Because of his first-hand knowledge and interest in the subject Congressman Joshua L. Johns of Wisconsin was invited to be present for the purpose of interrogating the witnesses. The testimony is as follows:

TESTIMONY OF HARRY W. KNIGHT, CITY MANAGER, TWO RIVERS, WIS.

Mr. ABBOTT. Mr. Knight, the problem we are here to discuss is of great interest to our committee. We are pleased that Congressman Johns of your State was able to accept our invitation and is here today. After you have given us an over-all picture of the problem in Two Rivers and Manitowoc, I am sure Congressman Johns has some questions he would like to direct to you. We have the interesting exhibits you submitted. They will be placed in the record at this point.

(The exhibits referred to above are as follows:)

EXHIBITS SUBMITTED BY HARRY W. KNIGHT, CITY MANAGER, TWO RIVERS, WIS.

EXHIBIT A.—UNEMPLOYMENT IN MANITOWOC AND TWO RIVERS

LETTER TO HARRY C. KNIGHT FROM PAUL F. CALLAHAN, INDUSTRIAL COMMISSION OF WISCONSIN, WISCONSIN STATE EMPLOYMENT SERVICE

Industrial Commission of Wisconsin, Wisconsin State Employment Service, affiliated with Social Security Board

DECEMBER 8, 1941.

Mr. HARRY C. KNIGHT,
*Manager, City of Two Rivers,
 Two Rivers, Wis.*

DEAR SIR: At your request I am submitting information with respect to the number of unemployment compensation claims filed during the year 1941 against the Aluminum Goods Manufacturing Co., of Manitowoc and Two Rivers.

Two Rivers plants:	
Total unemployment compensation claims filed since January 1941	599
Claims currently active	259
Claims in which benefits were exhausted	92
Manitowoc plants:	
Total unemployment compensation claims filed since January 1941	576
Claims currently active	135
Claims in which benefits were exhausted	48

A recent check of the active file work registrations in this office indicated that there were approximately 360 persons registered from the city of Two Rivers, and

approximately 900 persons registered from the city of Manitowoc. The total number of active work registrations for the balance of this district including Manitowoc and Calumet Counties is approximately 375.

I am also including a comparison of the monthly pay-roll figures of the Aluminum Goods Manufacturing Co. plants in Manitowoc and Two Rivers from January 1941 to November 1941:

Manitowoc plants:		Two Rivers plants:	
January.....	1, 250	January.....	1, 300
February.....	1, 250	February.....	1, 239
March.....	1, 225	March.....	1, 200
April.....	1, 200	April.....	1, 049
May.....	1, 190	May.....	964
July.....	1, 071	July.....	798
September.....	825	September.....	700
November.....	674	November.....	562

These are the approximate figures for the various months listed and were not all taken on the same day of each month. It is my understanding from Mr. Earl Vits, vice president of the Aluminum Goods Manufacturing Co., that this information could be released to you but is not for publication.

Very truly yours,

PAUL F. CALLAHAN.

EXHIBIT B.—EMPLOYMENT SITUATION IN THE ALUMINUM INDUSTRY IN MANITOWOC, WIS.

SURVEY MADE BY THE BUREAU OF EMPLOYMENT OF THE SOCIAL SECURITY BOARD,
JUNE 1941

This survey was made in cooperation with a representative of the administrative office of the Wisconsin State Employment Service and the local employment office managers of Manitowoc and Green Bay. The field work was undertaken during the period June 24 to 26, 1941.

About 50 years ago the aluminum manufacturing industry was established in Manitowoc when the owner of the largest tannery there found that his business was falling off. By 1930 the aluminum industry was the mainstay of employment in Manitowoc County and in 1940 employed approximately 40 percent of the workers in the area covered by unemployment compensation. Figures available for the last 10 years show unusually stable employment in the industry. This stability has been accomplished by manufacturing for stock, eliminating from factory employment the peaks and valleys resulting from the seasonality of sales of aluminum ware.

On March 21, 1941, aluminum priorities were established which will result in the complete shutdown of factory and sales employment in the aluminum-ware industry. To illustrate the effects of aluminum priorities, figures are available for the Aluminum Goods Manufacturing Co., the largest concern in the area. Their average annual purchases of prime aluminum for recent years are 12,000,000 pounds of ingot. In their manufacturing process they reuse 6,000,000 pounds so that they roll annually 18,000,000 pounds. Under priorities their current allotments are as follows:

	<i>Pounds</i>
April 1941.....	347, 395
May 1941.....	345, 054
June 1941.....	75, 812
July 1941 (possibly less).....	20, 000
August 1941.....	0

Since March this company has laid off 563 employees from their force of 2,583. Their factory pay roll for 1940 was \$3,032,328. The pay roll for the highest 2 weeks ended November 2, 1940, was \$119,435.15, while the pay roll for the 2-week period ended June 14, 1941, was \$82,506.20. The curtailment of production of aluminum goods is felt by businessmen throughout the area. Retail sales in the area for 1940 were up 6 percent over 1939. Indications are that for the first 6 months of 1941 sales will be no higher than they were during the first 6 months of 1940. The banks report that savings accounts are higher than they have been for several years. These facts indicate that aluminum workers are apprehensive concerning their financial security and are saving against the certainty of loss of employment. Associated with these factors are the loss of markets

for aluminum goods and the disintegration of sales forces which have been built up over a long period of years. Workers in the aluminum industries of Manitowoc County are relatively permanent employees. About 70 percent of them either own their homes or live with relatives who are homeowners. Approximately half of the workers have had more than 10 years service with their present employers and terms of service of 25 years or more are common. About 40 percent of the employees are women. Other employment opportunities in Manitowoc County are to be found almost exclusively in the shipyards and in the construction industry. About half of the 563 employees recently laid off have secured employment with the shipyards. The remainder are filing continued claims at the local employment office. It is anticipated that the reemployment experience of the remainder of the workers would not be so satisfactory because it will be the older workers who will be laid off from now on.

The Manitowoc Ship Building Co. has indicated that it will hire and train for their work as many as possible of the employees laid off by the aluminum industry. These employees will be limited to male workers only, preferably those who are under 35 years of age, who are active and agile and possess aptitude for training.

The construction industry may also absorb some of the workers. The number of private building permits in Manitowoc is highest of any year in the history of the city. In addition, a housing project to construct 400 dwelling units for shipyard workers will employ some 200 different workers, part of whom may be obtained from those laid off by the aluminum industry.

The severest blow to manufacturers of aluminum-ware in Manitowoc County occurred only recently when the Office of Production Management withdrew aluminum for the purpose of providing mess equipment for the Army and Navy. The Aluminum Goods Manufacturing Co. had been allotted to the Quartermaster Corps of the Army and had submitted bids on numerous utensils including 10- and 15-gallon stock pots, dishpans, water pitchers, sirup pitchers, etc. Recently they submitted a bid for cartridge containers, 3.50 size approximately 36 by 3 inches with a screw cover. The low bid on this item was \$3.28. The Aluminum Goods Manufacturing Co. bid \$3.52. They were second in their bid for cartridge containers of 5.38 size with a bid of \$3.70, while the successful bid was \$3.52.

This company has representatives in Washington, Detroit, Dayton, and men available to go to other points where they can work with Army officers and engineers in an attempt to secure Government contracts which are not affected by priorities. The morale of the management is excellent, but they feel handicapped in bidding on Government work because of the unfamiliarity of their engineers with the products to be manufactured.

Problems of individual plants.

1. Aluminum Goods Manufacturing Co.: Persons interviewed, A. J. Vitz, president; Earl Vitz, vice president; Albert Vitz, vice president.

This company has a foundry and a rolling mill to produce sheet aluminum for use in the manufacture of pressed aluminum-ware. They purchase 12,000,000 pounds of ingot annually, remelt 6,000,000 pounds, and roll 18,000,000 pounds. They have laid off 563 factory employees, and will lay off 65 salesmen at the close of the year. These salesmen are taking no orders and actually could be laid off now but they have long service records with the company and are being paid their salaries while they seek other employment. The company's average employment for the past several years has been approximately 2,500.

2. The Aluminum Specialty Co.: Person interviewed, Walter Spindler, president.

This company manufactures light, cheap articles for distribution through 5- and 10-cent stores and mail-order houses. They purchase sheet aluminum for forming on their own presses. They used 4,000,000 pounds in 1940. Their average annual employment is 200.

3. Wisconsin Aluminum Foundry Co., Inc.: Persons interviewed, Abraham Schwartz, president; Meyer Schwartz, vice president and general manager; and William Eck, sales manager.

This company manufactures cast aluminum ware and specializes in pressure cookers. Their average monthly consumption of aluminum is 36,500 pounds. Their position is somewhat more favorable than that of companies specializing in pressed aluminum ware because they have secured subcontracts from the Manitowoc Ship Building Co. for bronze castings for use in the construction of submarines. For the manufacture of pressure cookers they use secondary aluminum and have secured an A10 priority rating on these articles which they state are used in low-income families for the purpose of preserving and canning fruits and vegetables.

4. The Leye Aluminum Co. (Kewanee): Persons interviewed, Norman Leye, president; A. B. Leye, vice president; Paul Muchow, sales manager.

This company manufactures pressed aluminum cooking utensils, lithographed copper and aluminum signs, clock dials, gasoline pump faces, etc. Their normal employment is approximately 100. At the time of my visit they were manufacturing only those items which required the maximum amount of labor and the minimum amount of material, and they had about 2 weeks' supply of aluminum left. Their annual consumption averages 450,000 pounds.

In addition to the aluminum manufacturers the following persons and organizations were interviewed:

Harry C. Knight, city manager, Two Rivers: Since the Aluminum Goods Manufacturing Co. operates also in Two Rivers, Mr. Knight was very much concerned about the possibility of a number of workers losing employment. He wished to point out that he considered of first importance anything that he might do to assist these workers in readjustment or in helping the company secure Government contracts. He also indicated that the vocational school in Two Rivers stood ready to provide workers with such retraining as they might need and for which facilities could be provided.

Mead Hanson, secretary, Manitowoc Chamber of Commerce: Mr. Hanson indicated that the chamber of commerce is working as closely as possible with the aluminum industry through the National Chamber of Commerce. He was deeply concerned and apprehensive about the future of the community if the aluminum industry should be brought to a standstill by priorities. He pointed out that employment in the shipbuilding industry has fluctuated widely and that while present prospects are very favorable for that industry on account of the contract for submarines about two-thirds of the skilled workers do not have permanent homes in the community. These workers have come in from surrounding towns and many of them have not moved their families to Manitowoc but maintain a room in the city and visit their families over week ends. Local merchants then profit little from this part of the shipbuilding company's pay roll.

Manitowoc Ship Building Co.: J. E. Thiel, secretary and treasurer, and Edwin Clark, employment manager. This company now has 1,900 employees with 1,700 in the plant as of June 21, 1941. They plan to hire approximately 1,100 within the next 8 months. Most of these workers will be vocational-school graduates who will be trained in a vestibule school maintained by the plant. They have agreed to hire as many as possible of the workers laid off by the aluminum industry in Manitowoc County. Those men under 35 who are trainable will be given first consideration.

Recommendations.

The operators of the pressed aluminum plants in Manitowoc County indicated that their equipment may be used only for aluminum and copper with the exception of some possibilities for very light sheet steel. Assuming that it is necessary to use these plants, equipment, personnel, and management in our defense program, it appears that steps must be taken to provide these concerns with Government contracts in aluminum manufacturing for which their plants may be adapted with slight modification. It is suggested that competent engineers review the information submitted by these plants to the Office of Production Management concerning the details of their equipment. This information should be related to the defense items which must be made out of aluminum and a list prepared of those which could be manufactured by the equipment in the aluminum industries in Manitowoc. This having been done, technical experts would be made available to the aluminum companies so that they may make the necessary adaptations to their plant facilities. As a first step it may be necessary to let these contracts for defense production on a cost-plus basis for it would appear that the social cost of this procedure would be far less than the cost resulting from the destruction of the aluminum industry in Manitowoc County. It would also appear desirable to secure the cooperation of the several manufacturers in the county to the end that a committee is formed to pool their resources and to operate somewhat as one manufacturing unit.

As an alternative suggestion in the event that the plants are not needed in the defense program, it would appear necessary to make a job analysis of the aluminum industry to determine the aptitudes and skills possessed by the workers and to examine them for job equivalents which could be used in the defense program. Labor market analysis would also show locations where the workers could be used and provided with employment. Through the facilities of the vocational education program for national defense, workers from the Manitowoc aluminum industry could then be trained preparatory to their controlled migration.

EXHIBIT C.—RESOLUTION PASSED BY ALUMINUM WORKERS' UNION, AMERICAN FEDERATION OF LABOR

Whereas in Two Rivers and Manitowoc, Manitowoc County, Wis., there is located the Aluminum Goods Manufacturing Co., manufacturers of aluminum products; and

Whereas the Aluminum Goods Manufacturing Co. normally employs more than 3,000 men and has 4 large plants filled with the latest type of machine-tool equipment; and

Whereas the men and equipment in this vital plant are almost idle on account of the acute shortage of aluminum ingot; and

Whereas the company has been unable to secure any appreciable amount of defense contracts from the Federal Government; and

Whereas President Franklin D. Roosevelt declared in his June 7 address that a state of unlimited emergency existed in this country and that every available industrial facility should be utilized to the utmost to manufacture equipment needed for the defense program; and

Whereas it is contrary to local and national interest not to operate the Aluminum Goods Manufacturing Co. at capacity during this time when there is an all-out effort to produce equipment for defense: Now, therefore, be it

Resolved, That the representatives of the State of Wisconsin now in Washington be urged to bring this situation to the attention of the proper officials in the Federal Government in order that this plant may become of use in our national emergency and at the same time to stabilize the economic condition in the Two Rivers-Manitowoc area.

Dated June 16, 1941.

TESTIMONY OF HARRY W. KNIGHT—Resumed

Mr. KNIGHT. This matter concerns the cities of Manitowoc and Two Rivers, Wis. Two Rivers is 5 miles north of Manitowoc. These cities are on the shore of Lake Michigan, 80 miles north of Milwaukee. Located in the two cities is the Aluminum Goods Manufacturing Co., a concern which normally employs 3,000 workers, and which now has a pay roll of approximately 1,400. There are consequently nearly 1,600 workers in these 2 communities who have been released from the pay roll of this concern. This situation is contrary to the best national interests. This firm is qualified to produce a large number of items for the Army and Navy and, of course the large number of people who are now unemployed seriously affects the social and economic livelihood of these two communities. Although there is a shipbuilding concern in Manitowoc producing submarines, this plant has been unable to absorb any considerable number of the people released by the Aluminum Goods Manufacturing Co., inasmuch as the employees of the latter firm do not have the necessary skills to work for the shipbuilding corporation.

MANITOWOC CERTIFIED AS A DISTRESS AREA

This matter became serious the 1st of February of 1941 and was brought to the attention of representatives of the State of Wisconsin, in Washington. Also a representative of the Aluminum Goods Manufacturing Co. was sent to Washington for permanent residence in order to contact the necessary divisions of the O. P. M. and the Army and Navy Procurement Divisions. Through the efforts of Congressman Johns and Senators Wiley and La Follette, a representative was sent by the Bureau of Employment of the Social Security Board to investigate the labor conditions in Manitowoc and Two Rivers the latter part of June. Based upon the reports submitted by this representative of the Bureau of Employment, the

O. P. M. Labor Priorities Division sent a representative to investigate plant facilities of all plants of the Aluminum Goods Manufacturing Co., located in the two cities. It is upon recommendation of the Bureau of Employment to J. Douglas Brown, Chief of the Labor Priorities Division of the O. P. M., the Contracts Distribution Division of the O. P. M. certified Manitowoc as a distress area. This was the first distress area recognized under this arrangement. Through a misunderstanding in the Labor Division Priorities Office of the O. P. M., Two Rivers was not certified, but has been subsequently as of December 12. This certification was forwarded by the Contract Distribution Division of O. P. M. to the procurement agencies in the Army and Navy. However, the certification has been of little benefit to the 2 communities inasmuch as the unemployment situation has grown increasingly acute. The employment in the Two Rivers plant of the Aluminum Goods Manufacturing Co. as of January 13 was 1,300 employees; in February, 1,239; in March, 1,200; in April 1,049; in May, 964; July, 798; September, 700; November, 562. At the Manitowoc plants the employment in January was 1,250; March, 1,225; April, 1,200; May, 1,290; July, 1,071; September, 825; November, 674. Within the past 3 or 4 weeks the benefits under unemployment compensation are being exhausted and a number of former employees of the Aluminum Goods Manufacturing Co. have come to the city of Two Rivers with applications for direct relief. The city of Two Rivers was badly bruised and battered as a result of the depression during the past 10 years and this further requirement for public relief jeopardizes the financial condition of the city, which is already very serious.

Mr. ABBOTT. Mr. Knight, I would like to ask one question before you go on: Since Manitowoc was certified as a distress area, have you had any defense business at all allocated to that city?

Mr. KNIGHT. As a direct result of the certification of Manitowoc as a distress area, an order in the amount of approximately one-half million dollars was placed for 37-mm. cartridge cases.

Mr. JOHNS. Perhaps Mr. Chloupek¹ knows more about it than you do?

Mr. ABBOTT. It would be a good idea if he would supplement that.

Mr. JOHNS. I would like to ask you a couple of questions: What is the population of Two Rivers?

EMPLOYMENT AT TWO RIVERS

Mr. KNIGHT. The population of Two Rivers is 10,400. There are normally approximately 2,400 wage earners in the community, so that with the unemployment, on account of aluminum priorities, nearly one-third of the wage earners are without work.

Mr. JOHNS. What other concerns are there that employ men in any quantity at all? Take the Hamilton Manufacturing Co. How many do they employ?

Mr. KNIGHT. The Hamilton Manufacturing Co. at the beginning of the year was employing 1,100 men. They have now increased their pay roll to approximately 1,300 men. Of this increase, 50 of the employees came over from the Aluminum Goods Manufacturing Co.

¹ E. J. Chloupek, of the Aluminum Goods Manufacturing Co. of Manitowoc, Wis.

Mr. JOHNS. The fact of the matter is they are employing all the people they can absorb right now in national defense.

Mr. KNIGHT. Yes.

Mr. JOHNS. What other concern employs any number?

Mr. KNIGHT. There is the Paragon Electric Co., employing 65 people, and manufacturing electrical controls and other electrical devices. There is also the Schwartz Manufacturing Co., manufacturers of milk filters, dairy supplies, and employing approximately a hundred people, most of whom are women.

Mr. JOHNS. Have you made a check on the concerns in Two Rivers, to find out whether it is possible there for any of the other concerns to absorb any of this unemployed labor?

Mr. KNIGHT. All three of the other industries are operating at way above normal and the chances of their handling any considerable number of the Aluminum Manufacturing Co. employees is very slight.

Mr. JOHNS. How far is Two Rivers from Manitowoc?

Mr. KNIGHT. Seven miles from Manitowoc.

Mr. JOHNS. Located right on Lake Michigan?

Mr. KNIGHT. Yes.

Mr. JOHNS. How large is the city of Manitowoc?

Mr. KNIGHT. The city of Manitowoc is 25,000 population.

Mr. JOHNS. And were any other concerns employing men in any great number outside of Aluminum Goods Manufacturing Co?

EMPLOYMENT IN SHIPBUILDING

Mr. KNIGHT. Yes. In the city of Manitowoc there is located the Manitowoc Shipbuilding Corporation which has an order for \$60,000,000 in submarines to be filled over the next 5 years. However, this company has been unable to absorb any considerable number of the employees of the Aluminum Manufacturing Co.

Mr. JOHNS. What is the reason for that? Is it because they are running at full capacity now?

Mr. KNIGHT. No. The shipbuilding corporation continues to add to its pay roll but it requires principally highly skilled workers such as machinists, welders, riveters. That is, it requires the type of training which the employees of Aluminum Goods Manufacturing Co. do not have.

Mr. CHLOUPEK. They have absorbed about 200 of our men.

Mr. JOHNS. You have a vocational school at Manitowoc?

Mr. KNIGHT. Yes. There are vocational schools both in Manitowoc and in Two Rivers, and every effort is being made by both of these vocational schools to retrain men who have been released by the Aluminum Goods Manufacturing Co. for use in the shipbuilding corporation.

Mr. JOHNS. Do you know whether the Government has supplied any funds to assist them in any way?

VOCATIONAL TRAINING

Mr. KNIGHT. Yes. Funds have been made available by the Federal Government for both vocational schools. The amount of aid from the Federal Government is anticipated at approximately \$25,000

for the year 1942. Nearly \$12,000 of this amount will be used to buy machine tool equipment for the vocational school at Two Rivers. The balance will be used for operating expenses.

Mr. JOHNS. Is the school pretty well filled up with men?

Mr. KNIGHT. Yes. The school has the highest enrollment it has ever had.

Mr. JOHNS. In both Manitowoc and Two Rivers?

Mr. KNIGHT. Yes. The vocational schools in both cities are cooperating very closely with the shipbuilding corporation. In fact there is a liaison man in Manitowoc operating between the shipbuilding corporation and the vocational school in order to find out exactly what the requirements of the shipbuilding company are, and fit the curriculum of the vocational school, so that men can be trained for jobs with the shipbuilding corporation.

Mr. JOHNS. There is one further item: Is there any way of estimating, thus far, the number of people who have begun to leave these two communities because they have been unable to find jobs?

Mr. KNIGHT. No; we haven't any exact record of that. It is difficult to obtain. We know, however, that some of the very stable families of the community have left to seek employment in other areas.

Mr. JOHNS. What is the nearest city of any size, and what distance is it from Manitowoc or Two Rivers?

Mr. KNIGHT. From Manitowoc to Milwaukee is a distance of 80 miles. And Green Bay is located about 30 miles northwest of Manitowoc.

Mr. JOHNS. And Sheboygan is about 30 miles south.

Mr. CHLOUPEK. Neither of those cities are absorbing unemployed labor from Manitowoc and Two Rivers.

Mr. KNIGHT. The labor market supply is quite ample both in Green Bay and Sheboygan.

Mr. CHLOUPEK. It is the same thing at Milwaukee.

Mr. JOHNS. They are having their own labor problems there but not so bad. I think that is all I want to add.

Mr. ABBOTT. Will you develop the remainder of the story, Mr. Knight?

Mr. KNIGHT. I think the next information which is of considerable value to your committee are the efforts made here in Washington by the company itself to secure business.

EFFORTS TO OBTAIN CONTRACTS

E. J. Chloupek of the Aluminum Goods Manufacturing Co., of Manitowoc, has been in Washington for the last 7 months, representing this company. He has made contacts with various divisions of the Navy, Army, and the O. P. M.; he has contacted over 300 people in this connection. While they have received 2 contracts, 1 for canteens and meat pans and the other for 37-mm cartridge cases, at the present time they have laid off more people than at any time since the beginning of this defense program. In going after Navy contracts, where they have not been the low bidder, they are told very frankly by the Navy that being certified as a distress area does not entitle them to any special consideration from the Navy. They state very definitely that the laws and regulations are such that these contracts can only go to the low bidder. And that the 5-, 10-,

and 15-percent clause which has been worked out by Mr. Odlum's department still cannot receive any recognition from the Navy until Congress changes the laws governing the purchasing of items through the Navy. This same statement is substantiated by Mr. Odlum's committee. The Aluminum Goods Manufacturing Co. has not only made cooking utensils but about 40 percent of their total in the last 15 years has been in the form of subcontracts from large concerns like General Motors, Chrysler, Ford, Frigidaire, Westinghouse, General Electric, Crosley, and other large concerns. So they have an organization which was immediately qualified to go after subcontract business with their old customers such as named above, and the large airplane companies. They have received some subcontracts from various airplane companies, but as yet these are not of sufficient volume to take care of any more than approximately the 1,400 people who are now on the pay roll.

As far as the ability to fit into the national defense program, the Aluminum Goods Manufacturing Co. would undoubtedly fit best into subcontracts with the large airplane companies. But in going after subcontracts, they are up against the competition of these concerns or their subsidiary concerns who obviously are favored in getting subcontracts. While the Aluminum Goods Manufacturing Co. would have to go through some readjustment of its equipment to fit into the airplane program, they still feel that they could adapt these to this situation much quicker than the present program of having airplane companies constantly build tremendous additions to their plants and train for the work men who have had no previous experience in aluminum whatsoever.

The Aluminum Goods Manufacturing Co. has subcontract jobs from the following companies in the aviation industry. I have a copy here.

(Material referred to above is contained in the following letter:)

DECEMBER 6, 1941.

NAVY DEPARTMENT, BUREAU OF AERONAUTICS,
Washington, D. C.
 Lt. Comdr. R. B. BARRY,
Room 3942.

GENTLEMEN: At the request of our representative, Mr. E. J. Chloupek, we are sending you an outline of the various parts for airplanes which we are now manufacturing.

This information is as follows:

Firm	Part name	Quantity
The Studebaker Corporation, aviation division, South Bend, Ind.	Deflectors for airplane motors.	(1)
Boeing Aircraft Co., Seattle, Wash.	Deicer tanks	810
	Glycol tanks	1,035
	Hydraulic tanks	835
Douglas Aircraft Co., Inc., Santa Monica, Calif.	Propeller deicer tanks	384
Goodyear Tire & Rubber Co., Akron, Ohio.	Windshield deicer tanks	580
	Lubricating oil tanks for Boeing B17 E. and F.	5,788
Wright Field, Army Air Corps, Dayton, Ohio	Oxygen tanks	(2)
Purolator Products, Inc., Newark, N. J.	Oil filter cases	8,000
Bendix Products Division, Bendix Aviation Corporation, South Bend, Ind.	Miscellaneous stampings for airplane turrets.	
Shakespeare Co., Kalamazoo, Mich.	do	
Guardian Electric Manufacturing Co., Chicago, Ill.	do	
Standard Aircraft Products, Dayton, Ohio.	Cockpit lamp box	41,000

¹ For 7,000 motors.

² Experimental.

Firm	Part name	Quantity
A. O. Smith Corporation, Milwaukee, Wis.....	{Landing gear parts:	
	Lock covers.....	2,000
	Grease seal caps.....	2,000
Fisher Body, Detroit division, General Motors Corporation, Detroit, Mich.....	{Map case door.....	2,440
Curtiss-Wright Corporation, Buffalo, N. Y.....	{Oil temperature regulator.....	4,880
Vultee Aircraft, Inc., Nashville, Tenn.....	Fuel tank.....	155
Glenn L. Martin Co., Baltimore, Md.....	Oil-line parts.....	1,000
	Back-seat rest.....	1,582

We sincerely hope this information will prove useful to you.

Yours very truly,

ALUMINUM GOODS MANUFACTURING CO.,
AVIATION DIVISION.

TESTIMONY OF HARRY W. KNIGHT—Resumed

Mr. KNIGHT. While many of the large airplane companies have prime contracts which are extended to them at a cost-plus basis, none of them, however, will extend subcontracts to outsiders on the same basis in which they receive their prime contracts. And as a lot of the airplane subcontracts involve considerable guesswork as to costs on the first jobs, the Aluminum Goods Manufacturing Co. has had to protect itself by putting in a protecting cost price which often loses them the business against the competition of the airplane companies or their wholly controlled subcontractors. But on the other hand, the Aluminum Goods Manufacturing Co. is qualified to do the workmanship, but have not been able to get any type of educational orders as trial runs to start with. To summarize this situation: The Aluminum Goods Manufacturing Co. normally employs more than 3,000 men in the cities of Two Rivers and Manitowoc in Manitowoc County, Wis., and have 4 large plants filled with the latest type of machine-tool equipment. These men and this equipment in a vital plant have been idle in great part for nearly a year on account of the acute shortage of aluminum ingot, and even at this time do not have any appreciable amount of war contracts from the Federal Government. The country is now facing a national crisis and every available industrial facility must be utilized to the utmost, to manufacture equipment needed for war purposes.

RECOMMENDATIONS FOR UTILIZATION OF ALUMINUM PLANT

In view of the facts outlined above, I recommend that the following action be taken by Congress in order to fully utilize the men and materials available in the Two Rivers-Manitowoc area: (1) To enact legislation which would enable various defense agencies to allocate the type of defense work into such plants as the Aluminum Goods Manufacturing Co., for which they are most suitably adapted. This would involve revising the present rules and regulations of the Procurement Divisions of the Army and Navy which make it mandatory that the awards go to the lowest bidder. (2) To have an engineering organization make an immediate survey of the plant with the authority to immediately place with such plants the type of business for which they are best suited. In the present set-up in the Office of Production Management, the Labor Division Priorities has examined the plant facility of the Aluminum Goods Manufacturing Co., but had no

authority to put the plant into operation on any of the war material which they are capable of producing. (3) The Federal Government should consider aid to those cities which are acutely affected through unemployment and where the basis for this unemployment is wholly due to dislocations on account of priorities. (4) It is our suggestion that the larger airplane companies, after a sufficient investigation of such concerns as the Aluminum Goods Manufacturing Co. and others of similar capacity and fitness, should subcontract to these plants on a cost-plus basis, which will enable them to immediately fill their plants and work out these subcontracts on the same comparative basis which the larger concerns have received themselves, namely on a cost-plus basis. Of course, neither the community nor the industry itself expects excessive profits during this war period and any such cost-plus contracts would naturally be thoroughly audited by the proper divisions of the Federal Government.

In closing, it should be noted that representatives from various agencies have come to Manitowoc and Two Rivers repeatedly during the past year. Each representative senses the acuteness of the problem, expresses his sympathy, returns to Washington, and nothing comes out of it. It is vital to these two communities that some action be taken at once to put this plant into full-time production.

The CHAIRMAN. Thank you very much, Mr. Knight. We appreciate your coming here. And thank you, Congressman Johns. If there is nothing further, the committee will stand adjourned.

(Whereupon the committee adjourned, subject to the call of the chairman.)

EXHIBITS

EXHIBIT I.—THE POPULATION OF MISSOURI: ITS CONDITIONS AND TRENDS

REPORT BY PROF. C. E. LIVELY, COLLEGE OF AGRICULTURE, DEPARTMENT OF RURAL SOCIOLOGY, UNIVERSITY OF MISSOURI, COLUMBIA, MO.

1. According to the United States Census of 1940, the population of the State of Missouri now includes more than $3\frac{3}{4}$ million persons.¹ In 1810 the State included fewer than 20,000 people but by the Civil War the number had risen to more than a million. The rate of growth was rapid although at a decreasing rate until after the turn of the century when the decennial rate dropped to 6.0 percent, 1900-1910. Since 1900 the decennial rate of increase has averaged a little more than 5 percent. Not since 1870 has the decennial rate of population increase been equal to that of the United States as a whole.

In 1940 a little more than half (51.8 percent) of the population of Missouri was classified as urban. The urban population has grown from a little more than half a million in 1880 to nearly 2,000,000 in 1940. This urban growth has been largely the result of the growth of two cities, St. Louis and Kansas City, for two-thirds of the urban population of the State lives in these cities. Only one other place is as large as 75,000. Because of this high concentration of urban population, Missouri is far more rural in its social organization and atmosphere than might be inferred from the rural-urban division of population. Most of the counties may be termed rural. In 1930, 85 percent of the urban population lived in 13 counties. Of 114 counties, 62 had no incorporated place as large as 2,500 and 102 had no place as large as 10,000.

The rural population of Missouri reached its maximum size in 1900 and declined steadily to 1930. In 1940, the rural population was approximately equal to that of 1890. The rural-farm component was two and a half times the rural-nonfarm component in 1910, but since that time it has declined relatively until in 1940 it was but 65 percent greater than the rural-nonfarm component.

Areal differentials in population growth.—Missouri possesses a wide variety of physical conditions and resources and this situation greatly affected the course of early settlement. The first settlements occurred along the Mississippi-Missouri River margins and spread out from there. When the State was admitted to the Union in 1821, the northern third plus the entire southwestern portion and the Ozark highlands were, generally speaking, unsettled. As time passed, these areas filled up. Practically all counties gained population prior to 1870. The rural population reached its maximum in 1900 and since that time most of the counties north of the Missouri River and many of the west-central counties have steadily lost population. The deep Ozarks and the southeast Mississippi lowlands were settled last; indeed, the latter area is still in the process of exploiting the wealth inherent in the virgin soil fertility so abundant there and the economic and social organization of the area still bears the earmarks of a frontier, exploitative society. Barring the small areas immediately tributary to cities of importance, the northern and western agricultural areas have been steadily losing population for 40 years. The Ozark highlands have passed this maximum incident to settlement and the population tends to decrease sharply with the upswing of the business cycle and increase with the occurrence of depression. The southeast lowlands have not yet reached maximum population. In 1910, six of the seven counties of this group had from 20 to 60 percent of their land in farms. Increase has been rapid since, and during the last decade these seven counties all gained population at rates ranging from 20.2 percent in Stoddard to 46.9 percent in Mississippi County.

Population fertility and population growth.—From the point of view of surplus of births over deaths, the population of Missouri is still increasing. If allowance is made for under-registration of births, the crude birth rate is about 17.0 per thousand population. With a death rate of 11.3 in 1939, a natural increase of

¹ The census enumerated 3,784,664 persons.

5.7 persons per thousand per year prevails. This amounts to a rate of growth of about 6 percent per decade.

Even the present low rate of natural increase cannot be expected to continue, however. More than 10 years ago the population of Missouri would have been at a stationary level had it not been for a favorable age distribution. The index of growth based on fertility ratios was 1.05 for the native white population and 0.70 for Negroes,² on a scale in which 1.0 indicates a stationary condition. Since that time the number of births has declined still further so that it is probable that the entire State is now producing too few births to maintain a stationary population. With the rapid increase in number of aged persons and the consequent likelihood that the death rate will soon increase, it may not be many years before certain areas of the State will show a larger number of deaths than births.

But if the total population of the State is at a stationary level with respect to natural increase, the urban population is far below that point. Even in 1930, the entire urban population was producing only 75 percent of the number of births necessary to maintain the population at a stationary level. St. Louis had a 28-percent deficit of births in the native white population, and Kansas City a 37-percent deficit. The Negro population of these cities had approximately a 50-percent deficit. That there is still a surplus of births over deaths in these cities is due to the fact that the death rate is abnormally low owing to the abnormally large proportion of persons between the ages of 15 and 50, a condition that is common to large cities.

Since 1930, the number of births has declined considerably, and, although defense prosperity has increased the number of marriages and consequently the number of births, the upturn in the birth rate is probably temporary. The continuation of migration into these cities is necessary for the maintenance of present numbers, and if the number of births in these cities continues to decline, as may very well happen, the number of deaths will soon balance or even exceed the number of births.

By contrast to the urban population of Missouri, the rural population is still producing enough children to more than maintain its numbers. In 1930, the entire rural population was producing 44 percent more children than was necessary to maintain a stationary level. The rural-nonfarm population was producing a 27-percent surplus and the rural-farm population a 57-percent surplus. Comparable figures for 1940 are not yet available but the decline in number of births since 1930 makes it certain that this surplus has been cut significantly.

Rural population fertility is by no means uniform throughout the State. In general, the lowest rural birth rates occur north of the Missouri River and the highest birth rates deep in the Ozark highlands. In most counties north of the river the rural population is producing less than a 25-percent surplus of children above the number required to maintain the population at a stationary level. Two counties have a deficit. Most of the counties immediately south of the Missouri River and also those on the western border of the State are producing more than a 25-percent surplus of children. In the Ozark border, most of the counties are producing more than a 50-percent surplus of children above the number required to keep the population stationary, and the rate rises to more than a 100-percent surplus in many of the deep Ozark counties. In 1930, ten of these counties were producing more than twice as many children as were necessary to maintain the population. Thus, if all of the children born in these Ozark counties remained there, in a situation which is already overcrowded, the condition would rapidly become intolerable.

In the southeast Mississippi lowlands, the rural population is producing approximately 75 percent more children than is needed to maintain the population. The farm population rates still higher with most of the counties showing a 100-percent surplus. With no migration into or from this area, the population would increase at a rapid rate. Even so, the recent rapid increases in the rural population of these counties can be attributed only in part to natural increase. Much migration into the area has occurred.

Youth in the Missouri population.—Although the declining birth rate has been steadily reducing the number of children in the population, the full impact of this reduction upon the affairs of the State has not yet been felt. The sharp decline in number of births that occurred during the depression years of the early thirties is just now being reflected as a decline in the enrollments of elementary schools. It will be another 10 or 12 years before these children will be offering themselves for the labor market. At that time a decrease of 15-20 percent, as

² Thompson, W. S., Standardized Replacement Indices * * *, by States, 1930 and 1920, Population Index, 4 (4), October 1938, p. 270.

compared with the number of similar age now offering themselves for the market, will be noted.

At present, the largest classes of children in the history of the State, those of 1920-24, are offering themselves for employment. It is fortunate that an upturn in the business cycle has coincided with the occurrence of this large supply of labor. These workers will be active in the labor market for the next 25 or 30 years. Missouri normally exports young workers, and had depression persisted it would have been difficult for many of these workers to find employment. No doubt many would have taken to the open road as others have done before them. This is particularly true of the rural youth and especially in those areas where the birth rate has been high and resources relatively meager. Rough estimates of the number of farm-reared youth necessary to exactly replace the losses from the ranks of farm workers resulting from death and retirement, suggest that during the last decade in Missouri nearly twice as many such farm-reared male workers were produced as was needed. The proportion needed for replacements varied from two-thirds in area A (see map 1) to 45 percent in area E and 40 percent in area D. Thus, there was a surplus of farm-reared males during the decade, ranging from one-third in the best agricultural area of northwestern Missouri to a surplus of 60 percent in the rougher portions of the Ozark highlands. These surplus youths cannot be accommodated on farms without increasing the number of farms, a condition that must be regarded as undesirable in the poorer sections. They must find their way into nonagricultural industry or contribute further to the overpopulation of these poorer agricultural areas from whence the largest proportion come. With economic prosperity the situation may be expected to improve slightly during this decade because some reduction in number of farm-reared youth of employable age will occur. However, economic depression may easily offset any such gain and more.

The aged in the population.—The increasing expectancy of life together with the declining birth rate, trends that have been evident for many years, have contributed to an increasing proportion of old people in the population. The proportion of persons of advanced age has been increasing steadily in the United States, and Missouri is no exception. In 1940, 8.6 percent of the population was aged 65 or over and, therefore, eligible by age for some form of old-age benefits. The average percentage for the United States was 6.8 and few States had a larger proportion of aged persons than Missouri. Furthermore, the proportion has increased one-third since 1930. Before many years one person in 10 will be eligible by age for old-age benefits. Missouri faces a genuine problem in meeting this situation equitably and fairly.

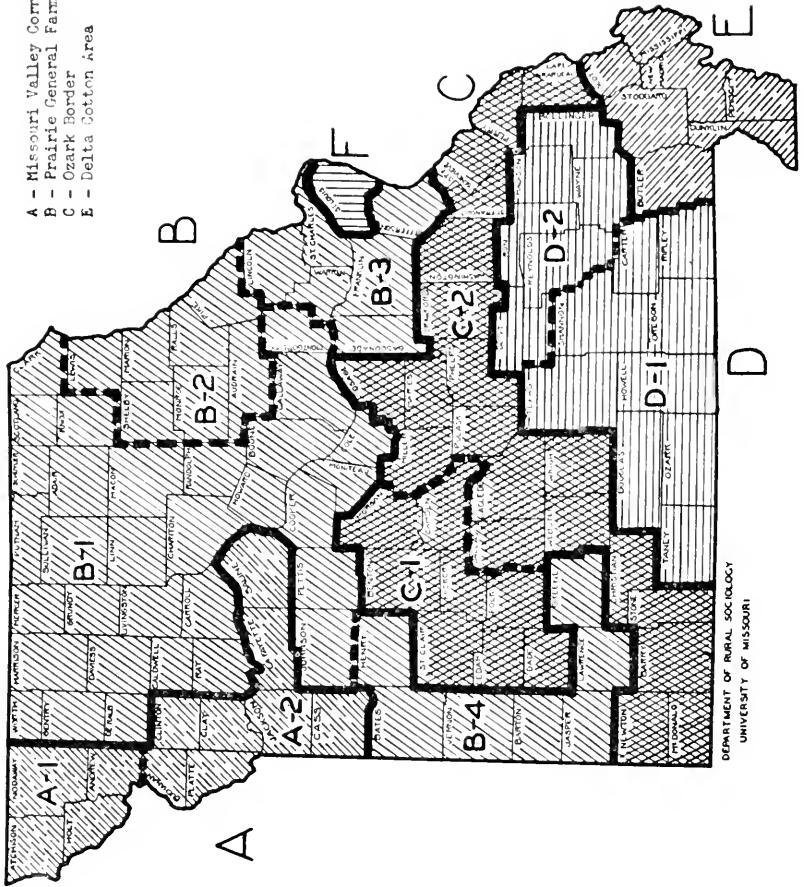
Population movements.—The first movements of population in Missouri were those concerned with the settlement of the State and the initial exploitation of its resources. The State was settled by people originating for the most part in Kentucky, Tennessee, Illinois, Indiana, and Ohio, but as preemption gave way to a settled economic and social order people moved from Missouri to Oklahoma, Kansas, Texas, and in more recent years to California and Eastern States, particularly Illinois. For many decades the State has exported population. Native-born Missourians have scattered far and wide in search of better economic and social opportunities. During the last 10 years a large number of families, feeling depression, especially in southeast Missouri, have migrated to California.

Internally the growth of cities, with their economic opportunities and deficiency of births, has brought heavy migration from the rural districts. The excessive number of urban persons aged 18 to 35 and the deficiency of persons of similar age in the rural population attest to that fact. The decline in rural population in Missouri from 1900 to 1930 can be accounted for only in terms of migration to urban centers. The slight increase in rural population during the decade 1930-40, must be regarded primarily as a result of the failure of maturing rural youths to leave the rural districts, although urban-rural migration was also a factor.

The decline of rural population in Missouri through migration to urban areas since 1900 has been almost wholly a decline in farm population. Although the rural nonfarm population has lost heavily by migration, the gains from surplus of births over deaths, together with persons moving from the farms to the villages, have been sufficient to more than offset the loss. The rural nonfarm population has grown steadily since 1890, and the marked growth of 6.4 percent made during the last decade suggests that in lieu of opportunities in the cities many farm-reared youth were crowding into the villages. Whether village residence made the various agencies offering public assistance easier of access is not clear.

Since 1900 perhaps the most pronounced movement of population in Missouri has been the movement from the farms to nonfarm locations and occupations. During the decade, 1920-30, it is estimated that the net loss of persons from the

- A - Missouri Valley Corn Area
- B - Prairie General Farming
- C - Ozark Border
- E - Delta Cotton Area



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farms of the State was equal to approximately 20 percent of the 1920 farm population. During the same period the number of farms decreased 2.7 percent. Comparable figures are not available for the two previous decades, but the number of farms in the State decreased 2.7 between 1900 and 1910, and 5.1 percent between 1910 and 1920. Considering the demand for industrial labor during that period, particularly during the first World War, it is safe to conclude that the loss of farm population through migration was very heavy.

During the depression years, 1930-35, net migration from the farms of Missouri virtually ceased. Some loss occurred in the better farming counties north of the Missouri River and in scattered counties elsewhere. About half of the counties experienced little or no net loss or gain. Many of the Ozark counties and also certain of the counties in the southeastern lowlands experienced a net gain in farm population from migration. Since 1935, net losses through migration have apparently been proportional to the increase in nonagricultural employment. At present, reports indicate that large numbers of rural persons have responded to the demand for defense workers. The State Employment Service reports that the demand for workers greatly exceeds the supply. In the better farming areas the year-round hired man has about disappeared and the trend toward mechanization of farm processes is further reducing the demand for anything but seasonal workers.

Migration and rural resources.—The widespread migration from Missouri farms since 1900 requires explanation beyond the general statement that the migrants saw evidence of better opportunity in the cities than on the farms. More specifically, it may be said that a widespread adjustment of population to rural resources began about the turn of the century and is still under way.

There is evidence that the settlers who preempted the land of Missouri were not keenly alert to the economic implications of the different grades of land, of which there were many. Although some of the settlers were interested in mining and some in lumbering, the great majority aimed to establish themselves in farming and took the traditional 160-acre tract of land. Whether the land obtained was good northern Missouri corn land or Ozark hill land where timber, fish, and game were abundant made little difference, for the families were bent upon production for a living rather than for the market. However, as transportation facilities developed and the demand for agricultural products appeared, these same farmers gradually shifted to production for the market and production for use declined. As mechanical devices for use in agricultural production appeared they were adopted in the northern and western prairie areas with the result that workers were liberated and farms tended to increase in size. Thus the farm population of northern Missouri began to decline after 1890 and has continued as tenancy has developed and farms have grown larger and more completely mechanized. The birth rate declined, incomes were translated into better living, and the level of living rose.

By contrast, in the Ozark highlands, the population was driven to seek subsistence in a precarious agriculture as the fish, game, and timber disappeared. The birth rate remained high, the population increased rapidly and the average family had too little land to obtain the means of a good living. The hills, denuded of forests, eroded so rapidly that a farm might be ruined in the course of a generation or two, and the level of living remained low or fell even lower. As a result, the application of labor to the land occurs in its greatest intensity where the land is poorest. Only in southeast Missouri, where cotton is the prevailing cash crop, has the farm population been spread over the land with considerable density. In 1930 the average amount of farm land per capita of the farm population of Missouri was 32.9 acres. In many northern counties the average was above 40 acres while in the Ozark highlands most counties were below the State average. In the southeast lowlands the average was as low as 8 acres per capita in Pemiscot County. However, recent trends toward greater mechanization of agricultural processes and the substitution of wage workers, often nonresident, for sharecroppers in southeast Missouri may tend to raise the average acreage per capita, although this is by no means certain. The rich soil resources of this area, the fact that there is still some new land to clear, the bonanza nature of the farming, the mild climate and institutional freedom, all combine to make it an attractive place to many people who see in it the possibility of greater opportunity than in surrounding areas. Farm operators displaced in Wayne County because of the construction of the Wappapello flood-control dam moved to the Delta area in considerable number. Laborers and displaced sharecroppers from surrounding areas move there, also, and although there is surplus labor and underemployment in the area, it may be that this pressure of population will continue until a more stabilized and institutionalized economic and social order is developed in these lowlands.

It may be seen from the above that settlement following the prevailing notions of the day spread the rural population over the State in a pattern surprisingly even considering the great variation in resources. Subsequent factors arising out of population increase, the exploitation of resources and the commercialization of agriculture have brought into bold relief the potential maladjustments in this settlement pattern. These may be briefly summarized.

In the first place, soil erosion and soil depletion have taken a terrific toll of Missouri lands. Excessive cropping with soil-depleting crops, methods of cultivation favoring erosion, removal of timber and other ground cover and other factors have made more than 40 percent of the land of the State definitely submarginal or marginal for arable agriculture, according to competent estimates. Some of the readjustments necessary to partially correct this situation, such as the reduction of row crops and development of more livestock, will probably tend, temporarily at least, to decrease rather than increase the number of people living on the land.

In the second place, the mechanization of agricultural production processes proceeding rapidly everywhere outside the Ozark highlands is effecting a decrease in the farm population because of the release of manpower and the accompanying increase in size of farm. The number of tractors in Missouri increased from 25,000 in 1930 to 45,000 in 1940; 1 farm in 6 now has a tractor. Nearly half of the tractors enumerated by the 1940 census were less than 4 years old. There are now many counties in which the farms have 1 tractor for every 3 automobiles. In some areas virtually all of the larger farms are supplied with tractors, and in many areas the smaller as well as the larger farms are "tractORIZED" by virtue of custom work performed by farmers or others in possession of tractors and equipment. The effect of this mechanization upon size of farm is notable. The total number of farms in Missouri in 1940 was approximately equal to the total number in 1930, yet during the intervening 10 years the number of farms of 260 acres or more increased 14.5 percent. The increase was most pronounced in the best areas of northern Missouri.

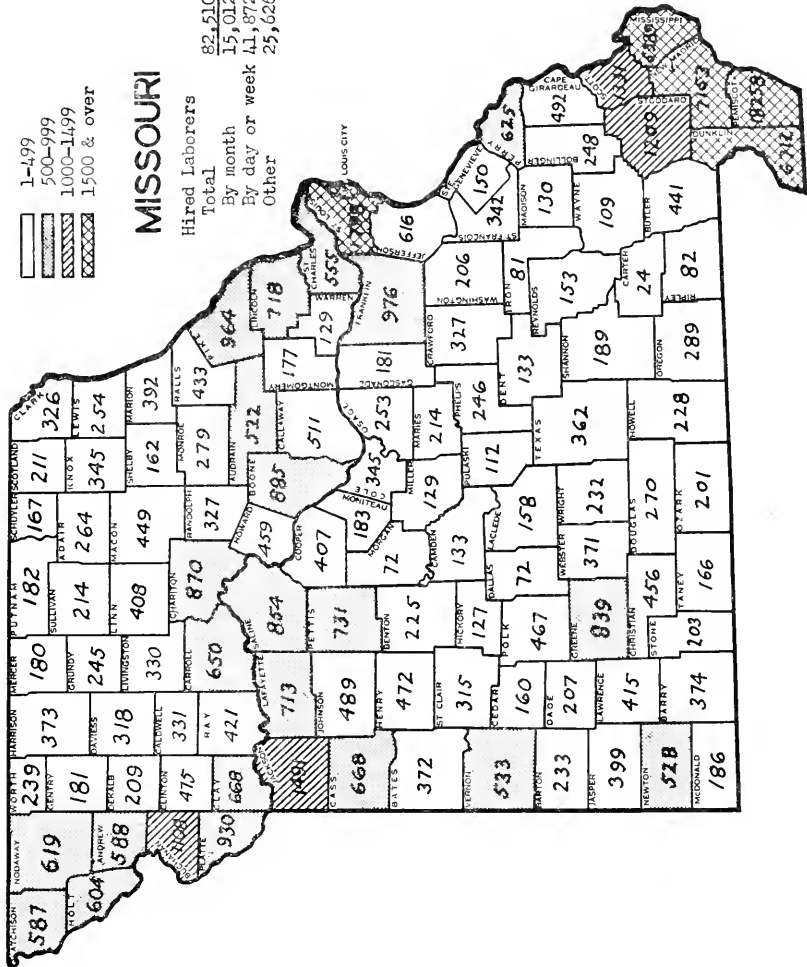
In the third place, the declining resources of the Ozark highlands, the rapid growth of population and the limited experience of the isolated population with conditions elsewhere have combined to produce an acute condition requiring heavy emigration on the one hand and a readjustment of the prevailing economy to one more suitable to the limited resources of the area on the other. Experience with groups of these Ozark families, in areas where forced depopulation has been necessary for defense and flood-control purposes, reveal a people extremely local in outlook, generally undernourished and often in need of medical care. There is a high proportion of elderly people often living in most meager quarters on small tracts of unproductive land. Production is low and the level of living is low. The readjustment of Ozark population to the resources of the area in such a manner that the population may become self-supporting in health and decency is a major problem confronting the State of Missouri. By whatever valid measures used, the pressure of population upon resources is greatest in these highlands. Defense employment may relieve this pressure temporarily by drawing off many of the able-bodied workers; but if the highlands are further neglected, depression following the defense boom is likely to fill these hills with unemployed people without resources, crowded into inadequate houses, in an area where the physical resources are already overtaxed. A systematic social policy is needed for these highlands to the end that (1) the agriculture may be adjusted to prevent further wastage of the meager soil resources, (2) forestry (including more complete use of present wood products) may be systematically developed, (3) the tourist trade may be further developed by making the area more attractive to tourists, and (4) the opportunities for useful education of the native youth may be improved so that potential workers emigrating from the hills will be in a position to bargain in the labor market for something more than those unskilled jobs which are the first to be discontinued when depressed business conditions arrive.

Migratory labor.—The State of Missouri is not characterized by a large volume of migratory agricultural labor. Although the year-round hired man is disappearing and farm operators rely largely upon seasonal labor, either regular or casual, a very large proportion of such labor is of local origin. Map 2 shows the number of wage laborers employed on the farms of Missouri during the week of September 24–30, 1939, by counties, as enumerated by the 1940 Federal Census of Agriculture. The number of laborers employed, as indicated by these figures, is probably near the maximum for southeast Missouri because of cotton picking. The number is probably much below the maximum for the small fruits area of the Southwest, the corn-hogs area of the Northwest and possibly for others.



MISSOURI

Hired Laborers
 Total 82,510
 By month 15,012
 By day or week 41,872
 Other 25,626



However, the general picture of the State based upon these figures is accurate in emphasizing that most wage labor in agriculture is employed in the southeast cotton delta, the southwest small fruits and hay area, the northwest corn-hogs area and the truck and fruit areas near St. Louis and Kansas City. Apparently there is less tendency now than formerly to use unskilled Ozark workers in the better farming sections of northern Missouri, and reports are that Ozark laborers are little used in the cotton-producing lowlands. On the other hand, considerable seasonal labor from Arkansas and other points south has been reported working at the picking of cotton and small fruits in southern Missouri. On the whole it would appear that the agricultural economy in Missouri is moving toward the employment of relatively less migratory seasonal labor and more local mobile labor.

Population and the defense program.—At present it is impossible to give an adequate picture of the significance of the program of national defense for the population of Missouri. The upturn of the business cycle bringing better prices for farm products and the decline of unemployment are most significant, as extensive unemployment and underemployment existed in both urban and rural areas. A number of defense industries have been located in the State. The construction of Fort Leonard Wood in Pulaski County has in effect been equivalent to the development of a city of 50,000 people in a strictly rural setting. The original residents have been displaced and scattered. New residents (soldiers, workers, and hangers-on) have poured in. Housing, schools, and other facilities necessary for living in a densely populated area have been grossly lacking for the nonmilitary population. A similar scene is being enacted in the Neosho area where Camp Crowder is now being constructed.

The location of training camps and defense industries in the Ozark and Ozark border areas in close proximity to an abundant supply of unemployed and underemployed labor and somewhat removed from the great population centers of the northeast is a sound procedure and should be commended. Aside from the desirability of decentralized war industries, it would appear to be desirable, so long as State residence requirements are in effect, to keep a considerable proportion of our national industrial activity distributed among the States and the people somewhat in proportion to the incidence of the employable population. Ours is no longer an agricultural Nation. Any State that is compelled to rely wholly upon agriculture to provide the means of a living for its people is certainly handicapped as a member of our community of States. This is particularly true of areas such as the Ozark highlands where agricultural resources are meager and the labor supply abundant. These workers must either leave the rural areas for industrial employment or accept progressively lower standards of living in their native habitat. If they find it necessary to travel to other States where residence requirements are difficult and where in congested areas housing shortage may be very acute, unemployment may leave them stranded in a situation even worse than that of their native hills.

One caution should be urged. When locating in rural areas projects requiring the purchase and depopulation of large areas of land, some injustice is likely to be imposed upon the displaced population. Experience with more than a thousand displaced families in Missouri indicates that the injustice done is likely to be proportional to the speed of depopulation. In any case, it would appear that such injustice can be held to a minimum if available facilities for managing the depopulation of such areas are effectively used. The necessary agencies and resources exist, but unless a greater degree of understanding of the human aspects of this problem exists, and unless a coordinated approach on the part of Federal and State agencies is effected, unnecessary injustice to the local population will continue to be associated with the development of these projects.

Population and health.—This paper would be incomplete if it failed to emphasize the growing need for a positive program of health improvement for the population of Missouri. Defense needs are making us increasingly aware of the physical inadequacies of our people. Draft rejections have been disconcertingly high. In spite of our great food supply there is widespread evidence of faulty nutrition. Almost everywhere in rural areas there is a shocking lack of adequate medical and hospital service at a price that the rural population can pay. There is a suspicion that disease, defect, and malnutrition have so devitalized many potential workers in the poorer rural areas that they cannot meet the requirements of full-time employment. The physical rehabilitation and improvement of our population must now be regarded as a public responsibility. Health is a major line of defense.

EXHIBIT 2.—DEFENSE HOUSING IN THE ST. LOUIS AREA

REPORT BY THE DIVISION OF DEFENSE HOUSING COORDINATION, OFFICE FOR EMERGENCY MANAGEMENT, WASHINGTON, D. C.

Defense activities in the St. Louis commuting area are spread out as far as 30 to 35 miles from downtown St. Louis. Included in the commuting area are all of St. Louis County and parts of St. Charles and Jefferson Counties on the Missouri side of the Mississippi River; and parts of Madison, St. Clair, and Monroe Counties on the Illinois side. In addition to the St. Louis and Weldon Springs sectors on the Missouri side, Alton, East St. Louis, and Belleville are centers of defense activity on the other side. Special characteristics of Alton, Belleville, and Weldon Springs have led the Coordinator to treat their housing needs to some degree apart from the housing situation of the entire St. Louis commuting area. The Coordinator of Defense Housing has obtained as much information as is available regarding the following factors:

1. Amount and type of prospective additions to the labor force.
2. The supply of suitable labor already resident in the area.
3. In the case of Army establishments the War Department has provided information on the number of enlisted personnel who will be brought into the area and who will require dwellings for their families.
4. The supply of vacant dwellings.
5. The ability of private enterprise to provide dwellings.

In the defense housing program for the St. Louis area, the Coordinator of Defense Housing has recommended that 1,500 dwelling units be constructed by private enterprise on the Missouri side. At Weldon Springs, the Coordinator has recommended 200 dwelling units, 200 dormitory units, and 200 trailers, to be financed with public funds. On the Illinois side, separate recommendations have been made for each of 3 sectors. In the Alton-East Alton sector the Coordinator has recommended the construction of 950 dwelling units. Of these, 150 have been completed and 200 are to be constructed by the Federal Works Agency for workers earning from \$1,200 to \$2,100 a year; and 600 are recommended for construction by private enterprise for industrial defense workers earning from \$1,800 a year upward. In the Belleville sector, the Coordinator has recommended the construction of 100 dwelling units with public funds (now completed) for the personnel of the Army at Scott Field; and is about to recommend 300 dwelling units for construction by private enterprise and 75 by the Defense Homes Corporation. In the East St. Louis-Granite City sector, the Coordinator has determined a need for 400 dwelling units to be constructed by private enterprise. The financing provisions of title VI of the National Housing Act are available in Alton, East Alton, Belleville, East St. Louis, and Granite City and will assist private builders in their efforts to meet a large part of the defense housing need in the area.

The defense activities which make a program of housing necessary in parts of the St. Louis commuting area consist in the main of about \$250,000,000 of prime defense contracts. Of this amount, about \$100,000,000 is for airplanes, engine parts, and equipment. Other defense products of this area are ammunition, explosives, and tank components. Among the more important defense manufacturers in the area are the Curtiss-Wright Aircraft Co., the Atlas Powder Co., the Western Cartridge Co., and the United States Cartridge Co. The Air Corps Technical School at Belleville and the Air Corps Replacement Center at Jefferson Barracks are important military defense activities in the area.

Employment in the St. Louis commuting area will have to be increased by about 45,000 workers during the 8 months from October 1941 to June 1942, in order to meet the increased defense activity. To meet this demand, there were 87,500 job seekers registered with the Employment Service on September 30, 1941. Only a part of these are adaptable to the types of work required in defense industries. An additional 25,000 workers may become available for employment by June 1942, as a result of declining activity in nondefense industries which cannot obtain scarce materials. It is expected that the labor supply will be adequate, except for certain specialized or skilled occupations. Because of their distance from the main groups of unemployed workers, the defense plants at East Alton and Weldon Springs may experience some difficulty in filling their needs under present circumstances.

In the St. Louis housing market area, which has been defined by the Federal Housing Administration to include all but the more remote parts of the commuting

area, there were 417,000 dwelling units on June 1, 1941. Of these, about 16,000 on the Missouri side and 1,000 on the Illinois side were vacant. The proportion of vacancies is particularly low in the Alton-East Alton sector. The Weldon Springs Ordnance Works is located in a sparsely settled section where vacancies are practically nonexistent.

Home Registration Offices are being established in the main centers of defense activity within the St. Louis area. At present two of these have reported on their activities. The office in the Alton sector reports that 7 dwelling units and 30 rooms were listed for rent on October 20, 1941. On the same date the office had 36 applicants for family dwelling units and one applicant for a room. An office at Granite City reports that on October 20, 1941, seven dwellings and 16 rooms were listed for rent. On that date the office had 147 applicants for family accommodations and 15 applicants for rooms. The local Homes Registration Offices are intended to provide in-migrant defense workers with knowledge of available vacancies within their means.

All sources seem to agree in showing unusually stable rents for St. Louis during the past 5 years. The Bureau of Labor Statistics index of rents rose from 101.6 in December 1938 (1935-39) average equals 100.0) to 102.4 in September 1941. The situation is somewhat less stable on the Illinois side, where a Work Projects Administration study indicates that the rent bill of the Alton-East Alton sector rose 2 percent between March 1940 and May 1941. The Federal Housing Administration estimates that during 1940 approximately 6,000 dwelling units were provided in the Missouri part of the St. Louis housing market area and approximately 1,100 in the Illinois part. During 1941 the output of dwelling units has declined slightly on the Missouri side and increased slightly on the Illinois side.

In the area discussed above, as elsewhere throughout the country, the defense housing program is necessarily flexible and subject to change in accordance with changes in the nature and direction of the defense program as a whole. Further expansion of defense industry beyond that now anticipated, or more rapid exhaustion of resident labor supplies than is believed likely, would necessitate revision of the housing program. This is particularly true in cities such as St. Louis where the complexity of the industrial organization and of the residential areas makes the labor and housing analysis very difficult. Continuing reinvestigation of these areas and especially of St. Louis is therefore regularly carried on, so that changes in the local housing requirements may be met by corresponding changes in the programs for defense housing.

EXHIBIT 3.—EFFECT OF THE DEFENSE PROGRAM ON ST. LOUIS INDUSTRIAL WORKERS

REPORT BY WILLIAM SENTNER, INTERNATIONAL VICE PRESIDENT AND PRESIDENT OF DISTRICT NO. 8, UNITED ELECTRICAL, RADIO AND MACHINE WORKERS OF AMERICA, ST. LOUIS, MO.

The United Electrical, Radio, and Machine Workers District 8 covers the geographical area of the States of Iowa, Missouri, Kansas, southern Illinois, southwest Indiana, and the State of Arkansas. Its members are employed in 23 plants in the cities of St. Louis, Mo.; Des Moines, Newton and Davenport, Iowa; Rock Island, Moline and Mount Carmel, Ill.; Fort Smith, Ark., and Evansville, Ind.

At the present time, 18,109 workers are employed in the above-mentioned plants. Thirty percent of these workers are engaged in defense production. The products manufactured in these plants are fractional and integral motors, generators, transformers, fans, electric and motor driven washing machines, electric and gas domestic refrigerators, commercial refrigerators, ice cream cabinets and fountain units, radio sets and parts, auto and aircraft brakes, plastics and hardware, steel lockers, school and playground equipment, fan guards and wire products, grey iron and aluminum castings, tin and aluminum foil, road building machines, metal advertising novelties, scissors, air rifles, baby buggies, metal and fiber can products.

EFFECTS OF PRIORITIES ON EMPLOYMENT

The following table gives the number of workers already affected, as well as estimated priority unemployment:

City	Total workers	Affected by priorities	Percentage
St. Louis, Mo.	8,964	4,020	43.7
Newton, Iowa.....	1,080	650 (75)	60.9
Evansville, Ind.....	7,550	4,600 (3,000)	60.9

The figures in parentheses show the number already laid off. Many of those affected by priorities, and which we estimate will be laid off, have been or are now working short work weeks. The bulk of those in St. Louis shown above are employed in the fractional horsepower motor and fan industries which will suffer heavily by the O. P. M. order curtailing the use of copper.

The above figures for Newton, Iowa, reflect the number of workers at present who will be affected by the curtailment of washing machine production and lack of essential materials used in that type of manufacturing.

The figures for Evansville, Ind., reflects the curtailment of refrigeration production.

All of the above figures show conditions today, as well as those anticipated within the next three months, unless within that short period, defense activities in the affected plants are in full swing. The latter is highly improbable, except in one company in St. Louis, which is in the advanced stages of convergence from nondefense to defense manufacturing.

EFFECTS ON COMMUNITIES

Supplementary statements by representatives of our organization, and their testimony will adequately cover the effects of priority unemployment in the cities of Evansville, Ind., and Newton, Iowa. The severity of the overall problem, affecting workers represented by our Union in the aforementioned areas, can best be demonstrated by the fact that approximately 32,445 men, women and children will be affected. Over \$11,166,500 in annual earnings will be stopped and the skill, ability and will of 9,270 working men and women to produce for national defense will be thrown on the scrap heap of non-productive unemployment.

FACTS RELATIVE TO ST. LOUIS

The United States Census Bureau data shows that the electrical manufacturing industry is the largest single manufacturing group in St. Louis. According to the Census Bureau figures, there were in 1937 thirty-three electrical manufacturing plants employing 9,151 factory workers. About a thousand additional workers have been added since 1937.

The major companies in this industry manufacture motors, transformers, switches, fuses, generators, and electrical equipment and appliances. They use from 6,000 to 10,000 tons of copper annually. One company produces over 500,000 fractional horsepower motors annually, using about 3½ pounds of copper in each motor. There can be no question that, with an anticipated allocation of only 300,000 tons of copper for the entire Nation in 1942, the St. Louis electrical manufacturing industry, not involved in defense production, will receive only a fraction of their copper needs. This means almost the complete elimination of manufacturing of consumer goods using copper, and resultant mass unemployment.

LOST JOBS AND PAY ROLL IN ST. LOUIS

Four thousand and twenty lost jobs in St. Louis means a loss of \$4,824,000 in purchasing power. The annual pay roll of these 4,020 workers is distributed in the following manner:

Real estate and rent.....	\$1,206,000
Food and groceries.....	2,090,400
Clothing.....	500,000
Amusement.....	54,000
Professional services.....	135,000
Church and charitable.....	100,000
Taxes.....	225,000
Automobiles, toys, vacations, furniture, etc.....	513,600

EFFECT ON CIVILIAN MORALE

At least 20 percent of those affected own or are buying homes.

Over 50 percent have been employed by their respective companies for 5 years or more.

At least 20 percent are 35 years old or over, and would find it difficult to readjust themselves to a new type of employment, unless specially retrained and rehabilitated for a new kind of work.

Over 90 percent are unprepared for the shock of being "dislocated." Purchasing plans, family budgets, school plans, etc., would be interrupted.

Over 80 percent are financially unable, due to general low earnings (average \$1,250 per year in 1940), to cushion unemployment with savings.

Hundreds of women who have quit industry in the past year because of sufficient earnings of the head of the family would be forced to seek immediate employment to supplement the unemployment compensation check.

ST. LOUIS LABOR MARKET

There have been many figures bandied around regarding the question of the available labor market in St. Louis. It is estimated that on April 1, 1940, there were some 93,000 unemployed or Work Projects Administration workers. It has been oft time stated that in view of this, there is a sufficient labor supply in St. Louis without the need of labor migration. Whether or not the mere fact of the existence of 93,000 unemployed workers settles the question of sufficient labor supply, is another matter which we will take up in another section of this statement. We wish to examine the status of this unemployed group, plus the status of the additional thousands of workers that have migrated to St. Louis seeking work in the defense industries.

The first group are the workers in the building trades, the carpenters, steam fitters, electricians, machinists, stone and brick masons, the hod carriers and cement finishers, laborers, and tens of other category of craftsmen. It is estimated that some thirty to forty thousand of such workers are employed in constructing St. Louis defense plants. This being at least 20,000 more than the normal 11,000 building-construction workers employed in the construction industry in St. Louis. What will become of this large group of workers when the construction on defense plants wane?

It is estimated that about 31,000 workers are now employed in the 12 major defense plants in the St. Louis area, and that within the next 12 months an addition of 37,000 workers will be hired, of which 8,000 will be women, 4,000 Negroes, and 25,000 white male. Over 75 percent of these workers will be employed on semiskilled and skilled, and about 25 percent on unskilled work.

PROBABLE UNEMPLOYMENT

If 50 percent of the unemployed, as of April 1, 1940, have already been absorbed in private or defense industries, we will, within the next year, have at least 46,500 unemployed, and about 20,000 construction workers, a total of 68,500 available workers. In addition, we estimate that at least 4,000 workers in the electrical industry, 2,000 in the automobile industry, and 3,000 in the light metal fabricating industry will be unemployed, or at least "dislocated," a new designation for unemployment.

Unemployed, Work Projects Administration.....	46,500
Construction.....	20,000
Electrical.....	4,000
Metal.....	3,000
Auto.....	2,000
Total.....	75,500
To be added in defense industries.....	37,000
Total remaining unemployed.....	38,500

These rather sketchy figures are given merely to show that even if all 37,000 workers, needed for defense jobs, were hired from the estimated available labor market, at least 38,500 would still remain unemployed. Add to this the number of high-school graduates, the other youths entering the labor market in the next 12 months, and migrants, then certainly this figure will increase considerably. When we must consider the fact that in the past 6 months workers have been migrating into St. Louis at a rate as high as 1,000 a week or more, the question of labor migration into St. Louis assumes staggering proportions.

RESULTS OF AN EXPANDING LABOR MARKET

An expanding labor market apparently is being looked upon with favor by the chamber of commerce, the real-estate exchange, and some defense-plant employers as well as some employers in nondefense plants.

The results can be: (1) Lowering of the standards of wages and working conditions.

This is already taking place within the defense plants. Trainees have no job security—girls are working for 45 cents an hour doing work normally paying 10 to 15 cents an hour more even in private industry—male employees are likewise held in many cases below the rates paid in private enterprise. The total earnings per week may be more because defense plants are working a 9-hour, 6-day week, resulting in added compensation from overtime pay. Steadily, as the supply of labor becomes greater, the rates of pay in the defense plants have been finding lower levels.

Up until a month or so ago, major defense companies were still advertising in the newspapers of the Nation for workers. One company is reputed to have some 40,000 applicants, and is still encouraging migration into St. Louis by lead-on newspaper and other types of advertising for labor.

(2) The "dislocation" of workers in private industry due to curtailment and lack of materials.

These workers pound the streets and belabor the plant employment offices for jobs. These semiskilled, "dislocated" workers will go begging for jobs, while migrant workers are hired and trained for defense work. It is a vicious circle enmeshing the working population, and will have far-reaching effects on future St. Louis.

THE HOUSING PROBLEM

Real estate is booming at the expense of this abnormal and unreal situation. Homes are being bought in the suburbs—a few hundred dollars down and 15 years to pay. The more fortunate workers with a small capital to invest are at least able to avail himself a home, even though he may lose it and his investment when his job plays out. Other workers, both local and migrant, are "living" in the many trailer camps on the main highways approaching the city.

Attached are pictures taken of such trailer camps. These camps, some improvised side-of-the-road type, and others converted picnic grounds, have as many as 150 trailers in each. The trailers, in the main, are owned by the individual campers. Space rental is \$1 a night, \$4 a week, or \$15 a month.

Each trailer houses a family of two to five persons. Our survey shows that there is, on the average, from one to three children in a family living in these trailer camps. We have interviewed many of these families, and find that the reason they are living in these camps is because of the lack of adequate housing at rentals low enough for the average worker. In addition, we have been told that since defense work is looked upon as temporary, a trailer permits the worker to have a roof over his head while employed, and a conveyance to another location when the job plays out.

The heads of trailer camp families, who were interviewed by our representative, are employed at the Emerson plant, Curtiss-Wright, Western Cartridge, the powder plant and McQuay Norris. Although some few trailer camp occupants are St. Louisans, the overwhelming number come from States scattered throughout the Nation.

Most of the migrant workers living in these trailer camps are now employed on construction, but express the hope that they will be transferred to steady employment as inside production workers when the plants start operating.

SLUM HOUSING

Migrants are flooding the rooming houses of the city. Whole families are living in one or two rooms, and there are tens of rooming houses having as many as 30 or more people living in 9 to 11 rooms, with common toilets and bath facilities.

It is now being proposed that the new housing projects be turned over to defense workers at higher rents than would have been charged the low-income groups for which such housing was originally intended.

It took St. Louis almost 8 years to clear two very small slum areas, and get a housing project under way. This small start at slum clearance has been accomplished, but the slum dwellers are being condemned to their slums by the short-sighted policies of the real-estate exchange which fought and stymied the efforts of St. Louis to clear itself of its slums and provide decent housing for its underprivileged. Attached are photos of St. Louis slums.

JOB OPPORTUNITIES ON DEFENSE WORK

There are 12 major defense plants in St. Louis. There are, of course, scores of companies who have received and are now engaged in defense work. It is our opinion, however, that a very small percentage of St. Louis factories are involved in production for defense. According to a 1935 survey, there was in St. Louis approximately 2,000 factories. A majority of these are small shops employing less than 10 workers. There are about 750 shops and plants in St. Louis upon which industrial St. Louis depends. Approximately 90,000 workers depend upon jobs in these plants for their livelihood.

It is our opinion that a majority of these plants using essential metals and other raw materials face serious curtailment operations. Many will be forced to close their doors.

The overwhelming majority of these factory owners have had little conception of the real situation confronting them. They saw the whole defense program as a boom to their business and opportunities to manufacture for an expanding consumer market. They have reaped a harvest of profits in the past 2 years. Their attempt to continue to "do business as usual" finds them almost completely unprepared to make the necessary changes from nondefense to defense production. It is a situation whereby they are being caught short. The tragedy is, however, that thousands of workers and the community at large will suffer.

To a much greater degree, this lack of foresight will in the next 12 months reduce considerably the productive contribution that St. Louis will make to the fulfillment of its obligations to national defense.

Apathy to this problem still prevails. Small business lacks leadership to meet this problem. The business and trade associations of St. Louis, in our opinion, have failed miserably to give adequate leadership to the solution of this all-important question. Yes, some meetings have been held. The mayor sent a delegation to the Chicago Emergency Conference on Priority Unemployment held in Chicago on September 12, 1941; but, to date, little has been done to pool the brains and resources of St. Louis manufacturing to plan and engineer the conversion of St. Louis' industry to defense production.

Several larger manufacturers at the beginning of the defense program understood the job ahead and plunged into the work of converting and coordinating their manufacturing facilities with the needs of the Nation for armament production. These industrial leaders were not asleep at the switch. Unfortunately, there were too few of such foresighted St. Louis captains of industry.

Our organization, and other labor unions of St. Louis, have urged St. Louis industry to come out of its "business as usual" trance. St. Louis industry, with its multitudinous manufacturing facilities, can, through the cooperation of labor, industry, and Government, become a manufacturing arsenal of democracy. Speedy application to this job to be done would, in the next 12 months, solve, to a large degree, the question of priority unemployment and migration for St. Louis.

SUMMARY AND PROGRAM

Attached is a series of documents reflecting the program and work of our union to help solve the problem of priorities unemployment, personnel training, and plant and production expansion, all of which we feel constituted the crux of the problem of bringing about as rapidly as possible the converting of at least 50 percent of our production facilities to defense.

Our organization and its membership is completely and without reservation in support of the all-out-aid program of the President. We believe that the following minimum program will help solve some of the problems created by the defense program:

1. Government action to bring about speedy convergence of nondefense plants to defense work. Stop the attempts of business to establish dual organizations and operations in the interest of "business as usual," and at the expense of an efficient and speedy execution of defense production. Organize community industry councils, composed of management, labor, and Government to plan and engineer the convergence of small plants to defense production.

2. Solve unemployment due to material shortages and rationing, and the problem of migratory labor by—

- (a) Training, through vocational schools, in-plant training, etc., at least 4,000,000 workers a year, Government allocation of at least \$1,500,000,000 a year for such training. Such training to be organized as proposed in our attached letter to Mr. John L. Weiner, Associate Administrator in Charge of Civilian Allocation, and dated August 27, 1941.

Reorganize the Defense Training Branch of the Office of Production Management to eliminate the situation as reflected by the attached series of communications. Utilize existing plant facilities and plant supervisory personnel for this mass in-plant training program. The prospectus should be to increase the present force of 4,000,000 skilled American workmen to at least 12,000,000 in the next 18 months.

(b) Curtail migration and lowering of civilian morale by immediately taking steps to extend unemployment benefits to at least 26 weeks at a minimum of \$20 per week.

3. Initiate and build a mass housing project for St. Louis and St. Louis County.

(a) A model workers' village to be built accessible to the large defense plants, following the example of the plans for a "defense city for Detroit," to be built as authorized by President Roosevelt on November 14, 1941.

(b) The city of St. Louis to take whatever steps necessary to obtain authorization and finances for the completion of the \$30,000,000 housing project advocated and planned by the St. Louis Housing Authority. The city should pass a fair rent standards law modeled after the law recently passed by Congress for the District of Columbia. Existing sanitation laws should be extended to take care of present overcrowded rooming-house conditions.

(c) St. Louis County authorities, in cooperation with the Army Ordnance Department and other Government agencies, should provide adequate medical, hospital, and school facilities for trailer-camp occupants and migrant workers employed in defense industries. A greater St. Louis defense council, composed of representatives of business, labor, education, Government, medical, and hospital organizations, should be charged with the responsibility of planning and guiding of a program covering the aforementioned emergency needs.

4. All employment for jobs in defense plants to be handled by the United States Employment Service. Employees forced into unemployment to receive priority on defense jobs and defense training and job rehabilitation. The discontinuance of advertising by defense plants for labor unless authorized by the United States Employment Service.

5. Eliminate discriminatory employment practices against Negro labor in defense industries and Federal Housing projects.

6. Wage-stabilization plans to be adopted jointly by industry, labor, and Government, to include the procedure of settling wage questions with speed and efficiency, through the orderly process of collective bargaining and mediation.

[The following exchange of correspondence was appended to this exhibit:]

AUGUST 27, 1941.

MR. JOHN L. WEINER,

*Associate Administrator in Charge of Civilian Allocation,
Office of Price Administration and Civilian Supply,
Washington, D. C.*

DEAR MR. WEINER: I am taking this opportunity to answer your letter addressed to our representative, Mr. James Payne, of Evansville, Ind., on August 19.

We are deeply appreciative of the problems faced by our Government in their all-out efforts to do a job in the defense program. Our union, having a large membership and contractual relations with a major section of that part of the electrical manufacturing industry producing consumer goods, have for some time been attempting to face this problem. Attached, in a general way, is our broad program in this regard. In summation we say, "Do not curtail faster than the switchover can be made"—"If there must be curtailment, let's not have resultant dislocations and unemployment"—"Provide jobs for dislocated workers in defense plants."

Our argument is sustained by pointing to the real source of bottle-necks—monopoly control of the sources of raw materials and thereby monopoly control of the defense program itself. We then say, "grant primary and subcontracts to small business."

We are glad that recognition and action is being taken to remove these bottle-necks. Of course, we know because we are in constant touch with employers, that many employers (too many) said that they would have nothing to do with the defense program a year or so ago. Many manufacturers, because of their lack of contact with the Government politically or otherwise, just did not know how to go about getting into the defense field. These employers have been caught short. This would not be so bad except that their employees and the Government are somewhat in the same boat.

We are in full agreement that management must boldly face the immediate need to shift from normal production to defense work—that plant changes, expansion and alterations will have to be made.

Under any circumstances, there will occur a deep valley of unemployment during that period of transition.

The washing machine companies in the State of Iowa are cases in point. Some 6 or 7 companies in that state employing about 3,500 workers will be affected in the next several weeks. The Maytag Co., one of the largest producers of washers in the world, is located in a community of 12,000 people. If they are forced to shut their plant down, and at present they are working 3 and 4 days a week, over 1,000 workmen will be laid off and the community will virtually go on the rocks. This company is bidding on defense work—they are ideally situated to do such work with a modern aluminum foundry, machine shop, conveyor assembly line, etc. This is one case in point.

Evansville, Ind., has two refrigerator plants employing over 6,000 workmen. The companies have already indicated a 50 percent lay-off pending obtaining defense work.

I could go on just relative to the situation in our area but I am sure you are fully aware of the seriousness of this situation. There are two major problems facing the defense program as far as the question of available skilled labor supply and avoiding unemployment are concerned.

It is my belief that these problems can be solved simultaneously and at the same time lend assistance to employers to make the shift over from nondefense to defense production. This involves two projects:

1. A mass training program for workers forced into idleness due to the priorities and curtailment program.

2. Use of the present accumulating surplus that is being added to the State and National unemployment trust funds.

On the first: Employers desire to hold their working forces together during their shift between consumer production and defense production. Also, they want to initiate a training program for the new work. The problem is to make it possible to do just that. Therefore, I believe the following program is practical and applicable.

(A) Employees working for companies on consumer goods affected by the priorities or curtailment programs, and whose companies are in a position to receive and execute primary or subcontract defense work, shall be retained in the employ of their companies to be trained to perform operations necessary to the companies' future defense manufacturing.

(B) Such employees retained, and as long as they continue their employment under the conditions set forth above, shall be paid a salary of not less than \$28 per week for 40 hours of work, and such payments shall be composed of the employees regular unemployment compensation, plus a sum equal to the difference between the compensation and \$28 per week. Such wages should be paid directly by the Unemployment Compensation Commission in the same manner as compensation is normally paid.

(C) Companies agreeing to conform to such a plan, shall at no expense to the Government, provide the plant facilities, supervisory, and training personnel, etc.

Taking the State of Indiana as an example: In the first 6 months of 1941, employers' payments to the unemployment fund was \$14,296,509. For the corresponding period, payments to unemployed from the fund were \$2,710,317, leaving a balance for the first half of 1941 of \$11,586,192.

It is estimated by the Indiana State Employment Service that about 30,000 additional workers will be employed in Indiana by the middle of 1942 due to defense work. Our estimates are that approximately 30,000 workers will be affected by the shift from automobile, refrigerator, radio, and phonograph manufacturing in that State to defense manufacturing. Now the problem is to compose these two groups, one of 30,000 that will be needed by 1942 and the other 30,000 that will be dislocated by 1942.

If my suggested plan would be placed in effect in the State of Indiana and the whole total of 30,000 workers would be so affected, the cost would amount to approximately \$13 per week per worker in addition to the amount they would draw from compensation, and for a total of 30,000 over a 6-month period the additional amount paid out of compensation reserves would be approximately \$10,140,000 or less than the surplus for the first 6 months of this year.

Nationally, Mr. Henderson estimates that about $1\frac{1}{2}$ millions will be affected by this dislocation process. The national increase in assets to the unemployment trust fund is estimated to be \$686,215,000. If the above program was applied to these $1\frac{1}{2}$ millions of workers the cost would be only \$507,000,000, or over \$175,000,000 less than the contemplated increase in the reserves.

I have talked generally with large manufacturers who will be affected by the dislocations resulting from priorities and curtailment. They are favorable to such a plan and feel it will do much also to effect "wage stabilization plans" on a community basis and eliminate the present system of "labor hijacking."

Thanking you for your interest in our immediate problems and hoping that my suggestion may in some way contribute to making our country truly an arsenal of democracy, I remain

Sincerely yours,

WILLIAM SENTNER,
General Vice President.

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C., September 15, 1941.

MR. WILLIAM SENTNER,
*General Vice President, United Electrical, Radio and
Machine Workers of America, Local No. 1116, Newton, Iowa.*

MY DEAR MR. SENTNER: Your letter of August 20, 1941, with which was enclosed a study and suggestions relative to cushioning the effect of curtailment of production of consumer goods came to my office during my absence, and was acknowledged under date of August 21 by my secretary. During the 10 days which I was absent my correspondence naturally accumulated, and I am just beginning to catch up in the ground lost.

This correspondence of yours was just called to my attention. Since your letter was addressed to me there has been a lot of discussion and a lot of study of this problem. As you may know, on two occasions I called the Iowa congressional delegation together for the purpose of going in a group to discuss with the Office of Production Management and the Office of Price Administration and Civilian Supply these problems of particular interest to the small manufacturers of our State, and the apparent danger that many of these factories would be compelled to close with the consequent lack of employment. Since that time there have been numerous discussions of the matter, and many plans have been suggested.

Of course the obvious step was to separate the defense orders through sub-contracts, and thus aid in taking up the slack caused by the closing of commercial industries or the curtailment in production. This solution was extremely difficult to apply because of the unwillingness of the prime contractors to sublet, and also in many cases the difficulty of small industries to tool and equip themselves to take care of a contract if one should be awarded.

I am glad to say that a special group has been set up for the purpose of aiding in these distressing conditions, but nothing has been done so far which has convinced me other than that there will be widespread disturbance with the closing of many small industries or curtailment in their production, and this situation will become more acute as we go on with this war preparation effort.

The suggestion is also made that those drawn out of work must go to the points where the defense industries are expanding. This is easier said than done, however, because many of these workmen have their homes paid for in whole or in part, their children in schools, and it is next to impossible to make such suggested changes, even if work could be obtained.

In addition there is very great danger that with the passing of the emergency and the consequent laying off of hundreds or thousands, these men will again find themselves out of employment, and in a new environment where there is no possibility of absorption.

I want you to know of my deep interest, and that I am doing everything that I can to aid in the solution of these difficult problems.

Very sincerely,

GUY M. GILLETTE.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., September 27, 1941.

MR. WILLIAM SENTNER,
*General Vice President, United Electrical,
Radio and Machine Workers of America,
New York City.*

DEAR MR. SENTNER: Thank you for your letter of September 22, and enclosure sent in duplicate to Mr. J. Douglas Brown and me.

You will be pleased to know that the Contract Distribution Division is giving consideration to the possible use of the facilities in Evansville, which might be converted to defense production.

I have no suggestions to make on your labor-training proposal and have forwarded your letter on to the Labor Supply Branch of the Labor Division, which considers all matters pertaining to labor training and transfer.

Sincerely yours,

RALPH R. KAUL.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., September 29, 1941.

MR. WILLIAM SENTNER,
General Vice President, United Electrical,
Radio and Machine Workers of America,
New York, N. Y.

DEAR MR. SENTNER: I have your letter of September 22, attaching copy of your letter to Mr. Joseph L. Weiner, with reference to a proposed method of retraining and financing of workers displaced by the withdrawal of raw materials from consumer goods production.

I have read your proposal carefully and several of the points which you raise are receiving the consideration of the Labor Supply Committee of the Labor Division. Any changes in the payment of unemployment compensation involve changes in both Federal and State legislation.

As you know, the speeding up of contracts to small producers is now under way. The Division of Contract Distribution under Mr. Floyd B. Odum has been set up for this purpose and the Labor Division is working in close cooperation in order to make use of plant facilities and manpower where priorities are and will create displacement of workers. Also, Mr. Donald Nelson as Director of the Division of Priorities is giving increased emphasis to allocation of materials in order to bring about distribution in such a manner to offset the over-all impact of priorities, together with the consideration of the problem of displacement which is the specific objective of the Supply, Priorities, and Allocations Board. It is hoped that the conversion of plants from nondefense to defense production will take place with a minimum of delay. The Labor Division is putting into immediate effect the Buffalo plan of retraining and reemployment of displaced workers. We are urging that workers who are laid off as a result of priorities register immediately with the Employment Service in order that full knowledge may be obtained as to the actual extent of displacement and an occupational analysis of each worker for a determination of the different kinds of work he can do. Displacements should be reported by the local union to its international, as well as to the regional labor supply committee for the particular area.

Every consideration is being given to this serious problem on the basis of action and proper provision for as many displaced workers and utilization of plant facilities as is possible.

Sincerely yours,

ELI L. OLIVER,
Chief, Labor Relations Branch, Labor Division.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., September 29, 1941.

MR. WILLIAM SENTNER,
General Vice President,
United Electrical, Radio and Machine Workers of America,
New York, N. Y.

DEAR MR. SENTNER: The copy of your letter of August 27 with yours of September 22 are very much to the point it seems to me.

As you know, since your letter of August 27 was written, some local dislocation situations have been dealt with, such as Buffalo and Detroit.

Enclosed is a six-point statement that embodies some of the ideas you brought out.

About the financing—my understanding is that the retraining costs can be borne by the defense training program authorized by Congress. Some training costs can be included in the contracts when the consumers goods employer gets a defense contract. While it looks like good business to use unemployment-compensation funds to solve unemployment problems, I don't know whether legal limitation would permit that or not.

I am referring your letter to Mr. Flemming, Chief of the Labor Supply Branch of the Labor Division. He is right in the middle of dealing with these kinds of problems all over the country.

Yours very truly,

WALTER DIETZ,
Associate Director, Training Within Industry.

OCTOBER 1, 1941.

Mr. FLOYD B. ODLUM.

*Director, Contract Distribution Division, Office of Production Management,
Washington, D. C.*

DEAR SIR: I have just returned from Newton, Iowa, where I conferred with the officers of our union, and many businessmen.

As you know, Newton, Iowa, has been certified by the Office of Production Management as a priority unemployment area. There are two washing-machine companies, employing 2,000 people, one small foundry, employing approximately 50, and a plant manufacturing road-grading and trench-digging equipment, employing 85. In addition, there are two novelty and several other small manufacturers, all of which have approximately 250 employees.

It is my opinion, now that this city of 12,000 people has been certified for special consideration, that immediate steps be taken to work out a program for the community which will put into practice the plans worked out by Office of Production Management to solve priority unemployment.

I would suggest that a conference be called in Newton by you, of management, labor, and city officials. The purpose of such a conference should be to adopt a practical working plan to carry out the objectives of the Office of Production Management, in relation to Newton, and to take such other steps as may be necessary to prevent mass unemployment.

On the latter, I have in mind a 6- or 9-month in plant training program, somewhat on the lines suggested by the attached document. If unemployment compensation reserve funds cannot be made available for such use, I would suggest a direct allocation by the President. Newton is ideally situated for such a training program, inasmuch as two of the larger companies, the Maytag and the Automatic Washing-machine Cos., have well-equipped machine shops which would make excellent schools to rehabilitate and retrain Newton employees for contemplative defense production.

Such a training program would assist Newton employers to meet the problem of trained personnel. The present contract held by the Maytag Co. for under carriages for Martin bombers necessitates such retraining immediately. Full production is not anticipated before March 1942, thus allowing at least 5 months for such a training period, if inaugurated immediately.

If it is possible to hold such a conference in Newton, I would suggest that you officially invite a representative delegation from Newton to confer with you on this matter in Washington.

I suggest speedy consideration to the matters contained herein, in view of the fact that the program for the curtailment of washing-machine production will soon officially go into effect and will force at least three to four hundred employees in Newton out of work.

Sincerely yours,

WILLIAM SENTNER,
General Vice President.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., October 2, 1941.

Mr. WILLIAM SENTNER,
General Vice President,

*United Electrical, Radio, and Machine Workers of America,
New York City, N. Y.*

DEAR MR. SENTNER: I have your letter of September 22 with which you attach a letter to Mr. Joseph L. Weiner discussing a training program for workers displaced by priority action.

We appreciate having your suggestions on this important problem. The matter is presently under discussion and you may rest assured that we shall give your proposals the fullest consideration.

Sincerely yours,

ERIC A. NICHOL.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., October 3, 1941.

Mr. WILLIAM SENTNER,
General Vice President,
United Electrical, Radio, and Machine Workers of America,
New York City.

DEAR MR. SENTNER: Returning from a week's absence, I find your letter of September 22 with a copy of your plan dated August 27, addressed to Mr. Weiner, attached.

I can add little to what Mr. Dietz has already written to you with which I am in full accord. The six points which Mr. Dietz enclosed have just been embodied with a few changes in an agreement with General Motors, so that it looks like real progress is being made.

Within the framework of a general policy there are several items which, in my judgment, can only be solved locally.

One of these items would be wages, since \$28 might be too low in some instances and too high in others.

Another is the difficulty of retraining for new operations before the material and equipment for these operations is ready. This brings up so many problems of moving machines from one location to another, of using the vocational schools, of borrowing or renting equipment, of improvising other means, that the solution in each locality will be different.

A third item is that mass training of workers, no matter how many, still requires intensive individual instruction of each worker on the job. There are training techniques to this which save an enormous amount of time and confusion. They represent a great deal of analysis of the operation and detail instruction by a competent instructor. You may be already familiar with some of these training methods but, if not, Mr. Hardy Adriance, training-within industry representative at Indianapolis, or someone of his associates would be pleased to describe them to you. As you undoubtedly know, Mr. Herbert Kessel, Mr. James Robb, and many others are associated with Mr. Adriance in this work.

Sincerely yours,

C. R. DOOLEY,
Director, Training Within Industry.

OCTOBER 4, 1941.

The Hon. CLYDE L. HERRING,
Senator, Washington, D. C.

DEAR SENATOR HERRING: Attached is a copy of my letter to Mr. Floyd B. Odium, in reference to the situation in Newton, Iowa. Also attached is a copy of the suggested settlement of our dispute with the Maytag Co. I am sending you this material knowing your deep interest in these matters.

We met with representatives of the Maytag Co. in Newton for several days this week, and at the conclusion of our meetings we had made very little progress in obtaining an agreement from the company to accept the Department of Labor's suggested settlement proposal.

We have recessed for a week during which time John Connolly, Jr., and Keith Hamill will continue in conference on this matter.

Mr. Connolly suggested that I write to you in order to keep you posted on these developments. He also suggested, if you deemed it advisable, that you contact Mr. Fred Maytag and lend your good office to help settle this matter.

I might say that the attached settlement suggested by the Department of Labor was endorsed by Mr. Thompson, management's representative of the Office of Production Management, and it is quite likely that if this is not accepted by the company on next Thursday, the case will be referred to the National Mediation Board, which, in my opinion, will uphold the proposed settlement agreement.

With kindest personal regards, I remain,

Sincerely yours,

WILLIAM SENTNER,
General Vice President.

OCTOBER 7, 1941.

Mr. KEITH HAMILL,
Newton, Iowa.

DEAR MR. HAMILL: Attached is a copy of the letter that I spoke to you about. I believe it would be advisable to get some of the people in Newton together

who are interested in this matter, for an informal discussion so that we might be able to take full advantage of the opportunities that are present, due to the fact that Newton has been designated by the Government as a priorities unemployment area.

I will be available for such a conference anytime up to Friday noon.

Sincerely yours,

WILLIAM SENTNER, *General Vice President.*

UNITED STATES SENATE,
Committee on Finance,
Washington, D. C., October 7, 1941.

Mr. WILLIAM SENTNER,
St. Louis, Mo.

DEAR MR. SENTNER: I am glad to have your letter of the fourth, enclosing data sent to Mr. Floyd B. Odlum.

It is to be regretted that I did not have a chance to talk to Mr. Fred Maytag when he was in Washington. However, it is not altogether his fault. He called at my office twice, but it so happened that I was either on the floor or in committee meetings and I was unable to see him before he was compelled to leave Washington.

I shall discuss this plan that you are sending to Mr. Odlum with him within the next couple of days.

Yours very truly,

CLYDE HERRING.

OCTOBER 8, 1941.

Mr. RALPH KAUL,
Labor Division, Office of Production Management,
Washington, D. C.

DEAR MR. KAUL: Thanks very much for your recent letter regarding my ideas on in-plant-training. I have been spending considerable amount of time in Newton, Iowa, and would appreciate what the status of that community is at the present time in regard to being certified as a priority unemployment area.

I had a talk with W. Neal Gallagher, president of the Washer and Ironer Association, who speaks very highly of you. He is a very fine person and quite capable. Our organization has had friendly relationship with him since 1937.

He informs me that the washer and ironer industry as such, is being certified for special defense work of which they are capable of doing. I would appreciate knowing what labor organizations have participated in any of the discussions regarding such certification. Also whether or not labor has been invited on such committee that is working on this program, if such a committee has been established.

With kindest personal regards, I remain

Sincerely yours,

WILLIAM SENTNER, *General Vice President.*

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., October 9, 1941.

Hon. CLYDE L. HERRING,
*United States Senate, Washington, D. C.**

MY DEAR SENATOR HERRING: I am in receipt of a memorandum addressed to you by Mr. William Sentner, general vice president, United Electrical, Radio, and Machine Workers of America, St. Louis, Mo., under date of October 4, 1941, enclosing a copy of his memorandum to Mr. Floyd B. Odlum, Division of Contract Distribution, Office of Production Management.

I am taking the liberty of bringing this correspondence to Mr. Odlum's attention. As you know, Mr. Odlum and Mr. Sidney Hillman of the Labor Division are both working actively on the problem presented by the closing of factories and the resultant displacement of workers.

I know Mr. Odlum, if he has not already done so, will communicate directly with Mr. Sentner regarding his suggestions.

With best wishes,

Sincerely yours,

DONALD M. NELSON.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., October 13, 1941.

Mr. WILLIAM SENTNER,
General Vice President, United Electrical, Radio, and
Machine Workers of America, New York, N. Y.

DEAR MR. SENTNER: Your letter dated September 22, 1941, with enclosed copy of your letter to Mr. Joseph L. Weiner, Associate Administrator in Charge of Civilian Allocation, Office of Price Administration and Civilian Supply, Washington, D. C., dated August 27, 1941, was received. Please accept my sincere appreciation for sending me a copy of your proposal for solving the unemployment due to the application of priorities.

Insofar as defense training is concerned, you may rest assured that the agencies carrying out this program will cooperate in every way to provide training for displaced workers in order that their reemployment in industries may be expedited. We have issued instructions that this conversion training of displaced workers should have priority over all other types of training.

No doubt other sections of the Office of Production Management will consider and advise you in regard to the other features of your plans.

With kindest personal regards, I am

Sincerely yours,

FRANK J. McSHERRY,
Chief, Defense Training Branch.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., October 17, 1941.

The Honorable CLYDE L. HERRING,
United States Senate.

DEAR SENATOR HERRING: Copies of the following are before me for attention:
Memorandum to you from William Sentner, general vice president, United Electrical, Radio, and Machine Workers of America, St. Louis, dated October 4.
Memorandum to me from William Sentner, dated October 1.

Letter to you from Donald M. Nelson, dated October 9.

I am glad to say to you, and request that you advise Mr. Sentner that ameliorative action for the Newton area and its manufacturers is now under study, and I believe I may safely say that within a few days will be approved; and that shortly thereafter defense awards will be forthcoming which will relieve at least in part the distressed condition known to exist there.

Sincerely yours,

FLOYD B. ODLUM,
Director, Contract Distribution Division.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
October 18, 1941.

Mr. WILLIAM SENTNER,
General Vice President, United Electrical, Radio,
and Machine Workers of America, St. Louis, Mo.

DEAR MR. SENTNER: Enclosed is copy of letter received today from the Office of Production Management.

Yours very truly,

CLYDE L. HERRING.

OFFICE OF PRODUCTION MANAGEMENT,
Washington, D. C., October 23, 1941.

Mr. WILLIAM SENTNER,
United Electrical, Radio, and Machine Workers of America,
St. Louis, Mo.

DEAR MR. SENTNER: As far as I know, there was no formal official committee established for the washer and ironer industry. Immediately following the civilian curtailment program, an informal management group were put in touch with the Division of Contract Distribution. Technical consultations followed to determine on what defense items the equipment of this industry could be used.

As a result of this research, the three large companies were awarded a prime

contract on machine-gun carriages with an understanding that these prime contractors would subcontract a large proportion of the work to other priority unemployed plants in the industry.

With personal regards, I am

Sincerely yours,

RALPH R. KAUL.

THREATENED CURTAILMENT IN CONSUMER GOODS PRODUCTION

(REPORT BY UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF AMERICA,
ST. LOUIS, MO.)

The office for Price Administration has issued orders regarding the arbitrary curtailment of consumer goods production.

In Iowa these curtailment orders, and others now being considered by Office of Price Administration and Civilian Supply will effect the employment of many thousands of workmen in the washing machine and allied industries.

Unannounced curtailments due to priority orders of the Office of Production Management will in addition effect the jobs of thousands in Iowa's nondefense industries.

Our union, the United Electrical, Radio, and Machine Workers Union, Congress of Industrial Organizations, which has a substantial membership amongst these workers, estimates that these curtailments will cause up to 3,500 industrial workers in Iowa to lose their present employment with no prospect of immediate employment elsewhere.

We realize the importance of and are in sympathy with the efforts of our Government to prepare adequately its national defenses in this important fight against Hitlerism, and in whose name this curtailment has been ordered.

We, as American working men, want to do all in our power to aid in this endeavor.

But, though the Office of Price Administration and Civilian Supply asserts that this arbitrary reduction is ordered in the interest of national defense, both our union and the companies for whom our members work, are in agreement that the deduction in washing machine and kindred consumer goods production should be replaced with defense production. That plants effected by such curtailment should be fully utilized and made available for production for defense. We believe that with proper planning and foresight, such shifts in production can be made without loss of time or income. Such a planned program, we believe, would be in accord with the interest of labor, industry, and national defense.

A new army of unemployed is a poor weapon against fascism. This we are anxious to avoid.

We are placing before the national administration a program which includes the following:

"Opposition to arbitrary reduction in production of consumer goods, including washing machines, refrigerators, radios, home appliances, etc.

"Before any reductions are instituted, the Government must give those companies thus affected enough primary contracts and subcontracts to take up the slack.

"If, in spite of these steps, workers are nevertheless laid off, then such workers must get first claim on jobs with other companies in the community which are working on Government contracts."

If nothing is done about these threatened lay-offs, serious economic consequences will result. This is particularly true of central western Iowa and affects industrial communities in other sections to a smaller or greater degree.

In Des Moines, Newton, Fairfield, and other industrial communities the outlook is not good considering that substitute work opportunities even in the Des Moines Ordnance Plant is far distant. The fact that primary and subcontracts for the equipment for this plant have in the main been placed with other than local companies does not brighten the picture for Iowa workmen.

We believe that more serious consideration must be given to the utilization of local plants and workmen in fulfillment of such production requirements.

A fine American spirit of unity behind our Government exists in our communities.

We are confident that this great American spirit of concern of one citizen for another and for the Nation will pull us out of this threatening condition. We are deeply appreciative of the fine efforts being put forth on this score by leading citizens and civic organizations in many of our municipalities and by our State Administration. We as citizens and builders of our communities are resolved to strengthen these efforts in our determination that something shall be done.

We propose a practical program of immediate action. It is as follows:

Write to President Roosevelt, William Knudsen of Office of Production Management, Leon Henderson of Office of Price Administration and Civilian Supply, Senators Guy M. Gillette; Clyde L. Herring and Iowa's Congressmen asking that they do what they can to rescind the curtailment order and urge upon them to effect necessary production changes whereby small plant owners may effectively participate in the defense program without curtailment of production and employment. Explain to our Government officials how vital this is to workmen in Des Moines, Newton, etc. and to the local merchants and manufactories, and the community's well-being.

We further suggest that the Governor call a State-wide conference of labor, industry, community and city officials, and civic leaders to plan for the immediate future so that no matter what may come, Iowa will have done its part to provide jobs for its citizens and continue its glorious contributions to the welfare and security of our great country.

ALEX BARBOUR,
Vice President, Iowa Nebraska States Industrial Union Council.

WILLIAM SENTNER,
General Vice President, United Electrical Radio and Machine Workers of America.

WILBERT ALLISON,
President, Local 1116, Newton, Iowa.

RALPH OMSDAHL,
President, Local 809, Des Moines, Iowa.

EXHIBIT 4.—FARM LABOR AND TENANCY IN SOUTHEAST MISSOURI¹

REPORT BY E. J. HOLCOMB, G. M. MURRAY, J. C. FOLSOM, AND H. A. TURNER, BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.²

NOVEMBER 1941.

PART I. INTRODUCTION

PREPARED BY E. J. HOLCOMB

The southeastern Missouri cotton area is an extension of the Mississippi Delta cotton area. It includes all or parts of the eight southeastern counties in Missouri. This particular part of the delta has been brought into cotton production more recently than other parts of the Mississippi Delta and it is characterized by two important trends. In one part of this area new land development is going on through the draining and clearing of acreages for row-crop cultivation. The topography of the land is particularly suitable for multiple-row power machinery. In older parts of the area there is a trend away from such crops as wheat and corn, to cotton. Accompanying this trend is a tendency away from specialized livestock farming and toward a combination of enterprises. In other words, a cotton enterprise has been superimposed on a cash grain and livestock farming system, and accompanying this is a reduction in relative importance of the other enterprises.

The agricultural adjustments are continuing in the area with symbols of the older system still standing in the form of wheat elevators, the use of which is obviously declining, while the newer symbols—the cotton gins—thrive and their plant capacity runs ahead of the expansion of cotton production.

The transition has also left its mark on the people of the area. Newer farm operators recently attracted from the cotton South, hastily discard the system of farming they find and replace it with the cotton farm or plantation system to which they were accustomed. The operators who have been there longer gradually abandon the older system in favor of a cotton enterprise. Ambitious "small farmers" in this part of the State who are without capital attempt to rent land and buy operating equipment "on time." Unfortunate experiences, either through foreclosure, or the inability to obtain financing, force many of these into share-cropper or wage-laborer status, and then some of them move into the new land

¹ Prepared under the general supervision of W. T. Ham, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

² From a study conducted by the Bureau of Agricultural Economics, United States Department of Agriculture, and the Missouri Agricultural Experiment Station. The Farm Security Administration of the United States Department of Agriculture conducted a parallel study for which they are making a separate report.

areas to "buy" an uncleared farm entirely on credit. Many realize that their chances of owning the farm are limited. At least it is a place to live for a while, and perhaps the Government may help them, they reason, before the farm is finally lost, along with their labor at land clearing, to the new land "developer."

The more successful tenants, those who have brought capital with them, or have borrowed and are paying for their equipment, are fearful that rents may be raised. Older tenants, whether they add a cotton enterprise to their cash-grain and livestock farm or not, feel the same fear. Rents are raised because competition for land is keen, both from within the ranks of farmers seeking land to work, as well as from those of cotton-gin operators who seek to assure their ginning operations an adequate volume of business. The latter group subrents the land to farmers but at higher rental rates. Purchasers of land are paying speculative prices and are burdened with debts. Consequently, they are unable to make desirable changes in their system of farming, and must deal in a niggardly way with their workers.

The soil conservation and domestic allotment program has served well to retard the otherwise sweeping shift in the farming system. It has been, however, a means through which owners and over-tenants have exerted pressure on tenants. New cotton farms may accumulate a base acreage or an allotment gradually under the new-grower section of the act, or they may "wildeat" cotton by planting an excessive acreage and paying penalties accordingly. Subsequently the farm is granted an allotment in line with that allowed other cotton farms. Landlords and over-tenants impose on their tenants by forcing them to bear the total cost or a proportional share of the total cost of "wildeating" cotton. The proportional share is usually the share received by the interested parties. Not unusual is the practice of displacing the tenant after the farm is eligible for an allotment.

Mention has already been made of the principal types of tenure common to the area. Somewhat peculiar to the area is the over-tenant classification. In southeastern Missouri, the over-tenant is an important segment of the tenure pattern. His function, insofar as the landlord is concerned, is one of guaranteeing the rent, which is collected at the end of a crop season. So far as the operating tenant is concerned, the over-tenant is the financier, collector of the rent, ginner, and buyer of his cotton. The over-tenant is usually a cotton gin operator. He is also the banker and the bookkeeper. Moreover, he sells cottonseed and lint, and sometimes transports the seed and lint by truck to the intermediate or ultimate markets. He is the principal buyer of planting seed, and such small amounts of fertilizers as are used on the farms he controls. In the case of an over-tenant who is a gin operator the primary purpose is to assure his cotton gin of a sufficient volume of business. Other functions, of which production loans are most important, are notable and undoubtedly profitable adjuncts. It is not always necessary for the ginner actually to become the over-tenant to exercise the control associated with over-tenancy. The extension of production loans to a tenant or even a full owner of land may include an agreement that the cotton be ginned by the lender. Almost invariably, however, the over-tenant is a ginner.

This system, because of its indirect management or delegated control, subjects the land and the operating tenants to abuses similar to those on absentee-owned land. Familiar to absentee ownership are unsympathetic treatment of tenants and lack of attention to their problems. The system is one cause of the existence of poor housing and other essential facilities. Moreover, the feeling of security is almost wholly lacking among large numbers of tenants operating under it. Sharecroppers and wage laborers employed on such farms both experience a feeling of insecurity and are constantly looking for chances to work elsewhere.

The overtenant is usually an owner of farm lands, in addition to those he rents. But even on the farms he owns, similar difficulties are experienced because of the carry-over of unsympathetic management from the rented farms. Tenant operators are subservient to the overtenant out of fear of being displaced, or, equally adverse, of being allowed smaller amounts of money for living and production expenses.

Apparently, the overtenant also has his problems. Most important among these is the acute competition for a sufficient volume of business for his cotton gin. He must bid for land by offering higher rents since other gin operators are operating in this way. He must pass on to the operating tenant this land cost, usually at the same price which he has agreed to pay the landowner. He must assume the risk of financing his operating tenant and obtain whatever security the operating tenant may have to offer. This security usually includes crop lien, chattel mortgages, and assignment of Agricultural Adjustment Administration payments. Losses undoubtedly occur which must be recovered out of interest collections from those who are able to pay the sale of crops produced,

the Agricultural Adjustment Administration payments, or the acquisition of the tenants' mortgaged property. Moreover, the gin operators feel that the risk involved entitles them to charge high rates for ginning their operating tenants' cotton, and, possibly to make additional profit from the purchase and sale of the cotton lint and seed produced.

Landowners are in an especially advantageous position, for they can allow the land to go to the highest bidder. Either one of several gin operators or one of several possible operating tenants may bid in the land. A preference undoubtedly exists in the favor of the ginner whose financial standing is such that he can usually pay the rent in cash regardless of conditions. Moreover the overtenants' risks are spread among several operating tenants.

Apparently, few of the large landowners with sufficient capital find it to their advantage to rent their lands to the overtenant and supply him operating capital with which he may expand his operations. In such cases then, the landlord becomes in a sense, the overtenant's partner as well as his landlord.

Thus, the "agricultural ladder" in southeastern Missouri is complex. On the bottom rungs are the seasonal and migrant wage laborers; next, are regular wage laborers; sharecroppers, and other subtenants; third, are the operating tenants; fourth, the overtenant; and fifth, the landlord. These, with the financial connections and the complementary businesses of the overtenant and the landlord make up what is called "the system" of land operation in southeastern Missouri.

This complex structure is not found on all farms. Neither is this the whole system on all farms. Farms of independent owner-operators and tenants capable of financing themselves operate with fewer complexities. There is competition among the cotton ginners for their business. Reduced ginning charges and rebates are the rule, provided the independent operator favors the particular ginner with all of his business. On the other hand, land speculation and land-clearing operations are woven into the above-described system.

PART II. CONCENTRATION OF CONTROL IN AGRICULTURE BY COTTON GINNERS IN NEW MADRID COUNTY, Mo.

PREPARED BY G. M. MURRAY

Introduction

Southeastern Missouri is the northernmost corner of the cotton country, and cotton farming is new in the area. Not until the full effects of the boll weevil had been felt further South did cotton acreage increase greatly in Missouri. In 1910, all 13 cotton producing counties in the State grew only 54,498 bales of cotton, which was less than one-half of 1 percent of the total cotton crop and unimportant as a cash crop in Missouri. During the next 10 years there was very little change.

Between 1920 and 1925, however, an almost unbelievable increase in cotton acreage and production occurred. Acreage increased by more than 330 percent, and production rose by more than 200 percent. The number of active gins increased from 53 in 1921 to 165 in 1925. This enormous and rapid growth changed the economy of the entire area; cotton became king—the most important cash crop in the State.

Gins appeared like mushrooms, but no more than rapidly enough to handle the greatly increased ginning business. In fact, in some years, the gins could scarcely handle the crop.

Reason for seeking control of land

Nevertheless, a change was in the making. First, the increase in the acres planted to cotton stopped abruptly; then, cotton acreage actually decreased, and after a continuous decrease during the 10 years following 1925, was 33 percent less than in the peak year. The ginners felt the pinch; a few failed and some lost their identity as independent operators by consolidating with others. Even so, in 1935 there were still 151 active gins in southeastern Missouri—too many for the business at hand. After 1935 the number of gins began to grow again and cotton acreage and yields increased some, but the gins increased far faster than the business on which they depended. In 1940 there were 170 active gins in the seven Delta counties competing for the cotton produced on 390,047 acres (three-fourths the 1925 acreage, when there were only 165 active gins).

The ginners, through their county associations, made strenuous and, on the whole, successful efforts to keep ginning prices up. Until 1940, the rates remained 30 cents per 100 pounds of cotton ginned and \$1.50 per bale for bagging and ties.¹

¹ There were special concessions to large independent growers. Rebates for hauling cotton to the gin, commissions on tenants' cotton, and other incentive payments were made to attract business, and they may have reduced charges and profits in a few instances.

But the volume of business was not great enough. According to the ginner, 1,500 bales of cotton are required annually to operate a gin profitably.

Often, especially in years of small yield, not all the ginner received enough business to operate at a profit. The more enterprising ginner began making efforts to control a sufficient amount of seed cotton to insure profitable operation and, of course, the capture for themselves as much more of the available business as possible.

Methods of obtaining control

Various methods suggested themselves or were already in use. Most of the ginner owned some land and grew some cotton themselves, with either sharecroppers or wage laborers. All cotton grown on the ginner's own land went to his gin. Why not buy more land and, through ownership, control the uses to which the land is put and the disposition of its product? The idea was adopted quickly. The ginner have bought land and are buying more at every opportunity. They have bought land at tax sales, much of it in swamp and forest, for as little as \$1.50 per acre. They have acquired title to the best land in the floodways, on the river side of the levees, and between the drainage ditches, and they have acquired well-drained and cleared farm land. They are first on the ground to bid for the established farms of retiring farmers, and they buy foreclosed farms from banks and insurance companies. On all of this land, by virtue of ownership, the ginner control cotton production and the ginning of the cotton produced. This is true whether they operate the land themselves or rent it to the farmers.

There are other methods of controlling land. The ginner have found that they can control the disposition of the cotton crop by merely renting the land on which it is grown. Additional acres have come under their control in this way. Individuals holding land as an investment, retired farmers, insurance companies, and banks are glad to rent their land for the high prices the ginner are willing to pay. The ginner can pay high rents because they rent the land to the hard pressed farmers in this overpopulated area for as much as or more than they pay to the owner. Of course, rented land is rented with stipulations which require the farmer-renter to gin all his cotton and sell all his seed at the ginner-landlord's gin.

Finally, the ginner have found it possible to extend their control without either the risk of purchase or the trouble of renting merely by advancing the money needed to produce the crops. The producers of cotton, perhaps more than any other group engaged in agriculture, depend on credit. In Southeastern Missouri the cotton ginner are probably the most important creditors, and the control which they exert over the land and the people who operate it is proportionately great.

The "furnish" arrangements always include a stipulation that the cotton be ginned at the creditor-ginner's gin. Frequently the borrower agrees to sell all his seed and lint cotton as well to the ginner who "furnishes" him.

Extent of control

In 1938 the cotton ginner² in New Madrid County owned 591 farms containing 66,766 acres of cropland. This was 24 percent of the farms and 23 percent of the cropland in the county. They continued to purchase land during 1938 and 1939 and for the 1940 crop year owned 640 farms or 20 percent of all farms in the county. Their 1940 holdings included 72,131 acres of cropland which was more than 24 percent of all cropland in the county.

Very few of the ginner-owned farms were operated by the ginner themselves. Of the 591 farms which they owned in 1938, the ginner operated only 45; in 1939 they operated only 87 out of 632 farms owned; and in 1940, only 44 out of 640 farms which they owned, according to the agricultural conservation committee's records. They preferred to rent their properties to farmers who relieved them of the task of producing the cotton crop and insured them a supply of cotton for their gins.

On the other hand, the ginner operated some farms which they did not own. These they rented from other landowners. According to the records of the county agricultural conservation committee, they operated 19 rented farms containing 2,896 acres of cropland in 1938; but in 1940, they operated only 17 farms contain-

² Ginner include individual gin owners, partners, and shareholders in corporatively owned gins. Lands listed as owned or otherwise controlled by ginner include all land coming under the control of these persons; land owned by employees and relatives, when known to come under the ginner control, and land owned by business associates or companies in which the ginner had controlling ownership or influence sufficient to establish land policies (which would serve their interests as ginner) particularly with respect to the production, processing, and disposition of the cotton crop. For example, the land owned by a life insurance company, of which the president and principal stockholder is a cotton ginner, is included here.

ing 1,448 acres of cropland. In this 3-year period, the number of rented farms which the ginner operated themselves actually decreased.

Far more important an element in control than the farms which the ginner rented and operated were the farms which they rented and re-rented to others for operation. Unfortunately the available data do no more than begin to picture the ginner renting activities.

The Agricultural Adjustment Administration records, from which the information used here was obtained, show the ginner (or anyone else) as the renter only when he (1) rents a farm from the owner for cash and operates it himself or re-rents it on a share basis or, (2) rents a farm on a share basis and operates it himself. If he rents the farm on either cash or share basis and re-rents to a farmer for cash or on a share basis, his name does not appear on the Agricultural Adjustment Administration records for that farm. Only the renter-operator's name is entered on the records. There is, therefore, at this point a gap in our information on the extent of land control.

Ginner frequently act as agents, managers, or trustees for estates, corporations, and nonresident owners. In 1938 they served in one or more of these capacities on 15 farms containing 714 acres of cropland; and in 1940 on 30 farms containing 2,177 acres of cropland. Their position as managers or agents gave them virtually the same power over the processing and distribution of the cotton crop on these farms as that which they were able to exert as owners or renters on other farms.

Finally, the ginner exercised control as money lenders. In 1930 they made loans on 627 farms containing more than 71,168 acres of cropland. On 516 of these farms credit was the sole means of controlling the land and its use.

The source of this information was the file of the New Madrid County Agricultural Conservation Association. It is, therefore, only a partial indication of the control which the ginner exercised over land and its use by virtue of their power as creditors. The Agricultural Adjustment Administration requires every creditor who makes a production or consumption loan and takes an assignment on the farmer-borrower's soil conservation check as security to sign a statement showing the amount which he has lent and the borrower's name and farm. But for many of the loans made to cotton farmers the only security is the farmers' chattels or his crop, and of these loans—for which the Government check is not assigned—the agricultural conservation committee has no record. The extent of control achieved through credit activities is, therefore, very much greater than the data used here indicate.

On the basis of information obtained from various ginner and knowledge of the size of loans and the number of borrowers, it is here estimated that in New Madrid County from three-fourths to one million dollars is lent annually to the cotton farmers. There were 43 ginner in the county in 1940; several of them lend more than \$100,000 annually.

In 1940, by one means or another, and sometimes by several means in combination, the ginner controlled the production, processing, and disposition of the cotton crop on 1,103 farms containing 118,163 acres of cropland or about 45,000 acres of cotton land. This was 34 percent of all farms in the county; 40 percent of the cropland and approximately 60 percent of the cotton land. At a yield of approximately 1 bale to the acre (this is one of the areas of highest yield outside the irrigated lands in New Mexico, Arizona, and California), they could count on 45,000 bales of cotton to keep their gins busy and paramount influence in the disposition of merchandise worth 2.75 million dollars (assuming cotton to be worth 10 cents per pound and seed \$23 per ton). Below an effort is made to show some of the effects of the use of this power.

Effects of concentration of control

For years southeastern Missouri has been an area of acute population pressure. Between 1930 and 1940, the population of the seven counties in the Delta area increased 29.3 percent and that of New Madrid County alone increased 31.5 percent—while the total population of Missouri increased only 4 percent and that of the United States only 7.2 percent. This great increase in population is largely the result of an influx of families from other areas, rather than of an increase in the size of families (natural increase) already in the area, and consequently a very large part of the increase represents a need for more farms. Yet, during this same period, the number of farms decreased 4.4 percent (987 fewer farms in 1940 than in 1930). It is in this setting that the concentration of land ownership and control must be viewed and appraised.

Population pressure has enhanced the importance of control over land. The ginner have had to clear and drain thousands of acres of forest and swamp land

which they have acquired in the course of their business. The large surplus population has provided a cheap and ready labor force. Usually clearing is effected by hard-pressed farmers (the newcomers: tenants and sharecroppers long in the area but finally displaced by consolidation of farms or by high rents; and established owners displaced by foreclosure) who find it increasingly difficult to buy or rent farms.

Undoubtedly, nothing but the lack of alternative opportunities has brought farmers in southeastern Missouri to take up land clearing under the lease terms common in the area. To have some place to live and an opportunity to use their equipment, farmers are willing to clear land for 50 cents per acre per month (i. e., about \$6 per acre) and 1 year's crop off the new land³—the first year's crop is notoriously poor.

Housing conditions in these cypress swamps are unbelievably bad. "Homes"—tents, log huts, tin-can shacks, or box houses—are set up in clearings and families move in to spend a year at the arduous task of removing timber and digging ditches to wrest cropland from the wilderness. Suffering from dampness in summer and cold in winter is acute. The death rate is high. Diet is as poor as anywhere in the South; one can imagine the fare enjoyed by a family of five whose income in many months is less than \$20. Schools, roads, police protection, and other governmental services are lacking in many of the sections where land clearing is extensive.

In addition to clearing new land, the ginners have acquired much of the long-established cropland in the area. Their competition for land has helped to raise prices to the point where small operators can no longer purchase farms and the Farm Security Administration is able to justify purchases only by capitalizing the Agricultural Adjustment Administration payments into their appraisals.

In much of the land to which they hold title, the ginners have very little equity. Some tracts are bought without a down payment, and if the first crop fails, the land is allowed to revert to the original owner.

Farmers renting and operating land owned by the ginners (and even some of those renting and operating land which the ginners do not own but have rented for rerenting) may be compelled to disregard the Government cotton allotments and plant cotton from fence to fence. One ginner-planter operating more than 15,000 acres of land in the southeastern Missouri area has required his renters and croppers to plant cotton on the entire crop acreage of their tracts and pay the Government penalty tax on the excess acreage. This ginner pays the tax on his share of the excess (not all ginners do), but for him the cost is small when compared to the profits from ginning the additional cotton thus secured—both his own and the tenants'. To make sure the tenant plants all his land in cotton, the ginner includes a clause in his lease setting a penalty rent of from \$10 to \$15 per acre cash on all land not planted in cotton.

Land rent also has risen to an unprecedented level. Land which for years brought no more than \$6 per acre is now renting at \$12 to \$17.50 per acre cash. Some farmers are paying as much as \$12 per acre on all deeded land: Woods, swamp, roads, and ditches, as well as on cropland. Crop rents also have changed to the disadvantage of the farmers. Instances were found in which sharecroppers (i. e., half-hands) were working for as little as 12½ percent of the cotton crop, and one large tenant-farmer was supplying all equipment, stock, seed, feed, and fertilizer for one-half the crop. The ginner, since he looks primarily to cotton ginning for his profits can afford to take a small loss on rent. Moreover, he may be able to rerent the land. Or he may pass on the high rent to a farmer-operator who bears the burden through inadequate allowances for depreciation on his machinery and a reduced standard of living for himself and his family.

Those who are unable to find farms to rent are by no means limited to the shoe-string farmers, the drifters, and the "Jazy" sharecroppers. Some displaced tenants were once prosperous farm operators. One man on a tract of 10 acres, had nearly \$20,000 worth of farm machinery, mostly idle because he could not find a farm large enough to use it.

In the early spring of 1939 the State employment service conducted a voluntary registration of persons unable to find farms to rent or places to sharecrop. In the seven southeastern Missouri counties more than 900 families registered. This large registration occurred even though the registration day was cold and rainy and the registration was given inadequate publicity.

Information on the methods of extending credit, the terms, and the volume of loans is extremely difficult to obtain. The writer was able to establish that most

³ Sometimes the land is cleared on a sort of lease-and-purchase arrangement, providing for total payments amounting to the equivalent of \$30-40 per acre. (It will be remembered that some of this land was acquired by the ginner-land dealers for as little as \$1.50 per acre at tax sales and land auctions.)

crop loans are made only to those who have machinery or other valuable chattels which can be mortgaged. Moreover, he found it usual for the ginner-creditor to take an assignment on the borrower's crop and on the first Government payment as well. Thus, the ginner has triple security on a large portion of his loans. Interest rates on these low-risk loans vary from 6 to 12 percent, and are usually made from funds borrowed by the ginner at lower rates.

If the ginner furnishes groceries, or finances the purchase of stock, tools, and machinery (in which he may be a dealer), he may profit by inflating prices—the usual practice of credit merchants in the Cotton Belt. One sharecropper interviewed agreed to swap a good team of mules and \$300 for the ginner-merchant's inferior team and a chance to make a crop on one of the ginner's farms. To make room for the man who had made this disadvantageous trade, another sharecropper was displaced.

Should the farmer take any part of his crop to the gin of a competitor, the creditor-ginner may compel him to pay bonus cash rental equal to the ginning charge, and he can expect no credit in the future even should he remain on the farm in subsequent years.

Whether a farmer rents or sharecrops on the ginner's land, or on land which the ginner has rented and rerents to him, or only borrows money to finance his production, he surrenders the control of his crop.

PART III. FARM ORGANIZATION

PREPARED BY E. J. HOLCOMB

Size of farms

The foregoing discussion of the system in existence in southeastern Missouri will serve to illustrate how operating units vary in size from year to year. Operating units in 1940, for example, may be several units, or a part of a much larger operating unit in 1941, depending considerably upon the over-tenants desires or opportunities. The number of farms will tend to vary inversely with the sizes of the operating tenants farms. For purposes of this study, however, farms were grouped into four size classes. Group I included the 1940 operating units of less than 120 acres of cropland; group II included those with between 120 and 299.9 acres of cropland; group III included those with between 300 and 479.9 acres of cropland; and group IV included those with 480 and more acres of cropland, according to the Agricultural Adjustment Administration listing sheets.

By grouping the farms in this way it was possible to secure a list comprising a few farm operators sufficiently representative of all farms within each group so that every farm need not be visited to obtain adequate information. As an additional check on the adequacy of the sample for the 5-year study (1936-40) information regarding the total number of operating units by each size group was secured for the 3 years—1938, 1939, and 1940. Similar information for earlier years was not available. It will be noted (table 1) that the number of farms in each size group varied erratically with no indication of a trend for any groups, with the possible exception of group II. As the other groups, both larger and smaller, showed radical variations, the apparent trend observed for group II is believed to be accidental. An over-all increase in the number of farms was expected along with an increase in the number for the small size groups, due to land-clearing operations. However, the most significant increase in numbers of farms occurred in group IV. Increases in Group I will continue during the period of land-clearing operations, but these are expected to be combined gradually with other such farms, and thus tend to move into larger farm-size groups.

Approximately three-fourths of the farms in the county were included in group I in each of the 3 years. The number of farms in the two larger size groups represented less than 5 percent of the total number of farms in 1938 and 1940, and slightly more than 5 percent in 1939. On the other hand, however, approximately 20 percent of the cropland is included in farms in these size groups.

TABLE 1.—Numbers of farms by size groups of farms in New Madrid County, Mo., 1938-40 (preliminary)

Size groups	Acres of cropland	Number		
		1938	1939	1940
Group I.....	0 to 119.9.....	2, 274	2, 191	2, 492
Group II.....	120.0 to 299.9.....	582	590	602
Group III.....	300.0 to 479.9.....	88	89	80
Group IV.....	480 and over.....	49	66	56
Total.....		2, 993	2, 936	3, 230

Within the sample of farms studied, an effort was made to obtain continuous information about each farm for the period 1936-40. It was impossible to trace each such farm back, but of the 115 farms in the sample for 1940 only 23 farms were lost from the sample for 1936. For 1937 only 7 farms were lost, of which none were lost from groups II and IV and only one from group III (table 2). Group I, however, lost 6 farms so far as 1937 information is concerned, largely because these farms were cleared and farming operations began after that year.

Sample farms in group II showed a negligible variation in size and in cropland acres. Group IV sample farms, however, increased in average acres of cropland by 37 acres between 1937 and 1938, 22 additional between 1938 and 1939, and decreased by an average of 1 acre between 1939 and 1940. The net increase in cropland between 1937 and 1940 was 58 acres for group IV farms (table 3).

TABLE 2.—Number of farms included in sample, by size groups of farms, New Madrid County, Mo., 1936-40 (preliminary)

Size groups	Interval, acres of cropland	Number				
		1936	1937	1938	1939	1940
Group I.....	0 to 119.9.....	24	30	34	36	36
Group II.....	120 to 299.9.....	25	30	30	30	30
Group III.....	300 to 479.9.....	24	28	29	29	29
Group IV.....	480 and over.....	19	20	20	20	20
Total.....		92	108	113	115	115

TABLE 3.—Changes in average sizes of farms and acres of cropland, by size groups¹ of farms, New Madrid County, Mo., 1936-40 (preliminary)

Item	1936	1937	1938	1939	1940
Farm land:	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Group I.....	99.1	67.0	63.1	63.4	62.6
Group II.....	230.0	227.5	230.7	231.9	232.6
Group III.....	399.3	426.5	424.8	415.2	414.7
Group IV.....	915.0	908.5	965.5	991.8	986.0
Cropland:					
Group I.....	76.6	55.3	51.6	50.6	50.5
Group II.....	190.6	196.4	200.6	196.7	198.4
Group III.....	348.2	380.4	391.4	381.7	380.4
Group IV.....	729.1	731.5	768.4	790.5	789.4
Percent cropland:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Group I.....	77.3	82.5	81.8	79.8	80.7
Group II.....	82.9	86.4	87.0	84.9	85.3
Group III.....	87.2	89.2	92.1	91.9	91.7
Group IV.....	79.7	80.5	79.6	79.7	80.1

¹ Size group designations are as follows:

- Group I: 0 to 119.9 acres of cropland.
- Group II: 120 to 299.9 acres of cropland.
- Group III: 300 to 479.9 acres of cropland.
- Group IV: 480 and more acres of cropland.

Farms in groups IV also increased substantially in total land area. The average amounted to an increase between 1937 and 1940 (the continuous period for which data on all 20 farms were available) of 77.5 acres, with the result that the proportion which cropland represented of all land remained practically the same throughout the period.

It is an interesting fact that the proportion of cropland in groups II and III were successfully higher than group I farms. Group IV farms, on the other hand, show a proportional amount of cropland comparable with group I farms. Possible explanations for this may be found in the fact that the larger farms are the older, better established farms located on sandier soils, and on which a combination of enterprises including livestock is to be found. Farms in groups II and III tend more toward row-crop culture. More of the group I farms are located in the newly developed sections and are still in the process of being cleared.

One of the more important factors to be noted is that changes in the total size of the farms and changes in acreage of cropland appear to be closely related. Thus, it would appear that the acquisition of additional land by the larger farms (groups II, III, and IV) was land already in farms and that cropland was added to these farms at approximately the same rate as noncropland.

Use of cropland

The two principal crops in New Madrid County are cotton and corn. During the past 5 years cotton has been increasing in relative importance with corn. In 1936 slightly more of the cropland was devoted to corn than cotton. Since 1936, corn has declined sharply, so that by 1940 approximately 30 percent of the cropland was devoted to cotton and little more than 20 percent to corn (table 4).

Trend information for other crops was not collected, since it was assumed that the interrelationships between cotton and corn would have the greatest bearing on labor. Cotton requires considerably more labor than corn or other crops, so that this exchange, in the relative importance of cotton and corn, tends to increase labor needs.

The acreage devoted to cotton increased on farms included in groups II and III. The increase amounted to an average of 5.5 acres between 1936 and 1940 in the case of group II farms while the average cropland increase amounted to 7.8 acres (table 5). On group III farms, an increase of 32.2 acres of cropland was accompanied by an increase of 18.7 acres of cotton. Decreases in cotton acreage occurred in groups I and IV. On Group I farms a decrease of 26.1 acres of cropland was accompanied by a decrease of 3.2 acres of cotton, while on group IV farms an increase of 60.3 acres of cropland was accompanied by a decrease of 11.3 acres of cotton.

TABLE 4.—*Percentage of cropland devoted to cotton, corn, and the 2 crops combined, by size groups of farms, New Madrid County, Mo., 1936-40 (preliminary)*

Size groups ¹	1936	1937	1938	1939	1940
Percentage of cropland in cotton:					
Group I	28.2	50.2	33.3	35.4	36.5
Group II	29.2	42.5	27.3	30.0	30.8
Group III	22.7	28.2	21.2	23.6	25.7
Group IV	33.9	43.3	32.2	26.7	29.9
Percentage of cropland in corn:					
Group I	29.6	21.0	25.8	25.2	21.5
Group II	36.5	24.1	30.1	20.1	18.6
Group III	32.7	27.7	25.6	22.8	21.8
Group IV	28.0	24.4	25.9	21.9	22.0
Percentage of cropland in cotton and corn:					
Group I	57.8	71.3	59.1	60.6	58.0
Group II	65.7	66.6	57.4	50.1	49.4
Group III	55.4	55.9	46.8	46.4	47.5
Group IV	61.9	67.7	58.1	48.6	51.9

¹ See table 2 for explanation of size groups.

TABLE 5.—Average acres of cotton and corn and the 2 crops combined per farm, by size groups of farms, New Madrid, Mo., 1936-40 (preliminary)

Size groups ¹	1936	1937	1938	1939	1940
Cotton:	Acres	Acres	Acres	Acres	Acres
Group I	21.6	27.8	17.2	17.9	18.4
Group II	55.6	83.6	54.7	58.9	61.2
Group III	79.1	107.5	82.9	90.2	97.8
Group IV	247.2	316.9	247.7	211.0	235.9
Corn:					
Group I	22.7	11.6	13.3	12.8	10.9
Group II	69.6	47.4	60.5	51.3	47.1
Group III	113.9	105.5	100.3	86.8	83.1
Group IV	204.0	178.5	199.4	173.2	173.8
Cotton and corn:					
Group I	44.3	39.4	30.5	30.7	29.3
Group II	125.2	131.0	115.2	110.2	108.3
Group III	193.0	213.0	183.2	177.0	180.9
Group IV	451.2	495.4	447.1	384.2	409.7

¹ See table 2 for explanation of size groups.

The greatest changes occurred between 1936 and 1937 and between 1937 and 1938. Between 1936 and 1937 all groups increased sharply their acreage devoted to cotton, only to reduce the acreage in 1938 to levels comparable with 1936. Since 1938 the acreage changes have been upward slightly in all groups except group IV. In group IV a decline occurred between 1938 and 1939, but by 1940 an increase occurred which amounted to two-thirds of the 1938-39 decline.

Corn-acreage changes in each group are inversely related to the changes in cotton acreages. The combined cotton and corn acreage has declined in each of the groups however. Likewise, the percentage of land devoted to these two crops has declined with the exception of group I, where a slight increase occurred.

Mechanization of farms

Tabulations of the rate of mechanization of farms included in the study are at present incomplete, but data are available regarding numbers of tractors and workstock. Tractorization of farms has increased at a rapid rate. The rate of increase has been greater on smaller farms, successively, than on larger farms (table 6). More of the smaller farms utilized tractor power, in relation to their size, than the larger farms. Both of the above observations hold for each year of the study, but only to the extent that farms renting tractors are included on an equal basis with farms owning tractors.

Addition of tractor power to the farms has had little effect on numbers of workstock held by the farms.¹ Farmers in groups I and II reduced their numbers of workstock at the rate of about 1 head for each tractor, including owned and rented tractors. On a similar basis, those in group III actually increased their workstock by about 3 heads per tractor added, while those in group IV displaced approximately 2 heads per tractor added. In the latter group all tractors were owned by the farm operator.

In 1940, virtually all farms in size groups II, III, and IV used tractors (table 7). Only one farm in each of groups III and IV and only two in group II were without tractor power. Twenty of the thirty-six farms in group I used tractors. The 19 farms having tractor power in group IV had been using tractors since 1937 and 15 of them had tractors in 1936. Twenty-five of the twenty-eight farms having tractors in group III had been using such power since 1937 and 19 since 1936. Of group II farmers, 16 had been using tractors since 1936, 23 since 1937, and 25 since 1939. In group I, only 4 had been using tractors for the entire period, 7 since 1937, and 13 since 1939.

¹ Incomplete tabulations prohibit an analysis of this sort by types and sizes of tractors.

TABLE 6.—Average number of tractors and workstock used per farm and number owned, by size groups of farms,¹ New Madrid County, Mo., 1936-40 (preliminary)

Size of groups	1936	1937	1938	1939	1940
Tractors:					
Group I	0.17	0.23	0.26	0.36	0.56
Group II	.72	.93	.83	.93	1.10
Group III	.92	1.21	1.24	1.14	1.31
Group IV	1.42	1.65	1.80	1.85	2.05
Workstock:					
Group I	3.46	2.67	3.06	3.08	2.97
Group II	6.52	6.23	6.07	6.17	6.10
Group III	11.88	10.89	12.45	12.21	13.03
Group IV	20.63	23.15	21.40	19.80	19.50
Owned tractors:					
Group I	.04	.10	.03	.08	.08
Group II	.52	.67	.73	.83	1.00
Group III	.88	1.14	1.17	1.07	1.24
Group IV	1.42	1.65	1.80	1.85	2.05
Owned workstock:					
Group I	3.21	2.33	2.76	2.81	2.64
Group II	6.52	6.23	6.07	6.17	6.03
Group III	11.88	10.89	12.45	12.21	13.03
Group IV	20.63	23.15	21.40	19.80	19.40

¹ For explanation of size groups see table 2.

TABLE 7.—Number of farms owning tractors and number renting tractors, by size groups¹ of farms, New Madrid County, Mo., 1936-40 (preliminary)

Item	1936	1937	1938	1939	1940
Owning tractors:					
Group I	1	3	1	3	3
Group II	11	17	20	24	27
Group III	18	24	25	23	26
Group IV	15	19	19	19	19
Renting tractors: ²					
Group I	3	4	6	10	17
Group II	5	6	2	1	1
Group III	1	1	2	2	2
Group IV	0	0	0	0	0
Owning and renting tractors:					
Group I	4	7	7	13	20
Group II	16	23	22	25	28
Group III	19	25	27	25	28
Group IV	15	19	19	19	19

¹ For explanation of size groups see table 2.

² Farms renting tractors only.

If tractorization of farms is considered only to the extent that tractors are owned by the farm operators, the magnitude of changes in numbers is altered. Group I farms increased their numbers of tractors more rapidly than farms in the larger sized groups, but the number never exceeded 1 tractor for each 10 farms. Group II farmers doubled their number of tractors over the 5-year period, from 1 tractor on every 2 farms to 1 tractor per farm. Group III farmers owned practically all the tractors operated on their land and the increase between 1936 and 1940 amounted to approximately 50 percent. The picture described above for group IV holds here, also, as all of the tractors used on these farms were owned by the operators (table 6).

Incomplete tabulations do not permit an appraisal of the relative importance of the rented tractors compared with owned tractors. The original data sets forth the particular operations at which rented and owned tractors were employed. Thus, the final report on this study will show more clearly the advance of mechanization.

Little change is shown in the total number of workstock utilized as compared with those owned. One or more farms in each group rented workstock, with the exception of group III. The effect of renting workstock does not alter the generalizations described above.

Table 7 shows the number of farms in each group owning and renting tractors during each of the 5 years. The number owning tractors in group I increased from 1 to 3 during the period, while the number renting tractors increased from 3 to 17. In group II, 11 farms owned tractors in 1936, and 27 in 1940, but the number of farms renting tractors declined from 5 to 1. In group III, the number of farms owning tractors increased from 18 to 26, and the number renting tractors increased from 1 to 2. None of the farms in group IV rented tractors, but the number owning tractors increased from 15 to 19.

Structure of the labor force

Types of labor utilized on farms in New Madrid County are similar to those on farms in the Cotton Belt generally. In addition to the operator and the members of his family, seasonal laborers, including migrant seasonal labor, are hired during rush seasons, but most of the laborers are sharecroppers, patch croppers, hoe croppers, regular wage families, single wage hands, nonmanaging share and cash tenants, and a few quasi-share laborers.¹ By far the more important types of regular laborers were the sharecroppers, the regular wage families, and the single wage hands. Single wage hands were less important than sharecroppers and wage families. In 1940, however, sharecroppers and regular wage families were approaching equal importance with the sharecropper group holding an advantage.

As other types of share laborers were relatively few, they were included with sharecroppers, and the combined types called subtenants. Wage families and single wage hand classifications include only those cases usually considered in such categories.

It is to be expected that the number of families employed will tend to increase as the size of the operating unit increases. The rate of increase normally will be greater on farms of approximately the size of those in groups I and II, since the operator and his family usually perform an amount of work equal to one or more hired worker families. The rate of increase in numbers of hired families should tend to decline between successively larger sized units. This becomes apparent in table 9. It might also be expected that the numbers of workers hired would appear to change more abruptly in the smaller sized groups of farms, because a change of one family among farms hiring few families would tend to show more radical changes than a change of the same magnitude on larger farms on which more families are hired. Such change did occur and the apparently radical changes in the indexes should be interpreted in this light.

A much greater change in the number of families hired on farms than is indicated in table 9 would be expected in this county, owing to the rapid advance of mechanization. However, the increasing importance of cotton and the decline of corn tended to offset that effect. Another factor has been the lack of other chances at work for these people. Population pressure has enabled farmers to retain unnecessary families on a daily wage basis or as sharecroppers on smaller tracts, in order that the families may be available for contingencies of rush work. Moreover, the Soil Conservation and Domestic Allotment Act, together with Agricultural Adjustment Administration regulations, has tended to discourage reduction in the number of subtenants and croppers on those farms participating in the program. This is particularly noticeable for farms in groups I and II (table 9). In groups III and IV the additional cropland and the additional cotton acres were worked by wage families. This, apparently, was due to increased mechanization, the restraining Agricultural Adjustment Administration regulation, and the necessity of sharing Agricultural Adjustment Administration payments with share tenants.

TABLE 8.—Number of farms owning workstock and number renting workstock, by size groups¹ of farms, New Madrid County, Mo., 1936-40 (preliminary)

	1936	1937	1938	1939	1940
Owning workstock: ²					
Group I.....	21	23	31	33	33
Group II.....	24	29	30	30	30
Group III.....	24	28	29	29	29
Group IV.....	18	20	20	20	20
Renting workstock: ³					
Group I.....	2	3	3	3	3
Group II.....	0	0	0	0	0
Group III.....	0	0	0	0	0
Group IV.....	0	0	0	0	0
Owning and renting:					
Group I.....	23	26	34	36	36
Group II.....	24	29	30	30	30
Group III.....	24	28	29	29	29
Group IV.....	18	20	20	20	20

¹ For explanation of size groups see table 2.

² Farms renting workstock in addition to owning workstock are included here.

³ Farms renting workstock only.

⁴ For a more complete description of these types of laborers, see testimony on The Sharecropper and Wage Laborer in Cotton Production, by E. J. Holcomb, presented before a subcommittee of the Committee on Education and Labor, U. S. Senate, pursuant to S. Res. 266, Washington, D. C., May 1940.

TABLE 9.—Average number of subtenants and wage employees on farms and index of changes in numbers, by size groups of farms, New Madrid County, Mo., 1936-40 (preliminary)

Item	Size groups of farms	Number					Index: 1936=100				
		1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
Subtenant families	I	0.46	0.70	0.50	0.39	0.31	100.0	152.2	108.7	84.8	67.4
	II	1.32	2.07	1.80	1.80	1.87	100.0	156.8	136.4	136.4	141.7
	III	2.08	2.39	2.28	2.34	2.66	100.0	114.9	109.6	112.5	127.9
	IV	7.47	8.90	7.10	6.25	6.85	100.0	119.1	95.0	83.7	91.7
Wage families	I	.04	.07	.09	1.7	.25	100.0	175.0	225.0	425.0	625.0
	II	.88	.63	.77	.90	.83	100.0	71.6	87.5	102.3	94.3
	III	1.25	1.32	1.65	1.76	1.69	100.0	105.6	132.0	140.8	135.2
	IV	3.37	4.35	5.90	6.25	6.35	100.0	129.1	175.1	185.5	188.4
Total families (subtenants and wage families)	I	.50	.77	.59	.56	.56	100.0	154.0	118.0	112.0	112.0
	II	2.20	2.70	2.57	2.70	2.70	100.0	122.7	116.8	122.7	122.7
	III	3.33	3.71	3.93	4.10	4.35	100.0	111.4	118.0	123.1	130.6
	IV	10.84	13.25	13.00	12.50	13.20	100.0	122.2	119.9	115.3	121.8
Single wage hands	I	.04	0	.06	.06	.17	100.0	0	150.0	150.0	425.0
	II	.48	.43	.47	.40	.37	100.0	89.6	97.9	83.3	77.1
	III	.58	.57	.45	.35	.34	100.0	98.3	77.6	60.3	58.6
	IV	.26	.60	.55	.25	.20	100.0	230.8	211.5	96.2	76.9
Total (total families and single wage hands)	I	.54	.77	.65	.62	.73	100.0	142.6	120.4	114.8	135.2
	II	2.68	3.13	3.04	3.10	3.07	100.0	116.8	113.4	115.7	114.6
	III	3.91	4.28	4.38	4.45	4.69	100.0	109.5	112.0	113.8	119.9
	IV	11.10	13.85	13.55	12.75	13.40	100.0	124.8	122.1	114.9	120.7

It will be observed that no displacement has occurred in the total number of families, subtenant and wage families combined, so far as the 2 years 1940 and 1936 are concerned. However, by comparing 1937 with 1940, a slight displacement did occur in groups I and IV; increases occurred in group III. The increases are undoubtedly due to excessive planting of cotton under the volunteer cotton-reduction program of 1937, which precipitated the need for the marketing-quota type of program inaugurated in 1938.

Reductions in numbers of subtenants occurred between 1936 and 1940 in groups I and IV. The reductions in group I are related to changes in the average size of the farms but in group IV the reduction is a result of a shift to wage labor for the most part, although it is partly attributable to a reduction in cotton acres.

Employment of single wage hands was relatively insignificant on all farms. Changes in their numbers were slight in most instances, and their inclusion does not affect the generalization above with respect to numbers of subtenants and wage families combined.

Operator and subtenant cotton and corn

Variations in cotton acreage as between operators and subtenants have been slight over the 5-year period of this study. Acreages of subtenant cotton have declined in groups I, III, and IV, but they have increased in group II (table 10). Operator cotton, on the other hand, declined in group I, only. The decline in subtenant cotton seems closely associated with the decline in the average acres of cotton per farm for group I, and conversely, the increase in subtenant cotton in group II seems closely associated with the increase in cotton acreages for the farm. In groups III and IV, however, the changes have been made in favor of operator cotton acreage.

As would be expected, as the number of subtenants has remained fairly constant and the acreage of subtenant cotton has declined, the acreage of cotton per subtenant has declined in each group. The most radical changes, in this respect, have occurred among subtenants other than sharecroppers (table 11).

TABLE 10.—Average acres of cotton and average acres of operator and subtenant cotton per farm, by size groups¹ of farms, New Madrid County, Mo., 1936-40 (preliminary)

Item	1936	1937	1938	1939	1940
Total cotton acreage:	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Group I.....	21.6	27.8	17.2	17.9	18.4
Group II.....	55.6	83.6	51.7	58.9	61.2
Group III.....	79.1	107.5	82.9	90.2	97.8
Group IV.....	247.2	316.9	247.7	211.0	235.9
Operator cotton acreage:					
Group I.....	15.2	18.4	10.0	12.5	11.6
Group II.....	32.8	38.5	27.5	29.9	33.0
Group III.....	32.1	48.8	36.6	45.3	51.7
Group IV.....	77.5	82.4	90.7	77.8	101.0
Subtenant cotton acreage:					
Group I.....	6.4	9.4	7.2	5.4	3.8
Group II.....	22.8	45.1	27.2	29.0	28.2
Group III.....	47.0	58.7	46.3	44.9	46.1
Group IV.....	169.2	234.5	157.0	133.2	131.9

¹ For explanation of size groups see table 2.

TABLE 11.—Average acres of cotton on farms having subtenants, by size groups¹ of farms and for sharecroppers and share tenants of operators, New Madrid County, Mo., 1936-40² (preliminary)

Item	1936	1937	1938	1939	1940
Sharecroppers:	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Group I.....	30.1	24.6	20.0	19.4	15.4
Group II.....	33.5	58.1	28.9	42.2	35.7
Group III.....	64.3	65.1	49.2	45.6	47.7
Group IV.....	147.4	192.2	121.1	97.9	113.6
Group average.....	80.5	88.6	55.0	55.5	55.4
Share tenant:					
Group I.....	2.3	7.4	7.7	10.0	7.3
Group II.....	68.0	37.5	26.4	17.2	15.0
Group III.....	70.4	81.2	51.6	42.7	40.0
Group IV.....	119.6	158.0	120.4	100.1	102.5
Group average.....	86.4	92.4	64.7	54.5	56.7
Subtenant:					
Group I.....	25.4	20.2	17.4	17.7	13.8
Group II.....	38.1	61.5	35.5	45.8	38.5
Group III.....	75.3	78.2	58.4	54.2	58.1
Group IV.....	179.1	246.8	157.0	148.0	146.6
Group average.....	94.0	104.8	69.3	69.9	67.9

¹ For explanation of size groups see table 2.

² In group III 1937 one tenant sharecropped cotton, therefore he was classed as a cropper. 1 cropper in group III, 1936, and 1 tenant in group II, 1937, had corn only—no cotton acreage.

TABLE 12.—Average acres of corn per farm, by size groups¹ of farms and by operator and subtenant acreages, and corn acreages per subtenant, New Madrid County, Mo., 1936-40 (preliminary)

Item	1936	1937	1938	1939	1940
Total corn acres:					
Group I.....	Acres 22.7	Acres 11.6	Acres 13.3	Acres 12.8	Acres 10.9
Group II.....	69.6	47.4	60.5	51.3	47.1
Group III.....	113.9	105.5	100.3	86.8	83.1
Group IV.....	204.0	178.5	190.4	173.2	173.8
Operator corn acres:					
Group I.....	21.6	10.7	12.4	11.8	10.8
Group II.....	61.4	37.9	45.8	39.6	36.9
Group III.....	89.4	93.0	87.9	71.0	63.2
Group IV.....	162.2	137.7	143.7	133.7	135.5
Subtenant corn acres:					
Group I.....	1.1	9	9	1.0	.8
Group II.....	8.2	9.5	14.7	11.7	10.2
Group III.....	24.5	12.5	12.4	15.8	19.9
Group IV.....	41.8	40.8	55.7	39.5	38.3
Corn acreage per subtenant:					
Group I.....	2.4	1.3	1.8	2.6	2.6
Group II.....	6.2	4.6	8.2	6.5	5.5
Group III.....	11.8	5.2	5.4	6.8	7.5
Group IV.....	5.6	4.6	7.8	6.3	5.6

¹ For explanation of size groups see table 2.

TABLE 13.—Average acres of corn on farms having subtenant, by size groups¹ of farms and for sharecropper and share tenants of operators, New Madrid County, Mo., 1936-40 (preliminary)

Item	1936	1937	1938	1939	1940
Subtenants (croppers and share tenants):					
Group I.....	Acres 26.0	Acres 26.0	Acres 10.8	Acres 11.0	Acres 9.5
Group II.....	51.1	35.5	43.9	38.9	38.0
Group III.....	58.7	43.6	45.1	51.0	63.9
Group IV.....	113.6	90.6	111.3	98.6	85.1
Sharecroppers:					
Group I.....	26.0	26.0	10.1	10.3	11.8
Group II.....	51.1	36.1	42.2	32.2	32.4
Group III.....	51.5	49.5	24.5	42.4	50.6
Group IV.....	58.4	28.3	55.2	55.2	20.1
Share tenants (includes some cash returns):					
Group I.....			12.0	12.4	5.0
Group II.....		31.4	29.8	31.0	25.8
Group III.....	61.7	41.6	52.6	41.1	34.1
Group IV.....	106.1	104.3	118.4	104.8	90.7

¹ For explanation of size groups see table 2.

Changes in subtenant cotton acres have not been compensated by increases in acreages of other crops. On the other hand, corn acreages have declined for subtenants in all groups (table 12). Corn is the only other crop of importance to sharecroppers.

The downward trend in acreages of cotton and corn per subtenant tends to have the effect of reducing the subtenant's income. Particularly would this appear to be true under the condition of increase of the number of wage families and increase in mechanization on these farms. Moreover, operators more frequently use their own tractor equipment on subtenant tracts of land. Tabulations are incomplete at this time, but it is already apparent from the data that subtenants are rapidly losing chances for employment because of this. It is customary for the operator to assess certain charges against the subtenant's share of the crop as compensation for the use of the operator's tractor on the subtenant tract.

Changes with cropland held constant

It is possible to study the changes in each size group of farms in relation to each other by casting the data on a 1,000-acres-of-cropland basis (table 14). The advantage of this technique lies in the ability to study relative changes, and, to a limited extent, to study potential changes.

Cotton acreage for group I farms increased 82.3 acres per 1,000 acres of cropland, between 1936 and 1940, as compared with an increase of 16.5 acres for

group II farms, an increase of 29.9 acres for group III farms, and a decrease of 40.3 acres on group IV farms. Operator cotton acreages increased in three of the four groups. On group I farms, the operator increased his own cotton acreage by 89.7 acres and reduced his subtenant's cotton by 7.4 acres. This meant that all of the farms' increase in cotton acreage was absorbed by the operator and, in addition, the operators took over 7.4 acres from their subtenants on each 1,000 acres of cropland. On group II farms, the operators reduced their own cotton acreage by 5.9 acres and increased their subtenants' acreage by 22.4. On group III farms, all of the 29.9 acres increase for the farm plus 13.9 acres of subtenant cotton were added to the operators' crops, accounting for 43.8 acres of cotton added to the operator's crops. In the case of group IV farms, the subtenants absorbed not only the total decrease of 40.3 acres of cotton per 1,000 acres of cropland, but in addition the operator took 25.3 acres from them.

TABLE 14.—Changes per 1,000 acres of cropland in numbers of acres of cotton, corn, numbers of subtenant and wage families, and numbers of tractors and work stock, by size groups of farms, New Madrid County, Mo., 1936-40 (preliminary)

Item	Numbers				
	1936	1937	1938	1939	1940
Cotton:					
Group I.....	282.0	503.4	332.2	354.1	364.3
Group II.....	291.9	425.4	272.9	299.6	308.4
Group III.....	227.1	282.5	211.9	236.3	257.0
Group IV.....	339.1	433.3	322.4	266.9	298.8
Operator cotton:					
Group I.....	199.0	332.6	193.7	247.0	288.7
Group II.....	172.1	195.9	137.0	152.0	166.2
Group III.....	92.0	128.2	93.6	118.8	135.8
Group IV.....	106.4	112.7	118.0	98.4	131.7
Subtenant cotton:					
Group I.....	83.0	170.8	138.5	107.1	75.6
Group II.....	119.8	229.5	135.9	147.6	142.2
Group III.....	135.1	154.3	118.3	117.5	121.2
Group IV.....	232.7	320.6	204.4	168.5	167.1
Corn:					
Group I.....	296.3	209.9	258.1	252.5	215.1
Group II.....	364.9	241.4	301.4	260.9	237.2
Group III.....	327.0	277.4	256.3	227.5	218.4
Group IV.....	279.8	244.0	259.5	219.1	220.2
Operator corn:					
Group I.....	282.1	194.2	239.7	234.4	199.3
Group II.....	322.0	193.2	228.5	201.5	186.1
Group III.....	256.8	244.6	224.6	186.1	166.2
Group IV.....	222.4	188.3	187.1	169.2	171.7
Subtenant families:					
Group I.....	6.0	12.7	9.7	7.7	6.0
Group II.....	6.9	10.5	9.0	9.2	9.4
Group III.....	6.0	6.3	5.8	6.1	7.0
Group IV.....	10.3	12.2	9.2	7.9	8.7
Wage families (except single hands):					
Group I.....	.5	1.2	1.7	3.3	4.9
Group II.....	4.6	3.2	3.8	4.6	4.2
Group III.....	3.6	3.5	4.2	4.6	4.4
Group IV.....	4.6	5.9	7.7	7.9	8.0
Total (including single hands):					
Group I.....	7.1	13.9	12.5	12.1	14.3
Group II.....	14.1	16.0	15.1	15.8	15.5
Group III.....	11.2	11.3	11.2	11.7	12.3
Group IV.....	15.2	18.9	17.6	16.1	17.0
Tractors (owned and rented):					
Group I.....	2.2	4.2	5.1	7.1	11.0
Group II.....	3.8	4.7	4.2	4.7	5.5
Group III.....	2.6	3.2	3.2	3.0	3.4
Group IV.....	1.9	2.3	2.3	2.3	2.6
Workstock:					
Group I.....	44.1	47.1	58.1	59.9	57.7
Group II.....	34.2	31.7	30.2	31.4	30.7
Group III.....	34.1	28.6	31.8	32.0	34.3
Group IV.....	28.3	31.6	27.8	35.0	24.7

These changes actually did not reduce the numbers of subtenants on the farms except in group IV where a reduction of 1.6 subtenants occurred. Rather, the effect of the reduction in subtenant cotton was absorbed by an increased number of subtenants. If 1936 data on acres of cotton per subtenant are assumed as the standard it is possible to calculate the effective reduction in numbers of

subtenants. On this basis, the reduction of 7.4 subtenant cotton acres for group I, between 1936 and 1940, had the effect of reducing the number of subtenants by 0.5 family per 1,000 acres of cropland. Similarly, on group II farms the effect was to increase the number of subtenants by 0.6 family. On group IV farms, the effect amounted to a reduction of 2.9 subtenant families per 1,000 acres of cropland.

All farms decreased their acreage of corn per 1,000 acres of cropland and in all groups except group II, subtenant corn was decreased, also. In the case of group II farms a negligible increase occurred for subtenants. [Thus, increasing the effective reduction of subtenants.]

Actual reduction in the number of subtenants per 1,000 acres of cropland between 1936 and 1940 occurred in group IV only. No change occurred for group I farms, and increases occurred in groups II and III by 2.5 and 1.0 families, respectively. In group IV, the reduction amounted to 1.6 families per 1,000 acres of cropland.

Increases occurred in the number of wage families in all groups except group II, where a reduction of 0.4 family per 1,000 acres of cropland occurred. Group I farms increased from 0.5 to 4.9, a net of 4.4 families per 1,000 acres of cropland. Group III farms increased 0.8 family, and group IV farms increased 3.4 families.

Including single wage hands on an equal basis with subtenant and wage families, increases in the number of hired workers occurred in all groups. The greatest increase occurred in group I, which amounted to 7.2 hired workers or families. Increases in the other 3 groups ranged between 1.1 and 1.8 workers or families.

Tractorization of farms, including both rented and owned tractors irrespective of operations on which rented tractors were engaged, increased on the smaller farms, successively. Between 1.9 and 3.8 tractors were used per 1,000 acres of cropland in 1936, but in 1940 the range was between 2.6 and 11.0 tractors.

Increases in workstock per 1,000 acres of cropland were significant on group I farms, but were negligible on group III farms. Significant decreases occurred on group II and IV farms.

In effect, then, there has been no physical displacement of workers and only a nominal reduction in numbers of subtenants. Actually, there has been increasing population pressure on the land but with a reduction of acreages of crops for subtenants without proportional increases in operator crops for adequate employment of the wage laborers.

Hired workers, including subtenants, were slightly more numerous on the farms in the larger size groups, per 1,000 acres of cropland, but the greatest number of families was employed on the farms in the smaller size groups, when the operator's family is included. However, employment in terms of work units available for the families would appear to have been greater on farms in the larger size groups. This particular topic is discussed later in this report.

Employment of subtenants and laborers

Operators of farms in each size group estimated the number of days of employment received by their share tenants, sharecroppers, and wage laborers. The estimates were distributed between employment on the subtenants tracts and wage employment secured by subtenants and wage laborers on the operators farm. According to these estimates, share tenants and sharecroppers on farms in groups II and III received the greatest amount of work on the tracts they farmed and at wage employment for their operators, compared with the other two groups. This appears to be logical from the foregoing discussion of acreage changes in relation to numbers of families.

Wage workers obtained the greatest amount of employment on farms in groups III and IV. This also appears to be logical from the foregoing data. Group III and IV farms tended to increase the operator crops of cotton as the size of the farms increased. Group IV farms actually reduced the number of subtenant families, but they increased the number of wage laborers the least, considering increases in acres of cropland. Operators of farms in group I must have given their laborers a considerable amount of the work which they could have done themselves, in order for their workers to have secured as much wage work (table 15).

Earnings of workers, it will be observed, must necessarily be low even by their operator's estimate of days worked. During 1940, few families received as much as 200 days of work. This means that wage earnings of families can be expected to fall below \$200 per year, for few labor families reported wage rates exceeding \$1 per day. A more complete discussion of earnings and income of subtenants

and wage workers, based upon records received from the workers themselves, occurs later in this report.

Workers related to operators

Of the 1,804 regular and seasonal-worker families hired on the 115 farms included in this study 57 were related to the operators. Forty-seven were regular workers and 10 were seasonal workers (table 16). Nearly one-fourth of the 94 farms having worker families, reported that some of these families were related to the operator but only 47 of the 522 regular worker families were related. Only 10 of the 1,282 seasonal laborers employed on 105 farms hiring seasonal labor were related to their employer. The 10 seasonal laborers were employed on farms in groups I and II.

TABLE 15. - Number of farms reporting share tenants, sharecroppers, and wage families, estimated days worked on own crops by share tenants and sharecroppers, number of share tenants and sharecroppers securing wage work from operators, and estimated days wage work secured by share tenants, sharecroppers securing wage work from operators, and estimated days wage work secured by share tenants, sharecroppers, and wage families, by size groups¹ of farms, New Madrid County, Mo. (preliminary)

Group	Number of records	Number reporting			Average days worked on own crop		Number securing wage work		Average number days wage week provided for—		
		Share tenants	Sharecroppers	Wage	Share tenants	Sharecroppers	Share tenants	Sharecroppers	Share tenants	Sharecroppers	Wage families
I.....	36	2	8	7	112.0	118.3	0	3	0	56.7	177.3
II.....	30	4	22	19	173.3	137.0	0	41	0	59.6	158.5
III.....	29	6	23	19	153.3	130.1	6	66	69.9	77.0	182.8
IV.....	20	8	16	16	129.3	104.8	1	92	40.0	72.6	202.5
Total.....	115	20	69	61	137.8	120.1	7	202	65.6	71.2	191.3

¹ See table 2 for explanation of size groups of farms.

TABLE 16. - Number of farms reporting worker families, numbers of worker families employed, number of farms reporting worker families related to operator and number of families related to operator, by size groups¹ of farms, New Madrid County, Mo., 1940 (preliminary)

Size group	Number of records secured	All workers				Workers related to operator			
		Regular workers		Seasonal workers		Regular workers		Seasonal workers	
		Farms reporting	Number of workers	Farms reporting	Number of workers	Farms reporting	Number of workers	Farms reporting	Number of workers
Group I.....	36	15	26	30	183	2	2	3	8
Group II.....	30	30	92	30	311	11	22	1	2
Group III.....	39	29	136	29	416	5	9	0	0
Group IV.....	20	20	268	20	372	5	14	0	0

¹ See table 2 for explanation of size groups.

Turn-over of workers

Workers on farms in New Madrid County are replaced at the rate of approximately 30 percent per year, based on data obtained in this study (table 17). Replacements were greater during 1939 and 1940 than in 1938. It appears that replacements were greater on farms in the two smaller size groups than those in

the large-size groups. A part of this can be attributed to replacements of farm operators by the landlord or overtenant, since farms of these sizes are more likely to be affected by such changes.

According to the operators of the farms, the following explanations are given for their families having left their farms:

Four families left because the Farm Security Administration accepted them in one of their programs.

Six families left because they were dissatisfied with working or living conditions.

Seven families left to go to other farms with the farm's previous operator or similar reasons.

Eight families for no particular reason.

Eleven families for "personal reasons of the tenant."

Eighteen families for "personal reasons of the operator."

Twenty-six families left to improve their economic status or to search for better location.

Thirty-five left for no reason which the operator could give.

Undoubtedly one of the basic reasons for the heavy turn-over of workers lies in the fact that the area is overpopulated for the type of agriculture and the degree of mechanization. Prices received for the basic commodities produced in the area have not been sufficient to maintain the population.

Source of seasonal labor

A high proportion of the seasonal laborers come from within a 5-mile radius of the farms in New Madrid County. Many of these workers are regular employees on other farms who have sufficient idle time to work elsewhere. Many are family members of sharecropper families whose tracts are so small that they must work for wages elsewhere to supplement the family income. Some of the workers and residents of nearby villages come out during the seasons of cotton chopping, hoeing, and picking. The area is sufficiently populated so that employers have little difficulty in getting ample labor (table 18).

Just how many of these seasonal laborers are new arrivals who follow the crops is not actually known. A large number of workers come into the area during seasons and occupy vacant houses or camp near the farms.

TABLE 17. — Number and percentage of turn-over¹ of workers by tenure groups and by size groups² of farms, New Madrid County, Mo., 1938-40 (preliminary)

Operator schedules	1938			1939			1940		
	Number of families	Turn-over		Number of families	Turn-over		Number of families	Turn-over	
		Number	Per cent		Number	Per cent		Number	Per cent
Sharecroppers:									
Group I.....	14	3	21.4	10	3	30.0	9	2	22.2
Group II.....	40	17	42.5	47	8	17.0	50	16	32.0
Group III.....	56	5	8.9	56	17	30.4	68	19	27.9
Group IV.....	92	14	15.2	86	23	26.7	97	25	25.8
Total.....	202	39	19.3	199	51	25.6	224	62	27.7
Share tenant:									
Group I.....	3			4			2		
Group II.....	14			7			6		
Group III.....	10			12	4	33.3	9	4	44.4
Group IV.....	50			39	6	15.4	40	2	5.0
Total.....	77			62	10	16.1	57	6	10.5
Wage laborers (single and wage families):									
Group I.....	5			8	2	25.0	15	1	6.7
Group II.....	37	8	21.6	39	4	10.3	36	2	5.6
Group III.....	61	9	14.8	61	15	24.6	59	22	37.3
Group IV.....	129	20	15.5	130	19	14.6	131	23	17.6
Total.....	232	37	15.9	238	40	16.8	241	48	19.9

¹ Turn-over is defined here as the number of families having left the farm and were replaced by new families.

² See table 2 for explanation of size groups.

TABLE 18.—Numbers of farms securing specified proportions of their seasonal laborers from within specified radii of their farms and the number securing specified proportions from nonlocal points within the State and from out-of-State points, by size groups¹ of farms, New Madrid County, Mo., 1939-40 (preliminary)

Item (percent)	0 to 4.9 miles		5 to 15 miles		More than 15 miles		State non-local		Outside State	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
Group I:										
0 to 25.....	2	2	0	1	0	0	0	0	0	1
26 to 50.....	2	5	1	1	0	1	0	1	1	2
51 to 75.....	0	1	1	1	0	0	0	0	0	1
76 to 100.....	24	21	0	0	0	0	2	2	0	0
Group II:										
0 to 25.....	2	2	3	2	3	3	1	1	3	3
26 to 50.....	6	6	0	1	3	3	0	1	4	3
51 to 75.....	1	1	1	1	1	0	0	0	2	1
76 to 100.....	16	15	3	3	0	1	0	0	2	2
Group III:										
0 to 25.....	3	2	4	3	0	1	1	0	4	3
26 to 50.....	2	2	1	1	1	1	0	0	4	2
51 to 75.....	2	2	0	1	0	0	0	0	0	0
76 to 100.....	14	15	4	4	1	0	0	0	2	1
Group IV:										
0 to 25.....	5	4	3	3	1	1	2	2	2	1
26 to 50.....	2	3	0	0	0	0	1	2	1	2
51 to 75.....	1	0	0	0	0	0	1	0	0	1
76 to 100.....	8	10	2	1	0	0	0	0	3	3

¹ See table 2 for explanation of size groups.

The data presented here are subject to some bias because operators find little reason to inquire about the workers' domicile. The figures represent the distance which operators must go to secure workers. The operators who knew that their workers were from nonlocal points reported this fact, but those who did not know reported local points. More of them reported workers from outside the State than from nonlocal points within Missouri. This seems to indicate that more of the nonlocal workers were following the cotton crop from the South northward.

The years 1939 and 1940 were considered unusual so far as migrant laborers were concerned. In 1940, particularly, fewer workers were said to have come to the area because of the late maturity of the crop. Farmers indicated that had the study been made for earlier years, greater importance would have been shown for migrant labor.

TABLE 19.—Numbers of operators securing specified percentages of their workers by their own and by worker solicitation for key operations, for regular, local seasonal laborers, and nonlocal seasonal labor, New Madrid County, Mo., 1940 (preliminary)

Item (percent)	Number of operators					
	Preparation and planting		Chopping and hoeing		Harvesting	
	Operator	Worker	Operator	Worker	Operator	Worker
Regular labor:						
100.....	10	49	11	46	11	43
83.....		1	1	1	1	1
50.....	1	1				1
17.....	1					
Local seasonal labor:						
100.....			41	25	52	32
98.....			1		1	
75.....			1		1	
60.....			1		1	
50.....			2	2	6	6
40.....				1		1
25.....				1		1
2.....				1		1
Nonlocal seasonal labor						
100.....			3	1	12	18
90.....	1					
50.....					2	2
10.....		1				

TABLE 20. *Number of farms having specified proportions of white workers, New Madrid County, Mo., 1940 (preliminary)*

Item	Percentage of white workers			
	0 to 25	26 to 50	51 to 75	76 to 100
	Number	Number	Number	Number
Regular workers	10	11	2	46
Seasonal workers, local	18	19	7	59
Nonlocal	9	2	1	21

Method of securing labor

All of the workers on the farms included in this study were employed either by solicitation on the part of the workers or by the operators themselves. The operators hired most of the regular workers as a result of workers searching out the jobs, whereas most of the seasonal laborers were hired as a result of the operators seeking out the workers (table 19).

By far a greater proportion of the workers on farms included in this study were white. Forty-eight of the 59 farms hiring regular workers reported that between 50 percent and 100 percent of their workers were white. Sixty-six of the 103 farms hiring local seasonal laborers reported that at least half of their workers were white, and 22 of the 33 farms hiring nonlocal seasonal laborers reported that at least half of their workers were white. For each of the classes of labor (regular and seasonal), a high proportion of the farms reported that all of their workers were white. Evidence of this is shown in table 20 by the large numbers of farms listed in the 76-100 percent column, indicating that between 76 percent and 100 percent of the workers on these farms were white.

Source of seasonal labor

Most of the farmers included in this study got their off-farm labor from within New Madrid County, but a few secured it elsewhere. Practically all farm operators reported that they drew all or part of their laborers from within the group of counties in southeastern Missouri, but eight operators secured some of their seasonal workers from other States, including Tennessee, Mississippi, Arkansas, Kentucky, and Louisiana (table 21).

Eight percent of the farm operators included in the study stated that they had made no change in the source of their seasonal labor during the past 5 years. Ten reported that they were getting labor from nonlocal points now, whereas earlier they had used local labor. Seven farmers had changed from nonlocal labor to local labor.

TABLE 21.—*Number of farm operators securing their seasonal labor from specified sources, New Madrid County, Mo., 1940*

Source	Number	Source	Number
New Madrid County	80	New Madrid County and other south-	
Other southeastern Missouri counties	8	east Missouri counties	8
Elsewhere in Missouri	2	Other States	3
Points outside Missouri	3	Other southeastern counties and other States	1
		Elsewhere in Missouri and other States	1

Use of State employment service

At the request of the United States Employment Service, which is affiliated with the Missouri State Employment Service, the questions, "Did you use the State employment service?" and "If not, why not?" were added to the field schedule. The farm placement service of the Missouri State Employment Service still a very young organization. Within the last 2 or 3 years the service has made a concerted effort to supply farmers with laborers and much has been accomplished.

As the reports were tabulated, 81 farmers reported that labor was so plentiful that they did not need to call upon the employment service, 4 did not know of its existence or were under the impression that a charge would be made for each worker supplied, and 10 did not believe that the service supplied good workers.

or they preferred to select their own workers. Two farmers had used the service and were satisfied. Eighteen records did not give answers to the questions, of which 9 employed no workers. The other 9 probably did not know the service existed.

This lack of use of the employment service indicates a need of additional educational programs directed at employer and employee groups, so that the service may be more useful in distributing the supply of laborers. Employing farmers apparently feel that the service should be used only when labor is short, whereas, such an organization is as useful and sometimes more useful to workers, employers, and communities when it can redirect surpluses of laborers.

Mobility of farm operators

A high proportion (72 percent) of the farm operators included in the study began their farming experience in New Madrid County or had been in the county for 20 years or more. The tabulations showed that 83 either began their tenure history in the county or were there during the past 20 years. Twelve others began in other counties in southeastern Missouri, while 7 had come to the county, from Mississippi and Red River delta counties of Arkansas, Tennessee, Mississippi, Louisiana, and Texas. Only 3 came from the mountainous parts of Missouri, Arkansas, and Oklahoma, while 18 others came from various other States (table 22). The delta areas of Missouri, Arkansas, Tennessee, Mississippi, Louisiana, and Texas, combined, supplied 103 of the 115 farmers. The Ozark areas supplied only 3 of these. Most of the 18 farmers from the other sections of the country came from the Corn Belt group of States and from Kentucky.

Analysis of these data by size groups of farms fails to show any striking difference in connection with the origin of the operators. One obvious factor is that only one of the farmers in group IV has had less than 10 years of tenure history. In this case the young operator's father had bought the farm for him. One or two similar instances were found among young operators in group III. Aside from these observations, there appears to be no connection between years of farming experience or years of farming experience in the area and one's ability to progress beyond particular sizes of operations. More than half of the operators in each size group of farms have had more than 15 years of experience in the area. The factors of ability, capital, and chance, appear to be more influential.

TABLE 22.—Location of farm operators at beginning of their tenure history, or 20 years ago, by size groups of farms, New Madrid County, Mo. (preliminary)

Size groups of farms	Years of tenure history	Numbers reporting tenure origin by specified localities				
		New Madrid County, Mo.	Other southeastern Missouri counties	Mississippi and Red River Delta counties	Hill areas of Missouri, Arkansas, Oklahoma	Elsewhere
Total		83	13	7	3	18
All groups	0 to 5	4	0	0	1	0
	6 to 10	8	0	0	0	2
	11 to 15	8	1	1	0	0
	16 to 20	5	4		0	3
	Over 20	48	8	6	2	13
Group I	0 to 5	2	0	0	0	0
	6 to 10	2	0	0	0	1
	11 to 15	3	1	0	0	0
	16 to 20	2	1	0	0	1
	Over 20	16	1	1	1	4
Group II	0 to 5	0	0	0	1	0
	6 to 10	2	0	0	0	0
	11 to 15	3	0	0	0	0
	16 to 20	1	1	2	0	1
	Over 20	13	3	2	0	3
Group III	0 to 5	1	0	0	0	0
	6 to 10	4	0	0	0	1
	11 to 15	0	0	1	0	0
	16 to 20	1	0	0	0	1
	Over 20	10	3	1	1	5
Group IV	0 to 5	1	0	0	0	0
	6 to 10	0	0	0	0	0
	11 to 15	2	0	0	0	0
	16 to 20	1	2	0	0	0
	Over 20	9	1	2	0	1

Farm operators included in the study have moved less than three times during that part of their tenure history that falls in the last 20 years (table 23). Operators with the longer history have moved less frequently than those with shorter experience. This stands out particularly among those having more than 20 years of tenure history in group IV. This particular group of farmers have moved 0.07 time each, per year, or less than a move in 10 years.

Farmers included in the larger size groups of farms have moved less frequently than those on smaller farms, but the difference is slight. Most of the farmers with less than 5 years of tenure history are still on their first farms, while those with between 6 and 10 years of experience have moved an average of 1½ times. More than half the moves made by the latter were made by 3 farmers in group I. Those with between 11 and 15 years of experience have moved an average of 3.8 times with farmers in each size group having moved between 3 and 6 times.

During the last 10 years, farmers in smaller size groups of farms moved more frequently than those on larger farms. According to the farmers, the moves resulted in an improvement in their economic status slightly more frequently than was the opposite (table 24). Approximately half of the moves in each size group were made because land conditions, purchase of a farm, or because the farmer rented a larger farm in the case of those reporting a move to their advantage. Moves made to improve tenure status accounted for between 20 and 50 percent of the moves within the various size groups of farms. Housing was another influential factor for farms in the two smaller-size groups.

The most important factors causing moves to the farmer's disadvantage was foreclosure, high rents, or the sale of farm by the landlord to another party. A second factor, important among farmers in the two smaller size groups, was housing and working conditions.

Changes in tenure status occurred half as frequently as moves from farm to farm. Farmers in the larger size groups tend to change their status less frequently than those in the smaller size groups (table 25). Those in group I have changed their status an average of more than twice during their histories, but within the past 20 years. Those in this size group with more than 10 years of experience have changed status much more frequently than was the case of farmers with comparable tenure histories in larger size groups. Farmers with less than 10 years of experience in all size groups have changed tenure status very little, and little difference is shown between size groups for them.

TABLE 23.—Numbers of times farm operators have moved during their tenure history, but within the past 20 years, by size groups of farms,¹ New Madrid County, Mo. (preliminary)

Years of tenure history	Number of operators	Number of moves	Years of tenure history	Number of operators	Number of moves
Total.....	114	309	Group III.....	29	80
All groups:			0 to 5.....	1	0
0 to 5.....	5	2	6 to 10.....	5	6
6 to 10.....	10	15	11 to 15.....	1	4
11 to 15.....	10	38	15 to 20.....	2	9
16 to 20.....	12	46	Over 20.....	20	61
Over 20.....	77	208	Group IV.....	19	43
Group I.....	36	129	0 to 5.....	1	0
0 to 5.....	2	0	6 to 10.....	0	0
6 to 10.....	3	8	11 to 15.....	2	11
11 to 15.....	4	12	16 to 20.....	3	14
16 to 20.....	4	27	Over 20.....	13	18
Over 20.....	23	82			
Group II.....	30	77			
0 to 5.....	1	2			
6 to 10.....	2	1			
11 to 15.....	3	11			
16 to 20.....	3	6			
Over 20.....	21	57			

¹ See table 2 for explanation of size groups.

TABLE 24.—Reasons for moves made during the past 10 years, by size groups¹ of farms, New Madrid County, Mo., 1940 (preliminary)

Reasons for moves	Number reporting, by size groups			
	Group I	Group II	Group III	Group IV
Economic betterment.....	30	20	17	12
(a) Purchase land, more land, or better land.....	13	11	9	5
(b) Better landlord.....	0	0	2	0
(c) Better housing or conditions.....	6	5	0	1
(d) Improvement of tenure status.....	10	4	5	6
(e) Better A.C.P. allotment.....	1	0	1	0
Economic loss.....	26	16	16	11
(a) Flood, drought, or crop failure.....	4	1	3	3
(b) Foreclosure, farm sold, or rents too high.....	9	9	10	4
(c) Housing, working conditions, unprofitability of farming, or just could not get place another year.....	8	4	1	2
(d) Loss of tenure status.....	4	0	1	2
(e) A.C.P. allotment too low.....	0	2	1	0
(f) Displaced or disagreement.....	1	0	0	0
Neither betterment nor loss (personal reasons, health, relatives, caused move, or "just wanted to move").....	5	3	4	4
No change in location.....	7	11	7	4
No reason given.....	1	3	1	5

See table 2 for explanation of size groups.

TABLE 25.—Number of changes in tenure status of operators during their experience, but within the past 20 years, by size groups of farms,¹ New Madrid County, Mo., 1940 (preliminary)

Years of tenure history	Number of operators	Number of changes in tenure status	Years of tenure history	Number of operators	Number of changes in tenure status
Total.....	114	157	Group II—Continued		
All groups:			11 to 15.....	3	1
0 to 5.....	5	3	16 to 20.....	3	4
6 to 10.....	10	7	Over 20.....	21	27
11 to 15.....	10	16	Group III.....	29	36
16 to 20.....	12	26	0 to 5.....	1	0
Over 20.....	77	105	6 to 10.....	5	3
Group I.....	36	71	11 to 15.....	1	3
0 to 5.....	2	1	16 to 20.....	2	2
6 to 10.....	3	4	Over 20.....	20	28
11 to 15.....	4	8	Group IV.....	19	16
16 to 20.....	4	16	0 to 5.....	1	0
Over 20.....	23	42	6 to 10.....	0	0
Group II.....	30	34	11 to 15.....	2	4
0 to 5.....	1	2	16 to 20.....	3	4
6 to 10.....	2	0	Over 20.....	13	8

¹ For explanations of size group see table 2.

PART IV. VARIATIONS IN SHARECROPPERS' ACREAGE SHARES

PREPARED BY HOWARD A. TURNER

Far down on the tenure ladder in the land where the cotton is grown are the croppers and their families. Their one asset is labor. For their agreement to furnish it, they have obtained share interests in the crop. In the more intensive of the cotton-growing areas the tenure interests of croppers are mainly confined to cotton along with small patches of land for gardening, use of a cabin for the year, and the privilege of cutting wood with which to cook and keep warm wherever woodlands occupy any considerable part of the farm land. A minority of the croppers have an acreage interest in the corn but the enterprises other than cotton are enterprises that employers prefer to attend to themselves, or with hired labor; in southeastern Missouri this is usually true even of the cotton acreage. Some of this hired labor is furnished by cropper families, particularly by the cropper families who are assigned the smaller acreages of cotton.

The cotton crop requires the services of an enormous number of workers; but the peak periods of labor in the crop may be got through by the use of about anyone who can handle a hoe at chopping time or pick or pull the cotton bolls at harvest time. Women and children do much of this peak-labor work of chopping and picking, and the cropper system makes it possible for them to do it close to their homes and on terms that make them feel that the more they accomplish the more they will have, as a family, at the end of the year.

Since before the Civil War there have been laborers who have contracted on behalf of their families as croppers in order that family members who could work might have convenient needed employment on desirable terms, arranging with the same employer to work personally as hired hands by the day or month whenever needed by him. It is unfortunate that little is known concerning the relative extent to which, in normal times, croppers have themselves been laborers for wages in essential aspects, taking the supplemental status of croppers primarily to meet the needs of their family for work. It is reasonable to believe that under present conditions a much larger proportion of croppers would qualify as members of this group than has been the case under more normal conditions existing in the past. Several factors are responsible for this.

To would-be cotton croppers the cuts in cotton acreage through crop control must have meant less chance to get places as croppers, and less chance to get enough cotton acreage to give anything like full work to the entire cropper family. Geared in 1925 and 1926 to the production of cotton on a large scale, as evidenced by the plantings of close to 45,000,000 of acres in these years, the cotton-growing enterprise of the country has taken enormous cuts. Ever since 1933 the cotton plantings have been less, by at least 10,000,000 of acres, than they were in 1925 and 1926.

Cuts in cotton acreage have largely come about in compliance with programs of the Agricultural Adjustment Administration; but the Agricultural Adjustment Administration program has otherwise affected relations between would-be croppers and prospective employers and in a way that is likely to lessen the opportunity of the cropper class still further. This has come about as a result of rulings to the effect that payments under the agricultural adjustment program for conformance with acreage allotments must be divided between landlords and sharecroppers, to the extent of their acreage interest in crops, in the same proportion that these persons are entitled at the time the crop is harvested, to share in the proceeds of the crops grown on the farm. Under this ruling employers have sometimes observed payments going to croppers large enough to have paid all the cost there would have been to have hired the work done up to the time of harvest. Realization of this situation would naturally tend to discourage employers from increasing acreages worked by croppers and they would tend to cut the cropper acreage and increase the wage-force acreage so far as it is practicable to do so.

A cropper family of ordinary size and composition can tend 20 acres of cotton quite well, and in so doing keep itself reasonably well employed. However, it probably will be necessary to hire extra labor during peak seasons. If from this acreage it can count on half of the crop for performing the labor, and if the crop runs around two-thirds of a bale or more per acre, it will be reasonably well paid for its labor, but not overpaid. For the Mississippi Delta area, 350 pounds per acre as the yield of lint is a fair assumption. Assuming, also, that he can sell the cotton at 10 cents a pound, the seed being taken to pay ginning and incidental farm operating costs to the cropper, the result is only \$35 per acre. A cropper,

in this area, with a 10-acre interest in the crop would realize a cotton-crop income of \$350 as pay for what he and his family did. To repay any hired labor he may have had to employ this income would be reduced. This \$350 is not much, but most cropper families ordinarily have to live on less. The cotton-acreage interest of a group of 1,631 Missouri cotton croppers in New Madrid County amounted, all told, to only 14,325.6 acres (table 1) which, on an average, means only 8.8 acres of cotton per family. Supplemental to this, the group had an acreage interest in the corn amounting to 2,493.8 acres, or an average of 1.5 acres per cropper family.

The typical cropper in New Madrid County did not have so much as 8.8 acres of cotton per family or 1.5 acres of corn. The arithmetic average is affected by extreme items, and, in this instance, the majority of the croppers had less than 8.0 acres. The greatest number of croppers were included in the frequency class 3.0 to 3.9 acres (table 3). The 498 croppers who had less than 5-acre interest in the cotton crop had an aggregate acreage interest in the cotton no greater than the 52 croppers who had the largest acreage interest in the cotton (table 2). All 52 of these last mentioned croppers had at least 24.0 acres of cotton as their interest. The typical cropper had no interest in corn. Indeed only 466 of the 1,631 croppers had any interest in the corn acreage; that is, only 29 percent of the number.

It might seem incredible that any workers would take the status of croppers if their acreage interest in the crop could amount to so little as 2 acres, but 44 of the 1,631 cropper interests were restricted to less than 2 acres of cotton. These workers, and most of the others with very small acreage interests in the cotton, were obviously not so much croppers as they were wage workers. There is only slight possibility that any of the 1,631 cropper interests presently examined belonged to any parties with a higher status than that of cropper or laborer. There were 27 persons of cropper status interested in cotton as croppers with supplemental interests in the cotton acreage under a higher status, but none of these 27 are counted in with the 1,631 croppers now under scrutiny.

In addition to the 44 croppers mentioned with less than a 2-acre interest there were 120 who had a 2-acre but less than a 3-acre interest in the crop, 168 with a 3-acre but less than a 4-acre interest, 166 with a 4-acre but less than a 5-acre interest, 149 with a 5-acre but less than a 6-acre interest, and so on, with a generally lessening number of croppers in each successively larger acreage interest group (table 3). Of the cropper interests, 30½ percent were interests of less than 5 acres of cotton—interests so small that the income possibilities would seem to indicate that the status was taken more in order to furnish work for the wife and children of the cropper family than to furnish work for the head of the family. He, the cropper, it would seem, must have worked elsewhere for the operator for wages in order to obtain the supplemental income that the family must have needed. No doubt many of the croppers with somewhat larger than 5-acre interests in the cotton likewise had to take wage work in order to obtain needed income. Of all 1,631 cropper interests here studied, 68.6 percent were interests of less than 10 acres of cotton.

There were a few small-acreage interests in the cotton in the hands of those who were not croppers but only 9 percent of the interests held by noncroppers were interests of less than 5 acres of cotton, and only 26 percent were of less than 10 acres of cotton. Croppers had but a 4 percent interest in the corn acreage.

TABLE 1.—Numbers of sharecroppers having acreage share interests in cotton and corn, and their acreage shares, New Madrid County, Mo., 1941¹ (preliminary)

Item	Number of croppers	Percent of all croppers	Acreage share ²
Total	1,644	100.0	16,881.2
Cotton	1,631	99.2	14,325.6
Corn	479	29.1	2,555.6
Corn with no cotton	13	.8	61.8

¹ The 1,644 cropper interests in cotton and corn here analyzed are those of croppers who had no other tenure interest in the crops save as they may have worked for wages. There were 32 other cropper interests in the cotton and corn, 27 of them interests in the cotton and 16 of them interests in the corn, that were held by parties, who, although with cropper status as respects cotton or corn, also held a status in the tenure groups above the cropper with noncropper tenure interest in the cotton and/or corn on other acreage.

² Acreage share is the product of the total acres worked multiplied by the percentage of the crop accruing to the cropper. For example, assume that a cropper works 20 acres and that his share of the production is 50 percent, then, his acreage share would be 10.

TABLE 2.—Numbers of sharecroppers with specified acreage shares of cotton and corn, and the aggregate acreage shares, by frequency classes, New Madrid County, Mo., 1941¹ (preliminary)

Frequency class (acres)	Croppers having—				Acreage shares	
	Cotton		Corn		Cotton	Corn ²
	Number	Percent	Number	Percent		
0.1 to 4.9	498	30.5	79	17.0	1,674.1	221.8
5.0 to 9.9	621	38.1	198	42.4	4,469.5	788.2
10.0 to 14.9	293	18.0	110	23.6	3,556.2	567.3
15.0 to 19.9	145	8.9	40	8.6	2,502.2	345.3
20.0 to 24.9	42	2.6	20	4.3	920.0	190.0
25.0 and over	52	1.9	19	4.1	1,200.5	381.2
Total	1,631	100.0	466	100.0	14,325.6	2,493.8

¹ See footnote 1, table 1, above.

² Excludes those having corn only.

TABLE 3.—Frequency distribution of numbers of sharecroppers with specified cotton acreage, New Madrid County, Mo., 1941¹

Frequency class (acres)	Number	Frequency class (acres)	Number
Less than 1	6	14.0 to 14.9	48
1.0 to 1.9	38	15.0 to 15.9	36
2.0 to 2.9	120	16.0 to 16.9	27
3.0 to 3.9	168	17.0 to 17.9	33
4.0 to 4.9	166	18.0 to 18.9	29
5.0 to 5.9	149	19.0 to 19.9	20
6.0 to 6.9	128	20.0 to 24.9	42
7.0 to 7.9	140	25.0 to 29.9	12
8.0 to 8.9	109	30.0 to 34.9	7
9.0 to 9.9	95	35.0 to 39.9	5
10.0 to 10.9	84	40.0 to 49.9	3
11.0 to 11.9	52	50.0 to 59.9	1
12.0 to 12.9	74	60.0 to 69.9	1
13.0 to 13.9	35	70.0 and over	3

¹ See footnote 1, table 1, preceding page.

PART V. ANALYSIS OF SUBTENANT AND WAGE LABORER RECORDS

PREPARED BY J. C. FOLSOM, E. J. HOLCOMB, AND G. M. MURRAY

Employment and earnings of cotton farm workers in southeastern Missouri¹

Cotton farm workers in southeastern Missouri are seriously underemployed during much of the year. This can be demonstrated from the standpoint of the families as a whole, as well as from that of individual workers.

The total amount of employment of any kind per family was barely over a man-year (376.60 man-days) in 1940 in share-tenant families, the most largely employed group considered here (table 1). In other groups, one person would have put in as much time by himself as did all workers in his family. Sharecropper families averaged 280.94 days. These two classes have interest in their crops and crop-season attachment to them. But wage laborers did not fare so well. The families of regular² laborers had 253.12 man-days of work. Casual worker families, such as cotton choppers and pickers reported 166.43 and 207.62 man-days, respectively.

¹ The data upon which this discussion is based were from special preliminary tabulations of figures obtained by a survey in New Madrid County, the field work of the survey was completed in October 1941. The data obtained come from persons classified according to their employment when interviewed in 1941. Many did other work in 1940. Most of them were the heads of families, both white and colored; a few were Spanish Americans. It should be noted that farm wages in 1941 have been somewhat higher than a year earlier. Day wages rose from 75 cents to \$1-\$1.25; cotton chopping, from 75 cents and \$1 to \$1.25; cotton picking, from 75 cents per hundredweight to \$1.25-\$1.50. These increases gave laborers somewhat larger earnings this year, even though there may have been less actual employment of wage laborers in terms of man-days because of weather and crop conditions.

² Hired for most or all of the year, and often living on the employer's farm.

The families were all comparatively idle in January and February. Their peak of employment came in October when cotton picking can and often does use every member of the family, young and old, whole hands and part hands. In that month the families averaged at best $3\frac{1}{2}$ times as many man-days as in January.

Of the families included in this tabulation, share renters averaged 5.7 persons; sharecroppers, 4.6; regular laborers, 3.7; cotton choppers, 3.3; and cotton pickers, 2.7. Data are not yet available concerning numbers of actual workers per family. Assuming half of these were potential workers, their employment in man-days per individual worker in 1940 would have averaged 132 from share-renter families; 122 from sharecroppers; 137 from regular laborer families; 101 from cotton choppers; and 154 from those of cotton pickers. On the basis of a 300-working-day year, they were unemployed from half to three-fifths of the time.

More concretely, employment for individual heads of families can be considered. It was much steadier than for their families as a whole. Still, in the busiest months of the year they worked from $2\frac{1}{2}$ to $6\frac{1}{2}$ times as many man-days as in January (table 2). Only renters or croppers averaged more than 20 days in even the rush months, and wage labor class averages ranged from 15 to 19 days. For the year as a whole, family heads had from 106 to 182 days of work. This shows that they, the breadwinners and steadiest workers, were idle from two-fifths to two-thirds of the time.

TABLE 1.—*Man-days: Average numbers worked by specified classes of families on farms in New Madrid County, Mo., by months, 1940*

Class of worker and month or year	Persons interviewed as—				
	Share tenants (24 reports)	Sharecroppers (25 reports)	Regular laborers (25 reports)	Casual cotton choppers (21 reports)	Casual cotton pickers (26 reports)
Head of family:	<i>Man-days</i>	<i>Man-days</i>	<i>Man-days</i>	<i>Man-days</i>	<i>Man-days</i>
January	3.12	3.64	8.08	3.86	7.54
February	4.30	4.60	10.06	4.48	8.50
March	12.73	11.08	12.62	8.24	11.00
April	16.09	17.44	17.04	10.86	11.81
May	18.75	19.88	18.40	9.14	11.77
June	20.37	21.74	18.92	11.45	13.88
July	17.29	20.02	18.30	6.81	9.88
August	10.67	12.38	13.44	4.10	7.00
September	12.21	12.72	14.04	6.83	10.23
October	17.54	18.72	19.16	14.74	17.50
November	16.41	17.52	18.16	13.83	12.46
December	13.37	14.32	14.24	11.71	9.69
Family members other than head:					
January	.92	.64	.08	2.19	2.19
February	1.37	.80	.60	3.33	2.08
March	5.71	1.24	1.24	1.62	2.38
April	7.67	1.24	2.28	1.62	2.08
May	18.25	8.88	6.80	4.24	3.58
June	29.83	19.44	9.64	4.72	7.92
July	23.29	11.44	5.20	3.10	5.69
August	7.29	1.56	2.00	2.10	3.50
September	20.83	7.72	4.52	4.90	5.81
October	48.38	23.04	17.80	14.28	16.73
November	32.92	18.88	11.16	11.71	13.81
December	17.29	12.00	6.40	6.57	10.58
All persons:					
January	4.04	4.28	8.16	6.05	9.73
February	5.67	5.40	10.60	7.81	10.58
March	18.44	12.32	13.86	9.86	13.38
April	23.76	18.68	19.32	12.48	13.89
May	37.00	28.76	25.20	13.38	15.35
June	50.20	41.18	28.56	16.17	21.80
July	40.58	31.46	23.50	9.91	15.57
August	17.96	13.94	15.44	6.20	10.50
September	33.64	20.44	18.56	11.73	16.04
October	65.92	41.76	36.96	29.02	34.23
November	49.33	36.40	32.32	25.51	26.27
December	30.66	26.32	20.64	18.28	20.27
Head, total, 1940	162.85	174.06	182.40	106.05	131.26
Family members, total, 1940	213.75	106.88	70.72	60.38	76.35
All persons, total, 1940	376.60	280.94	253.12	166.43	207.62

Employment on cotton farms in southeastern Missouri is irregular during the year. In winter it is low. It is larger in March when spring preparation of land begins. Cotton chopping in May and June brings a rush of work exceeded only by picking in September and October. Family heads do half of their year's work in 5 months, and some do two-thirds of it in 6 months. In peak months only those of regular laborer families worked less than 12 percent of their annual total of man-days. Members of the family other than the head, as a whole, put in at least one-fifth of their year's work in October. Families as a whole got in at least one-seventh of their working time then.

The family heads do the larger part of the work by their families, but work of other members is important. In the wage laborers' families those members did one-fourth to one-third of it. In sharecropper and renter families, averaging successively larger in numbers and presumably workers, the proportions of working time put in by members was increased, to nearly two-fifths and three-fifths, respectively. The earnings of wage laborers³ on cotton farms in Missouri follow trends somewhat similar to those of employment. They are low in winter, and proportionately higher in summer. Their annual total for no group included averaged over \$330 per family, or \$95 per member (table 3). In cotton picking time, particularly October, earnings are somewhat high in proportion to time worked. This is because piece-work rates make it possible for adults to average earnings distinctly higher than the day-wage rates prevailing during the rest of the year on farms and in many other labor jobs.

Whatever the nature of their work, these people made extremely low annual incomes. Regular laborer families reported average earnings of \$326.98 in 1940; cotton chopper families, \$207.05; and cotton picker families, \$254.06. Per member, the respective averages were \$88.37, \$62.74, and \$94.10. In other words, no person in these families had as much as \$100 per year for his maintenance, and many had not two-thirds of that amount.

TABLE 2.—*Man-days: Percentages of 1940 total worked in each month by specified classes of families on farms in New Madrid County, Mo.*

Class of worker and month or year	Persons interviewed as—				
	Share tenants (24 reports)	Sharecroppers (25 reports)	Regular laborers (25 reports)	Casual cotton choppers (21 reports)	Casual cotton pickers (26 reports)
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Head of family:					
January.....	1.92	2.09	4.43	3.64	5.74
February.....	2.64	2.64	5.48	4.22	6.48
March.....	7.82	6.37	6.92	7.77	8.38
April.....	9.88	10.02	9.34	10.24	9.00
May.....	11.51	11.42	10.09	8.62	8.97
June.....	12.51	12.49	10.37	10.80	10.58
July.....	10.62	11.50	10.03	6.42	7.53
August.....	6.55	7.11	7.37	3.87	5.33
September.....	7.49	7.31	7.70	6.44	7.79
October.....	10.77	10.75	10.50	13.90	13.33
November.....	10.08	10.07	9.96	13.04	9.49
December.....	8.21	8.23	7.51	11.04	7.38
Family members other than head:					
January.....	.43	.60	.11	3.63	2.87
February.....	.65	.75	.85	5.52	2.72
March.....	2.67	1.16	1.75	2.68	3.12
April.....	3.59	1.16	3.22	2.68	2.72
May.....	8.54	8.31	9.62	7.02	4.69
June.....	13.96	18.19	13.63	7.82	10.37
July.....	10.89	10.70	7.35	5.13	7.45
August.....	3.41	1.46	2.83	3.48	4.58
September.....	9.74	7.22	6.39	8.12	7.61
October.....	22.63	21.56	25.18	23.65	21.92
November.....	15.40	17.66	20.02	19.39	18.10
December.....	8.09	11.23	9.05	10.88	13.85
All persons:					
January.....	1.07	1.52	3.22	3.64	4.69
February.....	1.51	1.92	4.19	4.69	5.10
March.....	4.90	4.39	5.48	5.92	6.44
April.....	6.31	6.64	7.63	7.50	6.69
May.....	9.82	10.24	9.96	8.04	7.39

³ Sharecropper and share renter earnings are not considered here because crop proceeds form a large part of their incomes and data concerning these are not yet available from this study. The fact that the families supplemented their crop incomes with as high wage earnings as they did is significant of their need.

TABLE 2.—*Man-days: Percentages of 1940 total worked in each month by specified classes of families on farms in New Madrid County, Mo.—Continued*

Class of worker and month or year	Persons interviewed as—				
	Share tenants (24 re- ports)	Share- croppers (25 re- ports)	Regular laborers (25 re- ports)	Casual cotton choppers (21 re- ports)	Casual cotton pickers (26 re- ports)
<i>All persons—Continued.</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
June.....	13.33	14.66	11.28	9.72	10.50
July.....	10.78	11.20	9.28	5.95	7.50
August.....	4.77	4.96	6.10	3.72	5.06
September.....	8.77	7.28	7.33	7.05	7.73
October.....	17.50	14.86	14.61	17.44	16.49
November.....	13.10	12.96	12.77	15.35	12.65
December.....	8.14	9.37	8.15	10.98	9.76
Head, total 1940.....	43.24	61.96	72.06	63.72	63.23
Family members, total 1940.....	56.76	38.04	27.94	36.28	36.77
All persons, total 1940.....	100.00	100.00	100.00	100.00	100.00

TABLE 3.—*Money earnings: Average amounts earned by specified classes of families on farms in New Madrid County, Mo., by months, 1940*

Class of worker and month or year	Persons interviewed as—				
	Share tenants (24 re- ports)	Share- croppers (25 re- ports)	Regular laborers (25 re- ports)	Casual cotton choppers (21 re- ports)	Casual cotton pickers (26 re- ports)
<i>Head of family:</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
January.....	0.96	4.00	10.71	7.14	12.01
February.....	.96	4.06	12.02	8.73	13.26
March.....	.92	7.45	14.41	8.54	14.25
April.....	.46	9.07	19.48	6.53	14.62
May.....	.75	8.71	20.75	7.48	15.87
June.....	.87	8.18	21.41	10.29	16.47
July.....	.79	8.44	22.03	5.72	12.10
August.....	3.92	9.14	16.96	6.32	10.24
September.....	4.88	11.23	18.77	11.40	17.38
October.....	6.24	16.00	27.76	22.39	25.94
November.....	6.40	14.17	25.60	19.08	18.39
December.....	5.06	12.26	20.66	14.38	13.20
<i>Family members other than head:</i>					
January.....	0	0	.04	1.05	2.68
February.....	0	0	.60	1.71	2.46
March.....	0	0	1.24	1.14	2.96
April.....	0	.26	2.16	1.14	2.65
May.....	0	.70	6.95	3.05	4.15
June.....	1.63	2.66	9.14	3.29	5.19
July.....	1.69	2.80	5.25	2.14	3.40
August.....	.71	.80	2.60	1.62	2.22
September.....	1.84	2.46	6.50	6.31	4.33
October.....	8.16	7.78	29.93	26.18	18.29
November.....	7.14	5.14	22.45	20.95	14.64
December.....	1.56	2.83	9.56	10.47	7.36
<i>All persons:</i>					
January.....	.96	4.00	10.75	8.19	14.69
February.....	.96	4.06	12.62	10.44	15.72
March.....	.92	7.45	15.65	9.68	17.21
April.....	.46	9.33	21.64	7.67	17.27
May.....	.75	9.41	27.70	10.53	20.02
June.....	2.50	10.84	30.55	13.58	21.66
July.....	2.48	11.24	27.28	7.86	15.50
August.....	4.63	9.94	19.56	7.94	12.46
September.....	6.72	13.69	25.27	17.71	21.71
October.....	14.40	23.78	57.69	48.57	44.23
November.....	13.54	19.31	48.05	40.03	33.03
December.....	6.62	15.09	30.22	24.85	20.56
Head, total, 1940.....	32.21	112.71	230.56	128.00	183.73
Family members, total, 1940.....	22.73	25.43	96.42	79.05	70.33
All persons, total, 1940.....	54.94	138.14	326.98	207.05	254.06

The heads of the regular laborers' families themselves earned \$230.56 in 1940; of picker families, \$183.73; of chopper families, only \$128. These earnings, small for the support of one person, show the urgent necessity that puts all members of the families to work whenever possible, to add to family incomes. Accordingly, members of regular laborer families other than the head added \$96.42 to the family wage incomes; of chopper families, \$79.05; and of picker families, \$70.33. These amounts were relatively large as shown by the fact that the addition to regular laborer-family income was 29.49 percent of the total; to chopper-family income, 38.18 percent; and in the case of picker families, 27.68 percent (table 4).

These few facts stamp the cotton-producing area of southeastern Missouri as one that has surplus labor most of the year. At cotton-picking time migratory workers are considered necessary to help local workers pick the crop. It is also an area of extremely low wage rates and low earnings among laborers. The effect of underemployment and low incomes on these families has not yet been measured by tabulation and evaluation of additional data obtained during this survey. Suffice it to say that their earnings were far too low to provide for even the minimum subsistence levels of living recommended for American families. They cannot properly provide food, fuel, clothing, medical care, housing, education, and recreation for their families, nor contribute to the social and religious organizations of their localities, nor support their local governments as taxpayers. No mention is made here of their drains on relief funds.

The effect of underemployment, low incomes, and poor living conditions is to make most of these workers wish for other work at better wages, in efforts to improve their circumstances. Yet because of their limitations they cannot soon offer much beyond unskilled, common labor. No supporting data have yet been compiled from these obtained in this survey, but it may be stated that few of the workers interviewed had been to high school, and many had not had more than 5 grades of elementary schooling. Seldom had they had any other training, although they have average capacities for it. This situation makes nearly all of them helpless victims of conditions beyond their control, compelling them to remain poorly paid, underemployed, unskilled common laborers in nearly all occupations, including agriculture.

As defense measures attract skilled workers from their ordinary skilled occupations, those next below will step up into their jobs. The movement will, in general, reach down through the masses of employees and open opportunities for the less skilled to take vacated jobs at wage rates higher than they have been getting. The drafting of men into the armed forces will force additional withdrawals from agricultural and nonagricultural production and give additional chances for even the remaining unskilled. The surplus of laborers in southeastern Missouri should furnish some of the workers needed elsewhere.

TABLE 4.—Money earnings: Percentage of 1940 total earned in each month by specified classes of families on farms in New Madrid County, Mo.

Class of worker and month or year	Persons interviewed as—				
	Share tenants (24 reports)	Share-croppers (25 reports)	Regular laborers (25 reports)	Casual cotton choppers (21 reports)	Casual cotton pickers (26 reports)
	Percent	Percent	Percent	Percent	Percent
Head of family:					
January.....	2.98	3.55	4.65	5.58	6.54
February.....	2.98	3.60	5.21	6.82	7.22
March.....	2.86	6.61	6.25	6.67	7.75
April.....	1.43	8.05	8.45	5.10	7.96
May.....	2.33	7.73	9.00	5.84	8.64
June.....	2.70	7.26	9.29	8.04	8.96
July.....	2.45	7.49	9.55	4.47	6.59
August.....	12.17	8.11	7.36	4.94	5.57
September.....	15.15	9.96	8.14	8.91	9.46
October.....	19.37	14.20	12.04	17.49	14.12
November.....	19.87	12.56	11.10	14.91	10.01
December.....	15.71	10.88	8.96	11.23	7.18
Family members other than head:					
January.....	0	0	.04	1.33	3.81
February.....	0	0	.62	2.16	3.50
March.....	0	0	1.29	1.44	4.21
April.....	0	1.02	2.24	1.44	3.77
May.....	0	2.75	7.21	3.86	5.90

TABLE 4.—Money earnings: Percentage of 1940 total earned in each month by specified classes of families on farms in New Madrid County, Mo.—Continued

Class of worker and month or year	Persons interviewed as—				
	Share tenants (24 reports)	Sharecroppers (25 reports)	Regular laborers (25 reports)	Casual cotton choppers (21 reports)	Casual cotton pickers (26 reports)
Family members other than head—Continued.	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
June.....	7.17	10.46	9.48	4.16	7.38
July.....	7.44	11.01	5.44	2.71	4.83
August.....	3.12	3.15	2.70	2.05	3.14
September.....	8.09	9.67	6.74	7.98	6.16
October.....	35.86	30.60	31.05	33.12	26.02
November.....	31.46	20.21	23.28	26.51	20.82
December.....	6.86	11.13	9.91	13.24	10.46
All persons:					
January.....	1.75	2.90	3.29	3.95	5.78
February.....	1.75	2.94	3.86	5.04	6.19
March.....	1.67	5.39	4.79	4.68	6.77
April.....	.84	6.75	6.62	3.70	6.80
May.....	1.37	6.81	8.47	5.09	7.88
June.....	4.55	7.85	9.34	6.56	8.53
July.....	4.51	8.14	8.34	3.80	6.10
August.....	8.43	7.20	5.98	3.83	4.90
September.....	12.23	9.91	7.73	8.56	8.58
October.....	26.21	17.21	17.64	23.46	17.41
November.....	24.64	13.98	14.70	19.33	13.00
December.....	12.05	10.92	9.24	12.00	8.09
Head, total 1940.....	58.63	81.59	70.51	61.82	72.32
Family members, total 1940.....	41.37	18.41	29.49	38.18	27.68
All persons, total, 1940.....	100.00	100.00	100.00	100.00	100.00

Changes in economic status of sharecroppers and share tenants

Earlier in this report, effort was made to show changes in the total numbers of persons employed, and to point out changes that have occurred between types of labor groups. Later, changes between the types of laborers will be shown as tabulated from their tenure histories. In addition to these items, it is possible to indicate the economic status of workers from the amounts of their cash settlements, their credit advances, and their debts.

Cash settlements are the payments made to sharecroppers and other subtenants at the end of a crop year, and represent the value of their share of crops produced by them, minus credit advances extended for living and crop-production expense and interest on those advances. The debts here referred to are those owed to the operator and others incurred immediately before settlement. Sometimes the debts exceed the value of the subtenants' share of the crop, and the net obligation is carried over for payment in succeeding years. In such cases the amount is treated here as a negative cash settlement.

Since 1936 cash settlements of sharecroppers and share tenants declined to a low in 1937, increased during the 2 succeeding years to a level comparable with 1936, and declined again in 1940. The 1940 cash settlements were 84.3 percent and 81.6 percent of the 1936 figures for sharecroppers and share tenants, respectively (table 5).

Credit advances to sharecroppers followed a pattern similar to that described for cash settlements, except that the upward tendency continued from 1937 through 1940. In the case of share tenants, however, credit advances rose continuously from 1936 to 1940. The 1940 amount was 249.1 percent of the 1936 figure.

Debts of sharecroppers were nominal but varied. Debts of share tenants declined between 1936 and 1939. In 1940, tenants' debts were almost as large as in 1936.

The economic status of sharecroppers appears to have changed only slightly over the 5-year period, as indicated by these measures. A low point was reached in 1937, but in 1939 and 1940 credit advances plus the cash settlements practically equaled those of 1936.

A low point in the economic status of share tenants was reached in 1937, but during succeeding years their position improved considerably above the 1936 level.

TABLE 5.—*Estimated amount of cash settlements, credit advances, and debts owed at settlement, and indexes of change for sharecroppers and share tenants, New Madrid County, Mo., 1936-40 (preliminary)*

Item	Amount					Index of change, 1936=100				
	1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
Sharecroppers:										
Cash settlement	\$140	\$79	\$95	\$153	118	100.0	56.4	67.8	109.3	84.3
Credit advances	70	60	64	67	87	100.0	85.7	91.4	95.7	124.3
Debts owed	11	16	8	15	16	100.0	145.5	72.7	136.3	145.5
Share tenants:										
Cash settlement	201	82	173	190	164	100.0	40.8	86.1	94.5	81.6
Credit advances	110	163	197	223	274	100.0	148.2	179.1	202.7	249.1
Debts owed	102	69	54	49	99	100.0	67.6	52.9	48.0	97.1

In tables 6, 7, and 8, it is possible to study in detail the group progress of subtenants. In these tables frequency distributions are shown for cash settlements, credit advances, and debts. For cash settlements the mode ranged from zero to between \$100 and \$200 cash over the series of years for both croppers and tenants. The median ranged between \$55 and \$135, the peak being reached in 1939 and the low point in 1938. The number of cases included in the sample of share tenants is small, but approximately the same conclusions can be drawn for them as for sharecroppers. It is of interest that a high proportion of the croppers and tenants came out even, as regards cash settlements.

Slightly less than half of the croppers received no credit advances during each of the years shown. Among those receiving advances few borrowed as much as \$200 during the year. Excluding those borrowing no money, the median during each of the years was close to \$100 per family. Including all croppers, however, the median approached \$50 each year.

Among share tenants, nearly half of those included in the sample received no credit in 1936 and 1937, but the number diminished during succeeding years. The median was nearly \$50 in 1936, \$75 in 1937, \$150 in 1938, and 1939, and slightly more than \$170 in 1940.

Comparatively few of the subtenants owed money at settlement time. This undoubtedly is due to the large amount of wage work which they do for the operator. In turn, many of the subtenants receive no advances. For those who do, there appear to be opportunities to "work-out" the debt at various tasks, principally at cotton hoeing, chopping, and picking. Debts owed by borrowers ranged considerably. The scatter of debtor cases is so great and the cases are so few that no conclusions are offered here.

Credit advances to share tenants for 1940 were not issued at regular intervals in most cases. Five tenants reported that they received regular advances. Two of these borrowed more than \$20 per month, while three borrowed the money at weekly intervals in amounts ranging between \$5 and \$20. Among sharecroppers, on the other hand, 47 of the 116 families reported that regular sums were advanced to them. Nineteen received their advances by months, 17 every 2 weeks, and 11 each week. The amounts borrowed varied widely, but in general the amounts received per month were about the same.

Most of the credit advances to sharecroppers and share tenants were cash advances, although almost every conceivable method was reported. Sixty of the 82 croppers and 12 of the 21 share tenants receiving advances got cash. Store credit was granted to 13 croppers and 5 tenants. A combination of cash and store credit was reported by 3 croppers and 3 tenants. Two croppers obtained their credit through the operator's commissary. Other methods, such as coupon books, cash and commissary, commissary and store credit, were reported in single instances by sharecroppers.

TABLE 6.—Estimated amount of cash settlements ¹ received by sharecroppers and share tenants, by frequency classes, New Madrid County, Mo., 1936-40 (preliminary)

Frequency classes	Sharecroppers					Share tenants				
	1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
	Number of cases					Number of cases				
-\$100 and less.....	0	2	2	1	1	1	4	0	1	1
-\$0.1 to -\$99.9.....	1	6	3	2	1	1	1	0	0	0
\$0.....	12	22	21	9	17	8	10	10	5	7
\$0.1 to \$49.9.....	12	20	14	7	18	0	1	1	0	0
\$50 to \$99.9.....	17	16	23	19	25	2	0	1	5	0
\$100 to \$199.9.....	20	20	21	31	32	8	7	3	6	7
\$200 to \$399.9.....	16	14	12	20	18	4	5	5	7	6
\$400 to \$599.9.....	4	2	5	3	4	3	0	3	4	0
\$600 and over.....	3	0	0	5	0	3	1	2	2	1
Total number.....	85	102	101	98	116	30	29	25	30	22
	Dollars					Dollars				
Average (all cases).....	140	79	95	153	118	201	82	173	190	164
For cases receiving cash settlement.....	166	121	133	179	140	314	236	288	246	270
For cases receiving negative settlement.....	-40	-72	-69	-47	-62	-130	-182	0	200	158

¹ Negative cash settlement, those receiving credit advances amounting to more than their share of crops produced, are shown in "minus" frequency classes. Those receiving \$0 cash settlement came out even.

TABLE 7.—Estimated amount of credit advances received by sharecroppers and share tenants by frequency classes, New Madrid County, Mo., 1936-40 (preliminary)

Frequency classes	Sharecroppers					Share tenants				
	1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
	Number					Number				
No credit advances.....	33	46	42	40	39	13	12	6	8	3
\$0.1 to \$49.9.....	7	7	7	8	14	2	1	1	2	2
\$50 to \$99.9.....	18	19	23	19	28	1	2	2	2	1
\$100 to \$199.9.....	20	22	21	23	22	6	6	5	7	7
\$200 to \$399.9.....	6	7	8	8	11	7	5	9	5	3
\$400 to \$599.9.....	0	0	0	0	1	1	0	1	2	2
\$600 and over.....	1	0	0	0	1	0	3	1	4	4
Total number.....	85	102	101	98	116	30	29	25	30	22
	Dollars					Dollars				
Average (all cases).....	70	60	64	67	87	110	163	197	223	274
For those receiving.....	114	110	110	112	131	194	278	259	305	318

TABLE 8.—*Estimated amount of debts at settlement time for sharecroppers and share tenants, by frequency classes, New Madrid County, Mo., 1936-40 (preliminary)*

Frequency classes	Sharecroppers					Share tenants				
	1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
	Number of cases					Number of cases				
No debts	73	93	89	78	89	25	20	20	24	14
\$0.1 to \$49.9	4	7	5	9	11	0	0	1	1	1
\$50 to \$99.9	4	5	4	4	9	1	4	0	0	1
\$100 to \$199.9	3	7	3	5	7	0	2	1	4	3
\$200 to \$299.9	1	0	0	2	0	2	0	1	0	1
\$300 to \$599.9	0	0	0	0	0	1	2	2	0	1
\$600 and over	0	0	0	0	0	1	1	0	1	1
Total number	85	102	101	98	116	30	29	25	30	22
	Dollars					Dollars				
Average (all cases)	11	16	8	15	16	102	69	54	49	99
For those having debts	81	83	66	71	70	611	221	269	247	272

Interest charges on credit advances ranged between 0.0 and 14.0 percent. One out of eighteen share tenants reported no interest, while nearly one-third of the croppers paid no interest. Five of the share tenants paid interest without respect to the time they had had the money at rates ranging between 7 and 14 percent, while 12 paid between 5 and 9 percent per annum. Thirty-eight sharecroppers paid between 1.0 and 14 percent interest without respect to the time they had had the money, while 18 others paid similar interest rates on a per annum basis.

Tenure history of sharecroppers, share tenants, and wage laborers, 1931-40

Very few of the subtenants and wage laborers interviewed in the course of this study had been higher on the "agricultural ladder" than these levels during the past 10 years. Three had been cash renters, 3 had been owners, and as many as 18 had held other positions, in agriculture or in other industries.

Over the period of 10 years, the number who had been sharecroppers increased from 61 to 99, and the increases were continuous. Share renters remained almost the same throughout the period. Wage laborers almost doubled their numbers, continuously increasing year by year, with only 2 minor exceptions.

The increases came partly from farm and nonfarm people who had "slipped back on the ladder" to lower status, but more came from younger groups. Forty-six, or 23.4 percent, were young men, who during the 40 years had left their home farms and began working for themselves.

As all of the records obtained from subtenants and wage laborers were obtained from workers employed on farms included in the sample of operators, it is possible to visualize one of the serious imperfections in the movement on the agricultural ladder. On farms included in the study there were 522 subtenants and wage families. Of this number, 197 worker families were interviewed. This latter sample shows that, during the past 10 years, 23.4 percent of the workers were younger persons getting their first employment away from their parents' home. In addition, 12.1 percent of the 1940 number of subtenants and wage laborers came into these classes from other tenure or employment levels. Yet only 17 moves occurred among farm operators (pt. III, table 24). Moreover, the opportunities of the increasing numbers of workers to become operators are declining because the size of the operating units is becoming larger (pt. III, tables 2 and 3).

TABLE 9.—Tenure history of sharecroppers, share tenants and wage laborers, 1931-40, New Madrid County, Mo. (preliminary)

Tenure group	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Croppers.....	61	66	72	70	68	79	95	92	81	99
Farm laborers.....	39	42	41	48	51	53	42	52	72	74
Share renters.....	24	25	27	28	31	30	30	26	29	24
Cash renters.....	3	3	2	1	1	1	3		1	
Owners, mortgaged.....	2	2						2	2	
Owners, free of mortgage.....					1	1		1	1	
All other farm and nonfarm.....	18	13	13	12	12	12	11	12	5	
On- and off-farm labor.....	1	1	1	3	3					
No report.....	3	3	3	3	2	1	2			
On parents' farm.....	46	42	38	32	28	20	14	12	6	
Total.....	197	197	197	197	197	197	197	197	197	197

Tenure group	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Croppers.....	31.0	33.5	36.6	35.5	34.5	40.1	48.3	46.7	41.1	50.2
Farm laborers.....	19.8	21.3	20.8	24.4	25.9	26.9	21.3	26.4	36.6	37.6
Share renters.....	12.2	12.7	13.7	14.2	15.8	15.2	15.2	13.2	14.7	12.2
Cash renters.....	1.5	1.5	1.0	.5	.5	.5	1.5		.5	
Owners, mortgaged.....	1.0	1.0						1.0	1.0	
Owners, free of mortgage.....					.5	.5		.5	.5	
All other farm and nonfarm.....	9.1	6.6	6.6	6.1	6.1	6.1	5.6	6.1	2.5	
On- and off-farm labor.....	.5	.5	.5	1.5	1.5					
No report.....	1.5	1.5	1.5	1.5	1.0	.5	1.0			
On parents' farm.....	23.4	21.4	19.3	16.3	14.2	10.2	7.1	6.1	3.1	
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Security of subtenants and wage laborers

In agriculture the number of years that a worker is able to stay in one place is used as an index of his security, because in agriculture a job is likely to mean a place to live. The period during which a man stays on one farm usually measures also the period during which his family has been spared the cost and inconvenience of moving. Of course, it is an imperfect measure. A tenant farmer may be insecure because his income is low and uncertain, even though he has remained for many years on the same farm. Moreover, regardless of income, a worker may be fearful of losing his job from one year to another, or he may contemplate moving of his own accord year after year. Since these factors cannot be converted into statistical measures so far as security is concerned, length of stay has been used uniformly as an index of security, as well as a measure of stability.

In southeastern Missouri, share renters (see table 10) judged by the length of time they had spent on the land they worked in 1940, were by far the most secure of all the subtenure groups. Only one-eighth (12.5 percent) of the share renters¹ had been on their farms less than 2 years; more than one-third had been on their present farms 5 years or more and one-eighth had had a continuous stay of 10 years or more on the present farm.

By contrast, one-third of the sharecroppers and almost one-half the regular wage laborers had been on their present farms less than 2 years. Fewer than 1 out of 10 sharecroppers and fewer than 1 out of 20 regular wage laborers had been on their present farms for 10 years or more.

¹ Those receiving more than one-half of the cotton and more than one-third of the corn and supplying seed, feed, workstock or tractor power in addition to labor.

TABLE 10.—*Number of years regular workers spent on present farm, by tenure, New Madrid County, Mo., 1940 (preliminary)*

Period (in years)	Tenure						All tenures	
	Share renters		Sharecroppers		Wage laborers		Number	Per cent
	Number	Per cent	Number	Per cent	Number	Per cent		
1 to 1.9.....	3	12.5	33	33.3	36	48.6	72	36.5
2 to 2.9.....	6	25.0	18	18.2	13	17.6	37	18.8
3 to 3.9.....	4	16.7	11	11.1	13	17.6	28	14.2
4 to 4.9.....	2	8.3	10	10.1	3	4.1	15	7.6
5 to 5.9.....	1	4.2	9	9.1	1	1.3	11	5.6
6 to 9.9.....	5	20.8	10	10.1	5	6.8	20	10.2
10 and over.....	3	12.5	8	8.1	3	4.0	14	7.1
Total.....	24	100.0	99	100.0	74	100.0	197	100.0

It is not unusual for cotton workers to move from one farm to another with a particular operator rather than to stay on a farm that has changed hands, because adjustments between individuals are sometimes more difficult than are adjustments to another farm. Workers were, therefore, asked how many years they had worked for the operator of the farm on which they were employed in 1940, as well as how long they had been on that farm (see table 11). Most often, the worker had been with the operator the same number of years he had been on the farm, but there are some indications that workers felt that they could do best by moving when their employer moved. While 12.5 percent of the share renters had been on the same farm 10 years or more, 16.7 percent of them had been with the same operator 10 years or more. The respective figures for sharecroppers were 8.1 percent and 11.1 percent; for wage laborers, 4.0 percent and 5.4 percent. Similarly, 48.6 percent of the wage laborers had been at the present jobs less than 2 years, while only 43.2 percent had been with the present operator less than 2 years. And so with sharecroppers: 33.3 percent had been on their present farms less than 2 years; only 25.3 percent had been with present operator less than 2 years.

TABLE 11.—*Number of years regular workers spent with present operator, by tenure, New Madrid County, Mo., 1940 (preliminary)*

Period (in years)	Tenure						All tenures	
	Share renters		Sharecroppers		Wage laborers		Number	Per cent
	Number	Per cent	Number	Per cent	Number	Per cent		
1 to 1.9.....	3	12.5	25	25.3	32	43.2	60	30.5
2 to 2.9.....	5	20.9	16	16.2	12	16.2	33	16.8
3 to 3.9.....	5	20.8	11	11.1	13	17.6	29	14.7
4 to 4.9.....	2	8.3	14	14.1	3	4.1	19	9.6
5 to 5.9.....	1	4.2	9	9.1	1	1.3	10	5.1
6 to 9.9.....	5	20.8	13	13.1	9	12.2	27	13.7
10 and over.....	4	16.7	11	11.1	4	5.4	19	9.6
Total.....	24	100.0	99	100.0	74	100.0	197	100.0

Similar, but not identical, questions were asked of seasonal workers, hired to aid with the abnormally large volume of work on cotton farms at chopping and picking times. Unlike the workers previously discussed, seasonal workers do not live year round on the farms on which they were interviewed (cotton choppers, in June; cotton pickers in September 1941). Many of them do not live on the farms even during the brief periods for which they are employed. Tables 12 and 13 accordingly, show not the total number of years the seasonal workers had stayed on their present farms or worked with the present operators (as did tables 1 and 2), but the years during which they had done any work at all on the farms or for the operators. These data, therefore, are a much less satisfactory measure of security. These extra seasonal workers, of course, are notoriously insecure and more particularly is this true for the migrants.

The information presented here was obtained merely to find out whether seasonal workers, especially migrants, in southeastern Missouri could rely on finding work on the same farms or with the same operators year after year. Apparently few of them could. Approximately 70 percent of the seasonal workers engaged in cotton chopping and cotton picking had found work on the present farm for the first time in 1941. Fewer than 1 out of 20 had been coming back to the same farm for 5 or more years and none had found work at the farm on which they were interviewed 10 years or more. For the cotton choppers, there was apparently a better chance of finding work on the same farm than with the same operator; only 28.7 percent of the choppers had worked for the present operator more than 1 season, while 31 percent had worked on the present farm more than 1 season. For pickers, the proportion working on the present farm 1 season was exactly the same as the proportion working for the present operator only 1 season 70.1 percent. Only 3 choppers out of 87 and only 3 pickers out of 96 reporting had worked for the same operator 5 seasons or more.

Among seasonal laborers, then, it appears that personal adjustments are of secondary importance, while the farm's location was more important, but even its location must have been less important than other considerations.

TABLE 12.—Number of years during which seasonal workers engaged in cotton chopping, June 1941, and cotton picking, September 1941, worked on present farms, New Madrid County, Mo. (preliminary)

Years	Workers			
	Cotton choppers		Cotton pickers	
	Number	Percent	Number	Percent
1.....	60	69.0	75	70.1
2.....	15	17.3	13	12.1
3.....	8	9.2	3	2.8
4.....	1	1.1	2	1.9
5.....	2	2.3	2	1.9
6 to 9.....	1	1.1	1	.9
10 and over.....	0	0	0	-----
Not reporting.....	0	0	11	10.3
Total.....	87	100.0	107	100.0

TABLE 13.—Number of years during which seasonal workers engaged in cotton chopping, June 1941, and cotton picking, September 1941, worked for operator of present farm, New Madrid County, Mo. (preliminary)

Year	Workers			
	Cotton choppers		Cotton pickers	
	Number	Percent	Number	Percent
1.....	62	71.3	75	70.1
2.....	14	16.1	13	12.2
3.....	7	8.1	4	3.7
4.....	1	1.1	1	.9
5.....	2	2.3	2	1.9
6 to 9.....	1	1.1	1	.9
10 and over.....	0	0	0	-----
Not reporting.....	0	0	11	10.3
Total.....	87	100.0	107	100.0

Expected future mobility of regular and seasonal workers

Another attempt was made to delve into the security of farm tenants and laborers in this area (see table 14) by asking them whether they expected to look for work elsewhere during the next 3 months. Regular workers, that is, share renters, sharecroppers, and year-round, resident wage hands, were interviewed in February and March. They could still have changed farms in time to make a crop on a new farm in 1941. The seasonal workers engaged in chopping and pick-

ing cotton were interviewed respectively in June and September, 1941, but of course, they were only extra hands and would have been expected to move soon at any time in the year. Those who said they did not expect to move meant that they did not expect to leave the local area.

Judged by the answers to this question, tenure has extremely important effects on the security of the agricultural worker. More than 90 percent of the share renters, those having the largest bundle of rights in the land, said that they did not expect to move; a larger proportion of the sharecroppers expected to move, but even so, almost 85 percent of this group expected to stay where they were for at least another year. Among the regular wage laborers, on the other hand, the picture was not so good. More than 25 percent of the regular wage laborers expected to move within 3 months of the time they were interviewed. Approximately one-fourth of the seasonal workers engaged in cotton chopping and more than half the seasonal workers engaged in picking cotton said that they expected to hunt for work elsewhere within 3 months.

Among the regular workers, one sharecropper and two wage hands said they expected to get homes in one of the Farm Security Administration's labor home communities in nearby counties. Only three expected to go outside the area, one temporarily for seasonal agricultural work. The other two (wage laborers) hoped to find industrial work in St. Louis.

Of the seasonal wage laborers, who were going to search elsewhere for work, 12 had not decided where they would go, when they were interviewed. Several said they would go anywhere that seemed to offer a reasonable chance of work. Four wanted to stay in the neighborhood. Again, only two indicated that they might go to industrial centers. Three thought that work in agriculture offered them very little chance of a satisfactory living, but they had not made plans to seek work in industry.

Apparently, then, in 1940 and even in 1941, agricultural workers in this area had not been greatly attracted by defense work, and industrial activity and prosperity had not threatened the labor supply on Missouri cotton farms. These data lend support to the thesis that agricultural workers move, not directly to urban industrial areas, but indirectly from farms to villages and towns, taking the place of nonagricultural workers in rural areas who have gone to the cities, then later perhaps moving on to the cities to find jobs in factories.

The reason is partly found in the serious lack of vocational training among farm people, especially in the laborer and tenant groups. Other evidence obtained in this study indicates clearly, that few of the farm people in southeastern Missouri had any training or experience in handling industrial materials, or tools. The need for additional vocational guidance and training has, of course, long been recognized as a primary need of rural people.

One further point, already touched upon may be reasserted here. It is not only the insecurity and instability resulting from frequent moving that is a problem to tenants and agricultural laborers, both regular and seasonal. It is also the fear that they may find it necessary to move, that they may find it intolerable to stay where they are, or that they may be displaced and forced to move. Doubtless some of those who indicated that they expected to look for work elsewhere would not actually move, some who had feared displacement would be allowed to stay, others who wanted to move would not find other opportunities. The important point is that from year to year uncertainty is the constant outlook of so many of these farm people.

TABLE 14.—*Persons, by tenure, working on farms who expected to seek work elsewhere during the next 3 months, New Madrid County, Mo., 1941¹ (preliminary)*

Response	Regular workers								Seasonal workers			
	Share renters		Sharecroppers		Laborers		Total		Cotton choppers		Cotton pickers	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Yes.....	2	8.3	11	14.1	19	25.7	35	17.8	20	23.0	58	54.2
No.....	22	91.7	84	84.9	54	73.0	160	81.2	66	75.9	44	41.1
Not reporting.....			1	1.0	1	1.3	2	1.0	1	1.1	5	4.7
Total.....	24	100.0	99	100.0	74	100.0	197	100.0	87	100.0	107	100.0

¹ Regular workers during March, April, or May, 1941; cotton choppers during July, August, or September 1941; cotton pickers during October, November, or December 1941.

Birthplaces of regular and seasonal workers employed on New Madrid County farms

Southeastern Missouri has been called a melting pot and a last frontier. Certainly it is an area of rapid and drastic change. One phase of this state of flux is the migration of people into and out of, but mostly into the area. This Missouri "bootheel" is among the two or three centers of fastest growing population in the country. The number of people in the seven southeastern counties increased almost one-third in the last decade, and most of these people have come from other States.

Of almost 400 heads of laborer and tenant families interviewed in New Madrid County, only 77 had been born in one of the seven bootheel counties; that is to say, fewer than one out of five was native-born. (See table 15.) As might be expected, seasonal workers engaged in cotton picking showed the smallest proportion of persons born in the local area. The seasonal workers engaged in cotton chopping, however, showed a larger proportion (27.6 percent) of natives than did the supposedly more secure and more stable sharecroppers (15.2 percent).

Arkansas, Mississippi, and Tennessee contributed most of the "outsiders." These three States were the points of origin of one-third of the share renters, more than half the sharecroppers, almost two-thirds of the regular wage laborers, and more than half of the seasonal workers engaged in chopping or picking cotton. Those parts of Missouri outside of the bootheel were much less important sources of population and of labor than the neighboring cotton States.

The fact that share renters showed the largest proportion of family heads born in the area adds further support to the importance given stable tenure as an index of welfare. The people who had been born in the area and stayed there all their lives apparently had a much better chance of becoming share renters and thus obtaining a higher income than did people coming from other States to make a new start in southeastern Missouri.

Another interesting point is the great difference between the proportion of cotton choppers and the proportion of cotton pickers coming from outside the area. Less work is available at chopping time than at picking time, especially in a year like 1941 when the crop matures quickly and local labor is less able to harvest it rapidly. Perhaps this means that the migrants find it less worth while to come to the area for cotton chopping. Also, the chopping work is less certain than the picking. In 1940, the dry weather meant very few weeds and consequently very little chopping, yet 2 or 3 days of hard rain might have suddenly created a tremendous volume of work and a serious labor shortage. The migrants who, from many seasons of wandering from area to area and from crop to crop, know, in general, how the risks and opportunities vary in different areas at different times, doubtless take into account the fickleness of weather and the uncertainty of cotton chopping when deciding whether to make the trip to southeastern Missouri in June or July.

TABLE 15.—*Birthplace of family heads of regular workers' families by tenure, 1940, and of heads of seasonal workers' families engaged in cotton chopping, June 1941, and cotton picking, September 1941, New Madrid County, Mo. (preliminary)*

Birthplace	Regular workers								Seasonal workers			
	Share renters		Share-croppers		Laborers		Total		Cotton choppers		Cotton-pickers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Southeastern Missouri ¹	9	37.5	15	15.2	17	23.0	41	20.8	24	27.6	12	11.2
Elsewhere in Missouri.....	3	12.5	7	7.1	3	4.0	13	6.6	4	4.6	6	5.6
Arkansas.....	2	8.3	25	25.2	25	33.8	52	26.4	17	19.5	33	30.8
Kentucky.....	1	4.2	7	7.1	3	4.0	11	5.6	.....	.....	5	4.7
Mississippi.....	2	8.3	15	15.1	13	17.6	30	15.2	16	18.4	12	11.2
Tennessee.....	4	16.7	14	14.1	8	10.8	26	13.2	15	17.2	16	15.0
Other cotton States.....	.....	.....	8	8.1	4	5.4	12	6.1	7	8.0	13	12.1
Elsewhere in United States.....	2	8.3	8	8.1	1	1.4	11	5.6	3	3.5	6	5.6
Mexico.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	1.9
Not reporting.....	1	4.2	.....	.....	.....	.....	1	.5	1	1.2	2	1.9
Total.....	24	100.0	99	100.0	74	100.0	197	100.0	87	100.0	107	100.0

¹ Mississippi, Scott, Stoddard, New Madrid, Butler, Dunklin, and Pemiscot Counties.

Housing conditions of subtenants and wage laborers

During recent years, and especially during the last year or two, the question of housing has been definitely before the American people. Through its various housing programs the Government has improved housing and alleviated housing shortages, but much inadequate housing remains, especially in rural areas.

The report made here (see table 16) is based largely upon the judgments of local people. They were asked to report the condition of their own houses and those of their neighbors. The enumerators took pictures of many houses in New Madrid County and asked local farm people to characterize them as "good," "fair," "poor," or "dilapidated." The standard of judgment is therefore purely a local one, and it should be remembered that houses called "good" in rural farm sections of southeastern Missouri might not be regarded as "good" in other parts of the State or in other States and, on the other hand, that some buildings called "dilapidated" there, might not have been so considered elsewhere. The opinions of enumerators, who may have had very different standards from the people who lived in the houses, are not included.

The people of New Madrid County are certainly not satisfied with their housing conditions. Less than 10 percent of the regular workers thought their houses were in good condition. More than 40 percent said their houses were only fair and 33.5 percent said their houses were poor. Significant is the fact that 12.2 percent of the families visited, that is, about one out of eight, called their houses "dilapidated." This was carefully explained as meaning actually "falling into decay;" badly leaking rooms, boards missing from floors, windows broken or missing, loose and sagging beams and uprights, insecure foundations, etc. The share renters seemed to have fared best with respect to housing, as well as in stability of employment and residence. Almost 60 percent of this group reported either good or fair housing conditions. They were, however, not very far ahead of either sharecroppers or regular wage laborers, who said in more than half the cases that their houses were either fair or good.

Curiously enough, a larger percentage of seasonal workers than of any of the regular workers reported good housing; 23.0 percent of the cotton choppers and 16.8 percent of the cotton pickers reported good housing conditions.

Two things should be kept in mind in interpreting these reports. First, the standard is local and relative; and, second, many of the cotton choppers were local people who lived in towns and villages and did only seasonal work on the farms. Housing in the towns and villages, though it leaves much to be desired in the opinion of local people, is superior to housing on the farms in rural areas. It should be noted also that 21.8 percent of the seasonal workers engaged in cotton chopping, a larger proportion than in any other group, reported their houses as dilapidated.

A further indication of the inadequacy of housing is found in the report of space available to families and to individuals (see table 17).

TABLE 16.—*Condition of houses occupied by regular workers, 1940, by seasonal workers engaged in cotton chopping, June 1941, and by seasonal workers engaged in cotton picking, September 1941, New Madrid County, Mo. (preliminary)*

Condition reported	Regular workers								Seasonal workers ¹			
	Share renters		Share-croppers		Laborers		Total		Cotton choppers		Cotton pickers	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Good.....	3	12.5	9	9.1	7	9.5	19	9.6	20	23.0	18	16.8
Fair.....	11	45.8	44	44.5	31	41.9	86	43.7	29	33.3	40	37.4
Poor.....	7	29.2	34	34.3	25	33.8	66	33.5	18	20.7	32	29.9
Dilapidated.....	3	12.5	11	11.1	10	13.5	24	12.2	19	21.8	6	5.6
Not reported.....			1	1.0	1	1.3	2	1.0	1	1.2	11	10.3
Total.....	24	100.0	99	100.0	74	100.0	197	100.0	87	100.0	107	100.0

¹ Several of these workers were living in barns, other outbuildings, one was living in a cornerib.

TABLE 17.—Number of rooms per person available to families of regular workers in 1940, and to seasonal workers engaged in cotton chopping, June 1941, and cotton picking, September 1941, New Madrid County, Mo. (preliminary)

Average rooms per person	Regular workers						Total		Seasonal workers			
	Share renters		Share-croppers		Laborers				Cotton choppers		Cotton pickers	
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent
Less than 0.25.....			8	1.6			8	0.8	21	5.5	235	30.3
0.25 to 0.49.....	46	31.5	104	20.5	93	28.5	243	24.8	68	17.8	331	42.7
0.50 to 0.74.....	68	46.6	202	39.8	100	30.7	370	37.8	121	31.8	130	16.8
0.75 to 0.99.....	15	10.3	82	16.2	54	16.6	151	15.4	77	20.2	27	3.5
1.00 to 1.49.....	11	7.5	88	17.3	69	21.2	168	17.2	83	21.8	46	5.9
1.50 to 1.99.....	4	2.7	14	2.8	2	.6	20	2.1			4	.5
2.00 to 2.99.....	2	1.4	7	1.4	6	1.8	15	1.5	10	2.6	2	.3
3.00 and over.....			2	.4	2	.6	4	.4	1	.3		
Total ¹	146	100.0	507	100.0	326	100.0	979	100.0	381	100.0	775	100.0
Average number of rooms per person.....	.64		.73		.71		.71		.74		.39	

¹ Does not include one sharecropper, one chopper, and one picker who did not report.

In general, only about 1 out of 5 persons in the families of regular workers could have had a room to himself. In this respect, both sharecroppers and wage laborers fared a very little better than share renters. The seasonal workers engaged in chopping, perhaps for the reason already given, had more room space per person than any other group. Cotton pickers were worst off. Almost one-third of the pickers had less than one-fourth of a room each, and almost three-fourths had less than half a room each. Instances of 4, 5, and 6 people in a single room were not uncommon, and one cotton picker reported 36 people living in a 4-room labor cabin.

Additional information on housing conditions was obtained, but is not yet available in statistical form. It is known, however, that few of the families had tested water, or sanitary toilets, that many of the houses had no screens, and were insufficiently insulated to protect the people against severe winter weather. The incidence of respiratory diseases is apparently high in the area.

Surprisingly few of these low-income families had received public relief of any kind during 1940. Out of 391 cases in the study, only 35 reported receiving such relief. Several had worked for brief periods on Work Projects Administration projects; the sons in several of the regular workers' families had spent one enlistment in the local Civil Conservation Corps camps, the others received surplus commodities at irregular intervals—no family got as much as \$100 worth during the year. In addition to the indication of unmet need, which may be seen in the income figures already presented, it is significant that only 3 of the 19 family heads 65 years of age or over were recipients of old-age pensions. All of these persons were eligible, as near as this could be established by the interviews. Several did not know about the social-security program in their locality; several indicated that they would rather be in need than be humiliated, as they felt they would be applying for assistance.

The largest proportion who had received relief was found among the seasonal workers engaged in cotton chopping in June 1941; 16.1 percent of this group had received some sort of relief in 1940. This suggests, first, that relief was easier to obtain in local villages than in rural areas. Most of these people were from local towns and villages so they could more easily qualify for relief than the cotton pickers, more of whom were migrants. Furthermore, it suggests that employment for these people, outside of the seasonal work on cotton farms, was so scarce that more of them were forced to seek relief, for they seemed no less courageous and no less willing to work than those regularly employed on the farms.

It should be noted that the regular wage laborers had depended on relief to a greater extent than either the share renters or the sharecroppers (table 18).

The best indication of the level of living which the farm people in southeastern Missouri had attained is to be had from the record of the amount of money they used for purchases of food and clothing. Of course, some of them did not have to buy all their food. Some had excellent gardens of their own. (But it should be remarked that none realized to the extent seen on the Farm Security Administration project at La Forge, the full possibilities of a live-at-home program). Some had no gardens, and many got very little from the gardens they had.

TABLE 18.—*Relief status and number of family heads 65 years of age and over, among regular workers and seasonal workers engaged in cotton chopping or cotton picking, New Madrid County, Mo. (preliminary)*

Status and age	Regular workers						Seasonal workers			
	Share renters		Sharecroppers		Laborers		Cotton choppers		Cotton pickers	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Persons and families receiving relief	---	---	3	3.0	8	10.8	14	16.1	10	9.3
Persons and families receiving old-age pensions	---	---	---	---	2	2.7	---	---	1	0.9
Persons and families not receiving relief	24	100.0	96	97.0	66	89.2	73	83.9	97	90.7
Heads of families 65 and over	---	---	5	5.1	3	4.1	8	9.2	3	2.8
Total number persons and families	24	100.0	99	100.0	74	100.0	87	100.0	107	100.0

Still, the importance of home-food production should not be slighted. The regular workers or share renters, sharecroppers, and regular wage laborers spent approximately \$50 per person for "store" food in 1940. The seasonal worker engaged in cotton chopping spent only a few cents more per family member. Cotton pickers, however, spent half again as much, slightly more than \$75 per person. The fact that more of the pickers were migrants (many of them homeless) doubtless had something to do with their spending more. Certainly they could not afford the larger expenditure as well as the members of the regular labor force. They, being transients, had no gardens and no livestock, and, staying only a short time in one place, they did not learn where to buy most economically.

It is interesting also that regular wage laborers spent more, per person, on food than did either share renters or sharecroppers. Doubtless here, tenure status was an advantage. More of the sharecroppers and share renters had gardens and livestock of their own, and they were more successful in growing food at home than the laborers.

Single persons, many of them having broken old ties and having so far not established new ones, were in a position not unlike the migrants. They were compelled to spend more for food (and for clothing) than the individuals in families. On the other hand, the fact that they did spend more indicates to some extent unfulfilled needs of family members. This is particularly true of the seasonal laborers.

Expenditures for clothing (see tables 19, 20, 21, and 22) perhaps most clearly of all, indicate the distance the farm people in southeastern Missouri are from a level of living which can be described as even moderately prosperous but entirely appropriate in a country as wealthy as the United States.

The average amount spent by each person in the families of regular laborers on cotton farms in New Madrid County in 1940, only slightly over \$15, indicates at once how little new clothing these people could buy, each year. Here again single individuals, having only themselves to care for, were in a relatively advantageous position. The single wage hands who were regularly employed on New Madrid County farms spent more than twice as much as did any of the individuals in family groups.

Single persons also fared best among the seasonal workers. Among the cotton pickers, single hands spend more than three times as much (\$62.87 as against \$19.29) as did family members. Here again, however, the pickers, both single and family spent more per person than did regular workers of all tenure groups. The greater amount of traveling the nonlocal workers did (and many of the pickers were nonlocal people), doubtless made more clothing necessary, especially when it is remembered that farm migrants travel through extremes of climate.

TABLE 19.—Amount spent per person for clothing by families of regular workers, by tenure, New Madrid County, Mo., 1940 (preliminary)

Average amount spent per person	Tenure								All tenures	
	Share renters		Sharecroppers		Wage laborers					
	Number	Percent	Number	Percent	Single		Family		Number	Percent
\$0 to \$4.99.....	1	4.2	3	3.0			9	11.3	13	6.6
\$5 to \$9.99.....	3	12.5	26	26.3			13	20.6	42	21.3
\$10 to \$14.99.....	5	20.8	28	28.3	1	9.1	15	23.8	49	24.9
\$15 to \$19.99.....	6	25.0	17	17.2			11	17.4	34	17.3
\$20 to \$29.99.....	5	20.8	14	14.1	2	18.2	8	12.7	29	14.7
\$30 to \$39.99.....	2	8.3	3	3.0	3	27.3	3	4.8	11	5.6
\$40 and over.....	1	4.2	6	6.1	5	45.4	3	4.8	15	7.6
Not reporting.....	1	4.2	2	2.0			1	1.6	4	2.0
Total.....	24	100.0	99	100.0	11	100.0	63	100.0	197	100.0
Average expenditure per person.....	\$17.09		\$15.01		\$38.82		\$13.11		\$15.06	

TABLE 20.—Amount spent per person for clothing in 1940 by families of seasonal workers engaged in cotton chopping in New Madrid County, Mo., June 1941 (preliminary)

Amount spent per person	Wage laborers					
	Single		Family		Total	
	Number	Percent	Number ¹	Percent	Number	Percent
\$0 to \$4.99.....	3	13.0	11	17.2	14	16.1
\$5 to \$9.99.....	1	4.3	15	23.4	16	18.4
\$10 to \$19.99.....	5	21.8	17	26.5	22	25.3
\$20 to \$29.99.....	2	8.7	9	14.1	11	12.6
\$30 to \$39.99.....	5	21.8	6	9.4	11	12.6
\$40 to \$49.99.....	1	4.3	1	1.6	2	2.3
\$50 and over.....	2	8.7			2	2.3
Not reporting.....	4	17.4	5	7.8	9	10.4
Total.....	23	100.0	64	100.0	87	100.0
Average expenditure per person ¹	\$25.53		\$12.50		\$13.44	

¹ For number of families reporting amount spent for clothing.

TABLE 21.—Amount spent per person for clothing in 1940 by families of seasonal workers engaged in cotton picking, New Madrid County, Mo., September 1941 (preliminary)

Amount spent per person	Wage laborers					
	Single		Family		Total	
	Number	Percent	Number	Percent	Number	Percent
\$0 to \$4.99			4	6.3	4	3.7
\$5 to \$9.99	1	2.3	10	15.9	11	10.3
\$10 to \$14.99	1	2.3	11	17.5	12	11.2
\$15 to \$19.99	3	6.8	12	19.0	15	14.0
\$20 to \$29.99	3	6.8	11	17.5	14	13.1
\$30 to \$39.99	6	13.6	6	9.5	12	11.2
\$40 and over	25	56.8	9	14.3	34	31.8
Not reporting	5	11.4			5	4.7
Total	44	100.0	63	100.0	107	100.0
Average expenditures per person	\$62.87		\$19.29		\$25.36	

TABLE 22.—Amount spent per person for food by families of regular workers, by tenure, New Madrid County, Mo., 1940 (preliminary)

Average amount spent per person	Tenure								All tenures	
	Share renters		Sharecroppers		Wage laborers ¹					
					Single		Family			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
\$0 to \$19.99	2	8.3	7	7.1			1	1.6	10	5.1
\$20 to \$29.99	3	12.5	15	15.1	2	18.2	4	6.3	24	12.2
\$30 to \$39.99	9	37.5	20	20.2			11	17.5	40	20.3
\$40 to \$49.99	3	12.5	16	16.2			12	19.0	31	15.7
\$50 to \$59.99	4	15.7	21	21.2			13	20.6	38	19.3
\$60 to \$69.99			8	8.1			4	6.4	12	6.1
\$70 and over	2	8.3	8	8.1	5	45.4	17	27.0	32	16.2
Not reporting	1	4.2	4	4.0	4	36.4	1	1.6	10	5.1
Total	24	100.0	99	100.0	11	100.0	63	100.0	197	100.0
Average expenditure per person	\$37.39		\$40.67		\$85.00		\$49.36		\$43.18	

¹ Family wage laborers spending \$70 or more per person for food were distributed as follows: \$70 to \$79.99, 8; \$80 to \$89.99, 4; \$90 to \$99.99, 0; \$100 and over, 5.

TABLE 23.—Amount spent per person for food in 1940 by families of seasonal workers engaged in cotton chopping in New Madrid County, Mo., June 1941 (preliminary)

Amount spent per person	Wage laborers					
	Single		Family		Total	
	Number	Percent	Number	Percent	Number	Percent
\$0 to \$19.99.....			3	4.7	3	3.4
\$20 to \$29.99.....			9	14.1	9	10.4
\$30 to \$39.99.....			15	23.4	15	17.2
\$40 to \$49.99.....	1	4.3	2	3.1	3	3.4
\$50 to \$59.99.....			9	14.1	9	10.4
\$60 to \$69.99.....	1	4.3	3	4.7	4	4.6
\$70 and over.....	7	30.5	19	29.7	26	29.9
Not reporting.....	14	60.9	4	6.2	18	20.7
Total.....	23	100.0	64	100.0	87	100.0
Average expenditure per person ¹	\$113.78		\$48.10		\$50.36	

¹ For number of families reporting amount spent for food.

TABLE 24.—Amount spent per person for food in 1940 by families of seasonal workers engaged in cotton picking, New Madrid County, Mo., September 1941 (preliminary)

Amount spent per person	Wage laborers					
	Single		Family		Total	
	Number	Percent	Number	Percent	Number	Percent
\$0 to \$19.99.....	¹ 12	27.3	1	1.6	¹ 13	12.2
\$20 to \$29.99.....	3	6.8	3	4.8	6	5.6
\$30 to \$39.99.....			6	9.5	6	5.6
\$40 to \$49.99.....			5	7.9	5	4.7
\$50 to \$59.99.....			14	22.2	14	13.1
\$60 to \$69.99.....	1	2.3	8	12.7	9	8.4
\$70 and over.....	25	56.8	22	34.9	47	43.9
Not reporting.....	3	6.8	4	6.4	7	6.5
Total.....	44	100.0	63	100.0	107	100.0
Average expenditure per person ¹	\$173.57		\$63.79		\$76.71	

¹ Eleven single laborers earned their board. They have not been included in the computation of the average for the whole group.

EXHIBIT 5.—FARM LABOR SITUATION IN ST. CHARLES COUNTY, MO.

REPORT BY R. A. LANGENBACHER, COUNTY EXTENSION AGENT,
ST. CHARLES COUNTY, MO.

St. Charles County is 20 miles west of St. Louis on Highway 40 and in the immediate vicinity of a number of defense projects. In the immediate vicinity of St. Charles is located the Weldon Springs TNT plant, the American Car & Foundry of St. Charles, building tanks, the Lambert Airport Industry with defense work contracts, and the defense industries of St. Louis.

At a recent joint meeting of St. Charles County farm labor committee and St. Charles County agricultural defense board, the following farmers living in different parts of St. Charles County stated that there was a very serious labor shortage in every section.

William Dyer, of St. Paul; Henry Tochtrop, of Josephville; A. J. Boschert, of St. Peters; Walter Rehmeier, of Femme Osage; Herman Backhaus, of Augusta; George Welker, of Wentzville; Albert Kerr, of Foristell; Charles Sperber, of Portage des Sioux; Rudolph Kessler, of Augusta; and Philip Duello, of Cottleville.

Typical cases of labor shortage in St. Charles County are as follows: Mr. Rudolph Kessler of Augusta, Mo., is milking 30 cows and employs 2 regular men, but at the present time he has but one who is uncertain as to how long he will stay. Mr. Anthony Aholt, of Augusta, Mo., milks 50 cows and he is unable to secure a regular hired hand.

Mr. Kessler is now definitely planning to reduce his herd one-half and Mr. Aholt may find it necessary to do the same if he is unable to find help soon. I own a small farm just south of St. Charles on which I have kept from 15 to 20 cows and heifers in the past and because of labor shortage, I have reduced the herd to 6 cows. I am paying \$55 per month plus house, light, and water, milk, butter, garden and fruit products and will share the meat produced on the farm.

Mr. Carl Mueller, St. Charles representative on the State land use planning committee, says that there is a very serious labor shortage in his community which is a cattle-feeding section near St. Paul in St. Charles County.

Mr. Gregory of the Missouri Employment Service, Clay Street, St. Charles, Mo., says that he is unable to get farm labor at any reasonable price.

I have on my desk inquiries for farm hands from William Nolle, Jr., Orchard Farm, Mo.; Louis Kohrs, St. Charles, Mo.; and William Pralle, Jr., St. Charles, Mo. These are in addition to those mentioned heretofore in this letter.

A news article stating the labor situation in St. Charles County has found its way into the press channels of St. Louis and vicinity and we have had a few inquiries for employment. One of these was from a man in the Illinois Penitentiary who will be paroled if he finds a job on a farm, another was from a man of 60 years of age who has formerly been a farmer but for the past 10 years has worked at many part-time jobs, another was from a man who had a wife and a 14-year-old son who had been husking corn in Iowa and who indicated in his letter that he had drifted over the country for many years, and another was from a man in St. Louis who stated that he must have a place to keep his family and also a hen house for 25 laying hens. These are typical of the kind of labor that is offering to fill these farm jobs.

St. Charles County's gross farm income per farm is \$1,250 per year. With better prices this possibly may increase to an average of \$1,500 per year. St. Charles County is one of the leading agricultural counties in Missouri.

It is most important that we consider the kind of labor farmers must have. We are asking them to increase their production of milk, eggs, and pork and to do a better job of operating their farm so that they maintain their present resources. Most of our farmers have tractors and tractor equipment. There are many combines and milking machines and all other farm equipment is of improved quality that requires more skill than the old horse farming required. Our farm leaders believe that it is impossible to replace the trained farm boys and men and that special consideration should be given to those boys and men who have always worked on the farm and are absolutely essential to carry on the farm job.

The St. Charles County defense committee and also the labor committee recommend deferment for those farm boys and men who are absolutely essential on the farm who have remained on the farm in the past and who will continue to stay on the farm. They recommend that deferment not be granted where members of the family are working in the defense industries since that indicates that there is a surplus of essential labor on the particular farm.

This report has been written after a conference with Mr. A. J. Boschert, chairman of St. Charles agricultural defense committee, and Mr. Rudolph Kessler,

chairman of St. Charles County agricultural labor committee, and after securing opinions from members of St. Charles soils and crops committee who represent one farm leader from each of 70 school districts in St. Charles County.

EXHIBIT 6.—LABOR SITUATION IN SIKESTON, MO.

REPORT BY E. P. COLEMAN, JR., SIKESTON, MO.

The labor situation here is in a state of flux and I see little possibility for stabilization in the immediate future.

There is very little migratory day labor in this area in the sense of farmers moving from place to place following crops as this is known in California.

There is a large amount of resident day labor that is constantly increasing due to displacement. Some of this displacement labor is finding its way into defense industries.

There is a common practice for large numbers of farmers to move from the hills of Missouri, Arkansas, and Tennessee to pick cotton during the cotton season and then return to their homes. This type of labor presents no problem at all and is very satisfactory.

Some of the above families find location here and displace others. Also, people from outside this area are constantly coming in and buying land for homes. These two groups displace families here and these families are our real problem.

There is very little land being bought for speculation or investment purposes at the present time. It is being bought largely by farmers, tenants, and sharecroppers, and outside families who intend to live on and operate the farms themselves.

I think there is some displacement due to enlarging units caused mostly by machinery and aggressive tenants who can, for various reasons, demand additional acreages.

I think making cotton allotments to farmers instead of to particular farms would tend to stabilize the farm labor because the labor would be sought after instead of being displaced, and it seems just as sensible to me to allot the acreage to the workers as it is to the lands and would not be any more complicated.

EXHIBIT 7.—HISTORY OF "THE VILLAGE OF ALL SAINTS", ST. CHARLES COUNTY, MO.

REPORT BY REV. WILLIAM PEZOLD, ST. JOSEPH'S CHURCH, COTTLVILLE, MO.

In the fall of 1940, the Federal Government announced that it had plans to build a TNT plant in St. Charles County, Mo., and that it intended to take over some 20,000 acres of land. The people living in the area, who owned property, were assisted by the real-estate men, to find other homes, but the tenants, who had little or nothing found themselves in difficulties. The Farm Security Administration office in St. Charles offered some of these people a grant of \$50 to cover moving expenses, and to find a home elsewhere.

The undersigned, who happens to be the pastor of the Catholic parish at Cottleville, which is a distance of 3 miles from the TNT plant, knew many of the people living in this area. He interested the Bank of O'Fallon, Mo., to subdivide a 35-acre tract of land, which the bank owned, and which is located about a mile from Cottleville. This tract was without buildings, and was suitable for home-building purposes.

The bank agreed to do so under the following conditions: Upon payment by myself of \$250 the bank was ready to deed over to the county the road areas in the tract. The 35 acres were surveyed and divided into mostly half-acre tracts or lots. The bank was likewise willing to issue a warranty deed to the purchase upon payment of a specified sum. The price of the lots was kept as low as possible, some selling for \$40 per half acre, and others for \$50, which price includes the warranty deed. Upon payment of \$100, the St. Charles County court graded and graveled the roads.

The Farm Security Administration office in St. Charles was approached about helping with a loan those from the TNT area, who wished to get a home in this subdivision. Several supply houses offered to furnish the building materials for a small four-room house, 28 by 28, known as the economy house, for the

sum of \$600. It was proposed that if one of these families had a title to an acre of land, and had besides \$50 available to pay for some of the labor which would be required to put up the house and was willing likewise to help put up the house, a loan would be made to purchase the building material. The loan would be then paid back to the Government as rent. This plan at first received a favorable hearing, but was later turned down.

A building fund of \$1,200 was then gotten together from private sources, and money from this fund is being used to help families to get a home. The financing plan works somewhat as follows: No. 1, a family acquires a lot; No. 2, money from the building fund is used to purchase building material, both used and new; No. 3, the owner helps to put down the foundation, and do as much work as he can, getting also his friends and relatives to help him; No. 4, skilled labor that may be needed is paid for from the building fund; No. 5, after the home is completed, a lending agency, or the Bank of O'Fallon makes a loan on the house and lot, and money used is returned into the building fund to be used to help the next one along.

The loans amount to from \$400 to \$700, and are paid off as rent. The Bank of O'Fallon charges 6 percent interest.

At the present time, there are 10 families living in the Village of All Saints, which could be more properly styled the Village of the Poor. They are happy, rejoicing that one day they will have a home of their own. After this subdivision is filled, a landowner whose property adjoins the above tract intends to sell lots, which perhaps in time may develop into a rural community.

The water problem was solved by the people digging cisterns, and by having a community well drilled on one of the lots, each owner agreeing to donate \$10 or more for that purpose.

Enclosed are two pictures¹ showing the poverty of some of the people of western St. Charles County, along the so-called Old Colony Road, which is just outside of the western limits of the TNT area. It is my opinion that these people should be helped to get a home and a small acreage of land, instead of renting, and thus never getting ahead.

EXHIBIT 8.—EXPERIENCES OF A SUBCONTRACTING POOL

LETTER TO THE OFFICE OF PRODUCTION MANAGEMENT FROM R. NEWTON MCDOWELL,
PRESIDENT OF R. NEWTON MCDOWELL, INC., KANSAS CITY, MO.

OCTOBER 21, 1941.

DIVISION OF CONTRACT DISTRIBUTION,
OFFICE OF PRODUCTION MANAGEMENT,
411 Locust Street, St. Louis, Mo.

(Attention Col. W. C. Bliss.)

GENTLEMEN: I own all the stock in the McDowell Stone Co., of Blackwater, located at Blackwater, Mo., in the central portion of the State. This is the largest crushed-stone plant in Missouri. We have for our own purposes a small machine shop and each winter we bring our heavy equipment from construction jobs to that point for repair. We also use a number of other shops in our work.

A year ago last August several of these larger machine shops came to me to see if I could help them get some business as they knew that for many years I had dealt with the War Department (Corps of Engineers) and was frequently in Washington. One day I asked Major Dillon about the matter and he introduced me to Major Hare, who suggested that I give the name of these shops to the St. Louis ordnance office and they would make a survey of these plants. Both Major Dillon and Major Hare are now colonels, the latter is attached to the Under Secretary of War office and is chief of contract distribution in that office.

In due course the St. Louis ordnance office had surveys made of these shops. Months elapsed and nothing happened. About last April a number of these shops came to me with their problems. Their men were leaving them for higher wages in the East, men were calling on them constantly to purchase their machine tools, etc. I had one of my engineers and my general superintendent spend about 6 weeks studying the subject with the result that now 40 machine shops are in my pool.

The latter part of May I called at your office and this subject was discussed with you, Mr. McDevitt, and Mr. Wallace. I had had the cooperation of the Un-

¹ Photographs held in Committee's files.

employment Bureau in this work. I further discussed the matter with Major Hogan, district ordnance officer, and Major Mason, his assistant.

After a number of meetings and much discussion, you and Mr. Carr, on July 9, attended a meeting at Blackwater, Mo., where I arranged for you to meet representatives of a number of these machine shops and you graciously explained the problems to these operators. It was your suggestion that we try our hand at producing the 81-mm. shell. Through your efforts we received some seamless tubing and we all went to work in a very awkward manner trying to make these shells with some degree of success. I sent one of these shells to Colonel Hare in Washington. This effort convinced me that we could make shells in this pool of machine shops.

To check my belief, I went to Tulsa, Okla., and spent considerable time there with the W. C. Norris Co., which is equipped to make 81-mm. shells. They were using automatic Sundstrand special purpose lathes. It was my opinion that we could take three engine lathes and with an expenditure of about \$300 on each machine could do the same job that was being done on these automatic machines and we could be turning out shells in 30 days without the wait for special-purpose machines. I submitted my plan to Mr. Trundel, president of the Trundel Engineering Co., of Cleveland, and he agreed that my idea was practical.

I spent some time at the Omaha Steel Works in Omaha and came away convinced that we could make 155-mm. shells with the tools we have just as efficiently as the Omaha Steel Works is doing it with the exception of the operations they perform on five special-purpose lathes. However, they were having great difficulty with these special machines. We have the hydraulic presses for the nosing operation, we have some West tire setters which we can use for placing the rotating band (the Omaha Steel Works uses this method). We have some hand-milling machines for notching and we have one electric spot-welding machine. I am convinced we could rig up our engine lathes to do the work being done on the special-purpose machines.

I went to Rockford, Ill., to check my idea with the officials of the Sundstrand Co. They went me one better, stating that in their opinion I could equip two engine lathes to do the job of a special-purpose machine.

I then went to Racine, Wis., to spend a day at the J. I. Case Co., which is also making 155-mm. shells. In discussing my plan with the manager of this plant he stated that they were going to too much extreme by hanging too many tools on one lathe. He stated that unquestionably I could equip engine lathes to do this job. He suggested, however, that I use rigid lathes from about 18 to 24 inches in size.

Now, of course, this operation I am suggesting is not the cheapest method and I do not claim that I can produce shells in my pool as cheaply as J. I. Case Co. or Omaha Steel Works but we would not have to wait some 6 or 8 months for special-purpose machines. The facilities are already here and it would afford business and labor which would be important in these smaller towns.

I contacted the tank manufacturers, all the airplane companies, both east and west. I spent a whole day in Wichita, Kans., where there are over \$300,000,000 of aircraft contracts. I did this hoping to get some subcontract work for these shops but after contacting many prime contractors I feel convinced that at heart they are not enthusiastic about subcontracting to smaller shops. They all talk pleasantly but you get nowhere.

I submitted a proposal to Colonel Hare on the 81-mm. shell and it develops that the price I submitted for 100,000 shells was just 19 percent over the price being paid at that time and on an order of 200,000 shells I think my price was approximately 15 percent of the current quotation.

I went to Washington and had a very pleasant talk with Colonel Hare and through his assistant ordnance officer, Major Madaris, was put in touch with a Captain McIntosh, of the Ordnance Department, who in turn took me to Major Sello and Colonel Elliott, who are the actual purchasers of these shells. It was their opinion that no new facilities would be required. At the Office of Production Management I was told new facilities would be required. I suggested to Colonel Hare and to the Office of Production Management in Washington that they should get together on their information.

The press carries daily stories that engineers are to be sent into the Kansas City area to beat the bushes to utilize every shop available. Almost daily I am kept from attending to my business by various members of my pool asking me what in the hell all means because we are not getting anywhere. I make one excuse after another but I do wish to add that there is no necessity in beating the bushes in this part of the country. I have 40 machine shops organized, ready to go, and in the aggregate they represent a lot of machine tools and a lot of expert mechanics. While I am not a mechanical engineer and my knowledge is superficial, yet from

my rather thorough investigation I am convinced we can make shells at a reasonable price.

I filled out some qualifying blanks for the Navy and forwarded them yesterday. Also I went over his problem at great length with a representative of the Labor Department here in Kansas City. I presume I could use the McDowell Stone Co., of Blackwater, as the prime contractor, subbing about 90 percent of the work to these sundry shops.

Per your suggestion I wired the Navy Department over a week ago asking for plans and bidding blanks for the shell-letting October 31. I have not received a reply. The local Office of Production Management wired and this labor fellow wired but still no plans or bidding papers.

Here are 40 small businesses in this area hell bent to do some work so if you don't do something concrete shortly I am going to dump these 40 businesses on your doorstep and, believe me, then you will have something on your hands.

Yours very truly,

R. NEWTON McDOWELL.

EXHIBIT 9.—TRAINING PROGRAM IN ST. LOUIS AREA

REPORT BY ST. LOUIS CHAMBER OF COMMERCE, ST. LOUIS, MO.

Training program in vocational schools in St. Louis metropolitan area

Name of vocational school	Number of students now being trained for national defense	For what classifications of work	How many of those they trained have been placed in defense plants
East St. Louis High School . . .	195	Machinists, welders (arc, acetylene), sheet metal workers, blueprint reading, machine drawing.	53
Atlas Aircraft Trade School . . .	225	Aircraft workers, template makers, draftsmen, loftsmen, all types of welders, Diesel engine.	2,000
Washington University	1,400	Aeronautical engineering, stress analysis, aerodynamics, radio engineering, engineering mathematics, statistical methods in production and inspection, production supervision, chemistry of explosives, elements of chemical engineering, personnel management, training of supervisory techniques, time and motion study, industrial engineering.	(1)
Community High School, Granite City, Ill.	420	Welding (preemployment and supplementary), template lay-out (supplementary), blueprint reading (supplementary), electric radio and telephone (supplementary), electrical machinery (supplementary), metallurgy (supplementary), general machine shop (supplementary and preemployment), machine shop tool and die (supplementary), bench metal and lay-out (preemployment and supplementary), pattern shop (supplementary), carpenter theory (supplementary)	476
Robertson Aircraft Corporation.	168	Aviation mechanics	550
The David Ranken, Jr., School of Mechanical Trades. NOTE.—Special course for 180 men every 4 weeks, or approximately 360 to 400 men enrolled at one time. All these men are from the U. S. Army.	1,500	Machine shop practice, welding, mechanical drawing, blueprint reading, electricity.	200
Frye Aircraft Co.	125	Use of hand and power tools, metals and alloys, heat treatment, bends and bend allowances, blueprint reading, elements of lay-out drafting, methods of manufacturing fuselage, wings, and tanks, aircraft riveting, lay-out problems, radial line and parallel line problems.	468
National Youth Administration for Missouri: 165 girls, 139 boys.	204	Power sewing machine operators, woodworking shops, general metal shop, including machinists, sheet metal, welding, heat-treating, forging.	458
Parks Air College, Inc.	538	Piloting, aviation mechanics, air-line operations, aeronautical engineering.	1,806
Jefferson College.	100	Engineering drawing, electronics, mechanics, aeronautics, methods engineering (time and motion) and related fields.	200

¹ These are up-grading courses and men being trained are already employed.

Training program in vocational schools in St. Louis metropolitan area—Continued

Name of vocational school	Number of students now being trained for national defense	For what classifications of work	How many of those they trained have been placed in defense plants
Hadley Technical High School national defense training program.	1,052	Welding (gas and arc), machine shop, sheet metal (aircraft), sheet metal (layout), blueprint reading, motor tune-up (auto), wheel alignment (auto), Army ordnance (inspectors effective Nov. 17, 1941), electricians' mate (U. S. Navy).	2,991
St. Louis School of Aeronautics, Inc., ground school.	125	Sheet-metal fabrication for navy military planes	960
Department of Labor apprenticeship training.	1,227	Persons are employed in gainful occupations, most of them in defense plants. Apprenticeship training includes: sheet-metal workers, auto mechanics, platers and polishers, pattern makers, molders and coremakers, and others.	-----
Alton District Manufacturers' Association.	-----	Information to come	-----
Total other than Labor Department and Alton.	6,042	A total of 13 schools reporting	8,162

* From July 24 to Oct. 31, 1941, 809. U. S. Navy electricians, 3d class, 140. U. S. Navy ground school, 42.

NOTE.—Above figures do not include training classes being carried on by United States Cartridge Co., McQuay-Norris, or Curtiss-Wright Corporation.

TRAINING WITHIN INDUSTRY, OFFICE OF PRODUCTION MANAGEMENT

Seven plants in St. Louis developing training program with this group. These plants employ 12,000 workers. In five of these plants there are foreman-training programs.

EXHIBIT 10.—MANUFACTURING ARMY ORDNANCE IN OKLAHOMA INDUSTRIES

COPY OF TALK SUBMITTED BY MAJ. RANDALL J. HOGAN, EXECUTIVE OFFICER, ORDNANCE DEPARTMENT, ST. LOUIS, MO.

May I first remind you that any opinions expressed are personal and do not represent official views of the War Department.

Supplying a modern, mechanized arm with equipment to compete with other nations similarly equipped is a complicated undertaking which calls for long and careful planning in times of peace. In early American history the farmer reached up over the mantelpiece, took down his musket, a handful of shot and some powder, and was ready to fight. Today's tanks, machine guns, bombs, and other ordnance items are decidedly more complicated.

The United States Army consists, in addition to the fighting branches, of the following supply arms and services, each responsible for the procurement of definite items of which they have specialized detailed knowledge. Air Corps, Signal Corps, Quartermaster Corps, Medical Corps, Engineer Corps, and the Ordnance Department. Our discussion today will be limited to ordnance procurement problems. [The Ordnance Department is responsible for the design and development, procurement, inspection, storage, issue, and maintenance of all arms, munitions, and similar items used by the entire Army.] Such items are manufactured either by Government arsenals (which obviously can produce only a very small percentage of the munitions required in war) and procured by direct purchase from industry. The arsenals are very necessary institutions in our national life to keep alive the art of munitions manufacture. In times of peace it is necessary that we plan for the placement of the wartime load with companies which investigation and study have indicated as being most suitable to produce the items required. Of course, in times of emergency like the present, other sources of supply are developed. The problem of utilizing existing manufacturing plants for the production of ordnance items is not an easy one. One of the reasons for this is that ordnance items must function 100 percent perfect the first time they are used. This generally calls for extreme care in manufacture. If

a company is manufacturing oil field equipment, sewing machines, or bicycles, for example, and a component part of their equipment fails in service, it may cause inconvenience, but is not necessarily a matter of life and death. However, if a fuze fails to function correctly and explodes a shell while in the bore of a gun, the result might be fatal to our personnel.

The guaranty, "If this parachute does not work, we will give you another," does not mean a great deal more to the soldier in the parachute than a similar guaranty would apply to most ordnance items—they must work 100 percent perfect in order to safeguard human lives. To illustrate this point, I would like to tell you of a remark I heard the other day. A shell manufacturer was discussing inspection with one of our ordnance inspectors and he jokingly said (although there was some measure of seriousness in his remark): "You Army fellows sure go to a lot of trouble making something that you are only going to use once." He is right—we do go to a lot of trouble, but all we want is the best ammunition and weapons which can be produced in mass quantities on machines available and familiar to American industry. In the old days the warning used to be: "Keep your powder dry." In this modern defense program, it is the worthy ambition of industry that the best that can be produced by production methods is none too good for our fighting forces. We should never let it be said that an American soldier would ever pull the lanyard of a gun that failed to go off.

When manufacturers have complained of the close tolerances required in the manufacture of ordnance items, our inspectors sometimes ask: "Would you like to have your son in a gun battery if the ammunition, due to faulty manufacture, might explode in the bore of the gun?" The answer is obvious and explains why ordnance material must be made to close tolerances, and subject to inspection which is not unreasonable, when it is realized that human lives are at stake as the explosives are fired, handled, or stored. If our inspectors are not strict on the parts of a bomb nose fuze, for example, the bomb might be carried hundreds of miles and dropped directly on its target and not explode. The carelessness in manufacture of the fuze would make useless the several hundred man-hours of labor involved, as well as the expense, and the risk to aviators who carry the "dud" to its target.

Contrasting ordnance inspection with commercial inspection further, a manufacturer of good reputation for producing dependable merchandise with a money-back guarantee may have gotten along for years with an absolute minimum of inspection. With an established reputation for honesty and fair dealing, his customers know that any defective merchandise will be replaced free of charge without any argument. This manufacturer has probably realized that for his product, it is cheaper for him to replace defective merchandise than it would cost to establish a complete and rigid inspection line in his plant.

Of course, the problem we are discussing today is not peculiar to Oklahoma, as it applies to all sections of the country. Except in the largest shops where machines are set up for production lines, in contract to job shops, it is very seldom that ordnance department engineers find shops ideally suited to ordnance production. In other words, the ideal factory for the production of ordnance items is one with several machines of the same type to do the same operation on an assembly line. Actually, we find shops containing one or two of a kind of machine, like a boring mill, shaper, miller, etc. Such shops are laid out to do an indefinite number of operations on a large number of items rather than one operation on several thousand items, in sequence, until the item is completed.

The problem of harnessing industry to ordnance production is, for these reasons, more difficult than the same problem for the other procurement branches of the Army. Food and clothing are staple items, and such articles for civilian use do not differ essentially from the same articles for military consumption. As an example of the difficulty in ordnance procurement, let us discuss briefly the 155-mm. howitzer recuperator used in the World War. The forging for this recuperator (or recoil mechanism) is a block of steel weighing nearly 2 tons; in exact figures, 3,875 pounds. This must be machined out until it weighs, with the accessory parts of the completed recuperator placed on the scales with it, only 870 pounds. It is scarcely fair to a modern hydropneumatic recuperator to say that it must be finished with the precision of a watch. It must be finished with a mechanical nicety comparable only to the finish of such a delicate instrument as a navigator's sextant or a surveyor's transit. No heavy articles ever before turned out in American workshops required in their finish the degree of microscopic perfection the recuperators called for.

In the World War we adopted from the French four recuperators—one for the 75-mm. gun, one for the 155-mm. gun, another for the 155-mm. howitzer, and the fourth for the 240-mm. howitzer. These mechanisms had never been built before

outside of France. You could find pessimists ready to say that none but French mechanics could build them at all and that our attempt to duplicate them could end only in failure. Yet American mechanical genius licked every one of these problems, and did it in little more than a year's time after the plans came to the workshops. There was not one of these mechanisms, in France the product of patient handiwork on the part of metal craftsmen of deep and inherited skill, that eventually did not become in American workshops a practical proposition of quantity production. This is just an example of what was done in the last war, and similar problems are being licked in the present emergency. Please do not get the impression from this example that all ordnance items are as complicated, but the recuperator does illustrate the problem of changing items previously made by hand into a production basis.

The first step in our problem is to send invitations to bid to manufacturers of items which are nearest to the ordnance item required. To give an example of one such manufacturer, let us examine this 81-mm. mortar shell. This was made by the W. C. Norris Co. of Tulsa. Their normal products are bull plugs and swaged nipples, as most of you men who are connected with the oil industry know. Making this shell is very similar in some respects to the manufacture of a swaged nipple. Tubing is cut to length, swaged in a bulldozer on both ends, again trimmed and then machined. The fin assembly is not manufactured in Tulsa. This is a good example of changing from a commercial item to an ordnance item.

The problem of subcontracts from the Ordnance Department's point of view is one which has been given a great deal of study, and is subject to more study in the future. The statement has been made that every lathe and every drill press must be used in defense production. Such statements have been broadcast on the radio, and invariably the next morning there are several men in our office in St. Louis who have heard the broadcast, who may have one lathe in their basement or a small machine shop, and who are very anxious to utilize this equipment. If such machinery could be used, it should be; however, it is very obvious that there must be a limit to subcontracting. It is impossible to utilize a great many large, inaccurate engine lathes, for example, for turning large caliber shells, such as this 155-mm. shell; yet it is true that it could be done, but the freight on forgings and the time required to turn such shells would overcome any advantage in subcontracting. The Ordnance Department, realizing that there would be a tremendous demand on lathes on which to machine artillery ammunition, placed orders for several hundred single-purpose shell lathes, which would be available for any contractor who wished to use them for machining shells. As each lathe is sold by the manufacturer to the shell-machining contractor, the Government's obligations to the lathe manufacturer are decreased in proportion. The present tendency is for such single-purpose shell-machining lathes to remain the property of the Government. One reason for this is that if the contractor does not produce shells in accordance with the contract, the Government may remove the lathes and place them with a manufacturer who will produce.

Subcontracting has the sincere approval of the Ordnance Department. As a typical example, one manufacturer in Texas who has a contract being administered by the St. Louis ordnance district, has 22 subcontractors, some as far away as New York State. However, it must be realized that subcontracting is limited by the fact that if carried out too extensively, the procurement of the extra sets of gages necessary to large numbers of subcontractors will become a greater problem than the procurement of the items on which the gages are to be used. This may be likened to calling the fire department to put out a small fire and having a much greater water damage in putting out the fire than the fire itself caused, if properly handled.

In order to attempt to solve the problem as to how the smaller shops may be utilized in the present defense program, the St. Louis ordnance office is continuously in touch with the various defense contract service offices and with chambers of commerce or other civic organizations who are interested in getting groups from their respective towns lined up for ordnance production.

Under the present procurement policy of the Ordnance Department, munitions contracts may be awarded only to those manufacturers having suitable shop facilities and skilled labor capable of performing the task involved. This restriction eliminates the placing of an award directly with organizations which are operated strictly as a regional pool. It is possible, however, to place prime contracts with the larger firms of such a group, which in turn may subcontract the work to smaller manufacturers, provided that the Ordnance Department receives satisfactory assurances that a contract, if awarded, will be executed with satisfactory performance.

The first step in deciding which ordnance items a manufacturer's tools are capable of manufacturing is to have a complete list of such tools forwarded to the St. Louis district ordnance office. We have this data on several hundred companies already, as the Ordnance Department has done planning work for just such an emergency as the present one for several years. By a complete list we mean, in the case of a lathe, for example, that the length of the bed, swing, type (that is, whether turret lathe, engine lathe, etc.) be given. Data giving us the condition of the lathe, its approximate age and tooling, should also be supplied. Upon receiving such a list, our ordnance engineers can decide on which bidders' list each facility can be placed. Invitations to bid are sent to such facilities, when received by the St. Louis office. Copies of the invitation to bid are also sent to the various defense contract service offices so that they can advise us of additional facilities to which they wish the same bid sent.

To be of further assistance to potential bidders, visits to manufacturing arsenals making the same item on which the contractor intends to bid, may be arranged. Visits to arsenals obviously should be made only when a potential contractor has a definite item in view, as visits delay production and such visits should be conducted as anything but a sightseeing tour. Permission to visit the arsenals should be obtained through the St. Louis ordnance district for any manufacturers whose plants are located in Oklahoma.

Visits to contractors now manufacturing ordnance items may also be arranged in some instances, but it should be remembered here again that at least one man must be detailed to show visitors through a plant. While most contractors are willing to show the representatives of other manufacturers through their plants, such trips should be considered a privilege and it should be borne in mind that it is a courtesy on the part of the contractor. We have found that most contractors are very cooperative and are willing to assist in the present defense program in any way possible.

There are probably a great many very excellent machine tools scattered throughout Oklahoma in the smaller shops, and in most instances the management of such shops is not familiar with the proper methods to use to attempt to get Government contracts. They receive invitations to bid, but the figures, sometimes running into the millions, discourage them from putting in a bid. There are available here today sample bid forms showing actual invitations to bid on various ordnance items. If we can be of any assistance to you in describing them and offering suggestions as to which ordnance items your shops are best fitted to manufacture, we will be very pleased to do so.

There are some samples of ordnance items here for your inspection, and we also have drawings for additional items. It is suggested that you look at these samples and drawings, and if you feel you can manufacture the item complete, or any of its component parts, that you so advise us.

The main object of this meeting is to find new facilities which are not engaged in defense work so far, which can manufacture such items. I want to extend to you an invitation to visit the St. Louis ordnance office at any time that we can be of assistance to you. We have several thousand drawings on file there and more samples of ordnance items, some of which I hope somebody in this room can manufacture.

DEFINITION OF FUZE

SUBMITTED BY MAJ. RANDALL J. HAGAN

A fuze is a reasonably complicated item. It must be accurate, simple, and safe, as well as having a reliability of the order of 99 percent. Into the fuze bodies are assembled metal components of different substances, such as brass, and steel, but they also contain small quantities of the chemical material, such as lead azide, tetryl, fulminate of mercury, and similar ingredients.

Every antiaircraft shell above 1½-inch in diameter must be equipped with a fuze which would make the shell explode at a predetermined point in space with an accuracy sufficiently great to justify the expenditure of the ammunition against the moving target. There are two types of fuzes, namely, mechanical and powder train. Under fixed conditions, a powder-train fuze is as accurate as the mechanical, but unfortunately its time of burning is greatly influenced by altitude and barometric conditions. Therefore, the antiaircraft artillery of the world is rapidly adopting the mechanical type of fuze. Now this fuze, reduced to its simplest form, is a watch, or clock mechanism and possesses all the inherent mechanical contrivances connected therewith.

It is interesting to note exactly what this watch has to do when attached to the front end of a shell. In order to bring about stability in flight, the shell must be rotated, and in a 3-inch gun this rotation may amount to as high as 25,000 revolutions per minute. It is accelerated by the powder charge so that every grain, or one-seven thousandth of a pound, has a set-back force of approximately 3 pounds. The reaction due to the powder case on the base of the shell is the equivalent of dropping the shell base down on a piece of armor plate from a height of 50 feet. Our fuzes are actually tested in this manner and retain their accuracy. All of you have watches that cost many times more than we are paying today for complete fuzes, and you can appreciate what has been done in the development of a mechanical fuze if you will merely subject your watch to this same test.

EXHIBIT 11.—THE WORK PROJECTS ADMINISTRATION AND MIGRATION IN MISSOURI

REPORT BY B. M. CASTEEL, STATE ADMINISTRATOR, WORK PROJECTS ADMINISTRATION,
JEFFERSON CITY, MO.

Missouri, with a 1940 population of 3,775,734, contains nearly 3 percent of the persons in the United States. Its area of 69,270 square miles is about 2.3 percent of this Nation. The county population density varies between the wide limits of over 13,000 persons per square mile in St. Louis city (which is politically independent of any county) to less than 13 in some of the Ozark Mountain counties. In many respects Missouri is a State of extremes, large cities and isolated rural areas, mountains and prairies, droughts and floods, bumper crops and livestock starvation, universities and illiteracy, superhighways and mud holes, vast natural resources and submarginal areas, wealth and poverty. In many respects, too, it could be considered as typical of the United States as a whole. The diversity of its characteristics and its problems is reflected in its social economy and in the problems of the Work Projects Administration.

Roughly, the State may be divided into six geologico-economic areas. North of the Missouri River, covering a third of the State, is a rolling prairie, agricultural area, relatively well-to-do, barring the usual agricultural adversities. With a city on both the east and west boundaries, a sprinkling of factories in several of the towns, some railroads and some small-scale mining, this area is primarily dependent on agriculture and small industry.

Kansas City with its metropolitan area depends largely on those industries which are close to agriculture, stockyards, milling, farm machinery, mail-order houses; although in recent years an increasing needle-trades industry has developed.

South and east of Kansas City is a prairie agricultural area in which livestock raising is very important.

St. Louis is a multi-industry city with a large variety of manufacturing and business establishments and a large metropolitan area of influence.

In central south Missouri the Ozark uplift covers almost one-third of the State. Thin, rocky soil, scrub oak and beautiful scenery characterize a large part of this area, but in the river bottoms there are small acreages of tillable land. Much of the valuable timber has been cut and recent years have witnessed the establishment of several national forest areas as a conservation measure. The area includes the Lead Belt mining area in St. Francois County and touches on the Tri-State mining district in Jasper County.

The seven southeastern "boot heel" counties lie in a low area, reclaimed by extensive drainage ditches, and devoted largely to cotton. This area is practically the northern extremity of the Cotton Belt, and produces a yield per acre second only to the irrigated areas in the Southwest. The last decade has experienced large increases in population, and one county, Pemiseot, with an urban population of less than 20 percent, had a population density of 96 persons per square mile.

Population shifts during the decade 1930-40, as reflected by census statistics are shown on the attached map, figure I. Outstanding is the general decrease in population in the northern and west-central counties as compared with the general increase in the poorer Ozark counties, and the large increase in the southeastern "cotton" counties. The former, may probably be attributed to the abandonment and consolidation of farms, following the severe drought years of 1934 and 1936, and to mechanization which no longer demands the farm personnel formerly required. Following the drought and the soldiers' bonus there was an increase in real-estate activity in the Ozarks, where acreage is inexpensive; some farmers were forced to cheaper farms; some sought "independence on a little farm of their

own in the Ozarks." In the cotton counties, for many years cotton pickers followed the crop north until they were stranded in Missouri. As many as 25 percent of the newcomers would remain either because there was no where else to go, or because the higher wages in Missouri seemed more attractive than those in the South from which they had come.

During the last 2 years these trends seem to have been checked. Favorable weather, crops and prices have made farming in north Missouri more attractive; the Government purchase programs in the national forest areas in the Ozarks has tended to retire submarginal acreages; and in the cotton counties, immigration has been discouraged by the Employment Service, by the Work Projects Administration which shuts down projects during picking season, and by the planters themselves who realize the problem connected with stranded population.

WORK PROJECTS ADMINISTRATION

Started in 1935, under an 11-district administration, Work Projects Administration has consolidated field operations to four district offices in addition to the State office; thereby, not only affecting certain economies, but allowing a more efficient adjustment of its program to the economic conditions in the State. The current employment of approximately 36,000 is the lowest since the initial months

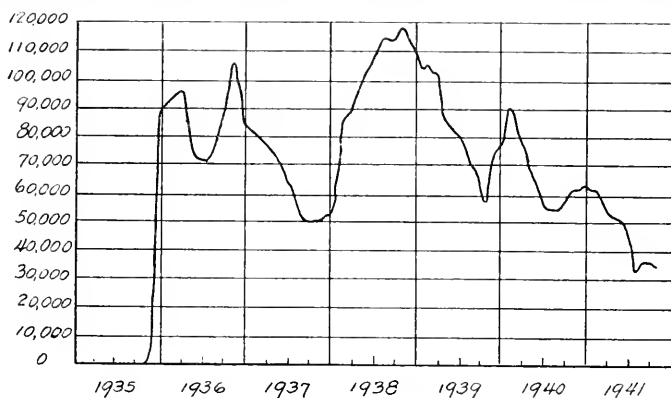


FIGURE 2

of the program. Peak employment was reached in October 1938, when there were over 116,000 on Work Projects Administration project pay rolls. Work Projects Administration employment is shown graphically on the accompanying chart, figure 2. In general, peak employment has been experienced during the winter months, and minimum employment during warm weather and harvest time. The winter of 1937-38 did not reflect this generality as the need for work relief was lessened by the business improvement of 1937, but the recession which followed necessitated an increased program. The reductions during 1940 were justified in view of better economic conditions, generally; and in anticipation of the continuation of this trend the quota is expected to remain about constant as defense industry and contraseasonal business influences this year tend to level off the degree of need.

At present, Work Projects Administration is employing about 75 percent of those certified to it as being eligible, needy employables. In addition, it is estimated that there are an additional 17,500 persons who are equally needy, employable, and eligible who for one or another reason are not in the "awaiting assignment" file.

The allotment of State quota—the number which Work Projects Administration may employ in Missouri—is set by the Washington and regional offices. Within the State, district, and county quotas are determined by the number of certified persons available, and the type and sufficiency of projects which are sponsored locally. The relative importance of Work Projects Administration in the several counties, thus, varies considerably. The relative percentage of population "on W. P. A." in the several counties is shown on the attached map, figure 3. The upper figure in each county represents the present employment as

a percentage of the 1940 population; the lower figure, the September 1938 percentage.

Of the current employment of 36,000, 82 percent are men and 18 percent women. They are classified by skills as follows: Unskilled, 62 percent; intermediate, 17 percent; skilled and professional, 17 percent; and supervisory, 4 percent. The average earnings over the State were \$60 per month, prior to the November 1, 1941 Nation-wide raise of approximately \$5. Some city professional workers make as much as \$95 and the laborers in rural areas as low as \$39. A survey made last spring (May 1941) showed that the average family contained 3.9 persons, and that the median age of Work Projects Administration workers was 44 years, with one-fourth under 33 and one-fourth over 53 years. Persons in the metropolitan areas were 1.5 years older than the State average; and all persons were 1.7 years older than when a similar survey was made at the time of equal employment in 1937, 3½ years previously.

No more recent data are available, but it is believed by persons familiar with field operations that the average age is higher than ever before, that the Work Projects Administration work crews "look older," that separations have been relatively heavier and assignments relatively lighter among the younger bracket. This trend is particularly evident in the St. Louis area. A further discussion of turn-over and labor movement to industry, follows later in this report. It is pertinent to note, but not conclusive, that the age of persons suffering lost-time accidents during August and September was about a year older than that of a similar group in May.

In order to distribute the limited work opportunities among the many who are certified as being in need, it has been the policy to discharge workers after 18 months and replace them by persons who are awaiting assignment. This forced turn-over plus the normal turn-over caused by persons finding private employment, by voluntary separations for various other reasons, and by project operation factors, has resulted in many persons having been employed at one time or another by Work Projects Administration. The estimated total of different persons who have been on Work Projects Administration in the past 6 years is 280,037, representing 30 percent of the State's population. Turn-over during the fiscal year 1940-41 amounted to 13 percent per month. Of those who left the program, only 17 percent are known to have left for private employment, the remainder leaving for other reasons such as discharge, 18 month's continuous employment, project shut-down, and unknown reasons.

In order to meet local demand for seasonal workers, to encourage the placement of Work Projects Administration workers in private employment, and to otherwise fulfill the purpose of the program, there have been, on several occasions, arbitrary cessation of project activity in order to force Work Projects Administration workers into local work opportunities. It is the policy, for instance, to close all Work Projects Administration projects—except for defense and emergency work—in the cotton counties and small-fruit areas during picking season. This furnishes planters with the necessary hands, assists the Employment Service with making placements, and prevents the unnecessary importation or immigration of workers who subsequently might become stranded. During the construction of Fort Leonard Wood (winter and spring 1941) an administrative liaison between the contractors, Employment Service, and Work Projects Administration was established whereby entire Work Projects Administration projects groups were assembled and referred to the contractor. So successful was this procedure, that it is being used again in connection with the construction of Camp Crowder near Cosho, Mo. In addition to such wholesale referrals, Work Projects Administration serves as a ready reservoir of labor for those farmers or other employers who care to ask the foreman of a nearby project to recommend capable persons for temporary or permanent work, providing, of course, that the terms of such private employment are within reason. This operating policy is very effective in reducing unnecessary migration of labor. The rate of separations for private employment has increased during the last several months.

The accompanying graph, figure 4, shows the monthly number of persons per hundred employed on Work Projects Administration who left for private employment since July 1940. The large increases shown in September 1940, and again in September 1941, is the result of the cotton-picking employment. The increase starting January 1941 reflects Fort Leonard Wood construction, and much of the general increase since spring of this year may be attributed to business improvement in general. Superimposed on the graph of monthly fluctuation is a curve of 3-month moving average.

As mentioned previously, the potential load of needy employable persons is made up of those who are working, those awaiting assignment, and those who, although not known specifically, are believed to be available under the current regulations. That such a group as the last-mentioned exists, is demonstrated by the fact that in the past an expanding Work Projects Administration program

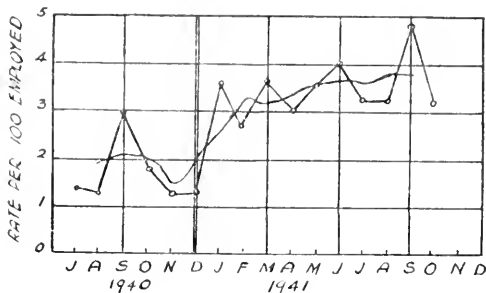


FIGURE 4

has revealed many not previously recognized but equally eligible. When no work opportunity presents itself there is little purpose in seeking certification, even when it is warranted. The estimate of this number of "probables" is, of course, challengeable, but it is established monthly and is believed to be reasonable and on the conservative side of the controversy. The accompanying graph, figure 5, shows the potential load made up of these three factors: Working load, awaiting assignment, and "estimate" of unknown eligible persons.

In some States the problem of nonsettled workers is important; persons move to metropolitan areas to receive the higher Work Projects Administration wage paid in the more populous sections. This problem in Missouri is insignificant. Regulations preclude the certification of a person who establishes new residence

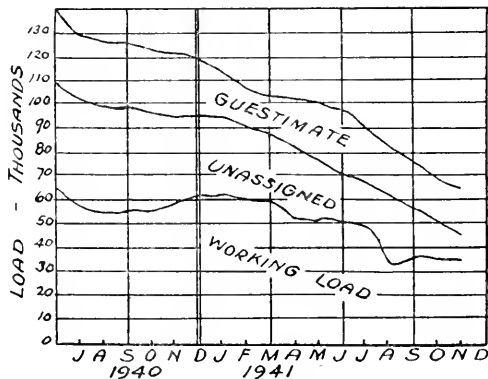


FIGURE 5

for this purpose, but since living costs as a rule increase more than wages, such intra-State migration would not prove economic. In fact, some difficulty has been experienced in finding out-State carpenters on Work Projects Administration who are willing to go to St. Louis projects at increased wages. Regarding inter-State migration, the higher wages outside of Work Projects Administration as well as in Work Projects Administration have probably attracted some cotton pickers who have come from Southern States, as discussed above. By far the largest percentage of Work Projects Administration workers are long time residents of their county of assignment.

THE DEFENSE PROGRAM

Defense activities have affected the economy of Missouri greatly, and promise to become an increasingly important factor. Major defense contracts and alloca-

tions, outside Work Projects Administration's defense activities amount to over \$618,000,000. Of this amount \$100,000,000 is for aircraft production and \$236,000,000 is for other production and supply contracts; almost \$200,000,000 is for industrial facilities and \$78,000,000 for nonindustrial contracts such as camp construction.

Of the construction work, peak employment has been passed on all projects except Camp Crowder and the Louisiana Ammonia Plant. The original construction of Fort Leonard Wood furnished employment for over 15,000 different workers during the winter and spring of 1940-41. At present there are some smaller projects under contract there, employing about 1,300 persons. The O'Reilly Army hospital in Springfield was completed in August, having employed a peak of 1,500. The Lake City Ammunition Plant near Kansas City reached peak employment of 6,000 in July, and is now employing only half this number. The Weldon Springs TNT plant has recently passed its peak employment of 6,600 and is slightly below that figure. The airplane, gun turret, and Jefferson Barracks construction projects in St. Louis are also on the down grade of employing construction workers.

The two construction projects still in their ascendancy are the Louisiana Ammonia Plant which is just getting underway and which may employ almost 6,000, and the Neosho Cantonment (Camp Crowder), now using 10,000 with a peak of 30,000 expected before long.

Of the 45,000 employed in the construction of Fort Wood a survey made by the Unemployment Compensation Commission showed that almost 60 percent held Missouri Social Security account numbers. The remaining 40 percent came from all other States excepting Delaware, but two-thirds of the out-State group were from adjoining States. Since the study was based on the State of registration rather than the State of original residence, the proportion of migratory workers is probably understated. Since the camp was built in a sparsely settled area—the entire population of Pulaski and its six contiguous counties was less than 100,000—practically all the labor was imported; and trailer camps, shacks, temporary barracks and three-shift rooming houses were crowded. Work Projects Administration furnished about 7,000 workers, transferring entire project crews as described above. Most impressive regarding the migration problem was the large number and prominence of out-of-State automobile licenses.

Today a similar construction project is underway at Camp Crowder. Peak employment is expected to approximate the Fort Wood figure, but two counties alone in the area contain over 100,000 persons. However, other defense construction in the neighboring States are utilizing similar labor and furnishing some competition in the labor market. Of course, it is too early to obtain data comparable to the Fort Wood worker residence survey, but it is apparent that there are proportionately not as many out-of-State car licenses. Whether this is because less importation of labor is necessary, or because the migratory workers are being spread over a greater number of locations, is problematical.

In the St. Louis area, the peak of construction work has been passed, and the St. Louis Carpenter's Union has issued a stop order on further immigration. However, the Work Projects Administration has found it necessary to bring carpenters from other sections of the State to carry on certain defense work. The reticence of Work Projects Administration workers to move to this higher-pay region confirms what was said above regarding unsettled workers.

Throughout the State Work Projects Administration is experiencing a shortage of skilled workers, particularly among the younger age brackets. Except for the skills which have been developed on the projects, most of the already skilled workers are among the older men and women who are "industrially unemployable" or hesitant about the problems of resettlement.

Regarding defense production activities, based on the amount of contracts, it is estimated that 60,000 production workers will be required. (By way of rough comparison, the 1939 Census of Missouri Manufacturers enumerated 178,538 workers.) More specific figures gathered by the Unemployment Compensation Commission show that in the next 6 months 298 defense program employers in St. Louis expect to hire 10,377 workers; 138 employers in Kansas City expect to add 6,817 workers; and 58 out-State employers, only 53 workers. To Work Projects Administration, the last figure is particularly significant. These new industrial workers will be largely skilled. Even those classed as laborers will be required to meet comparatively rigid requirements as to age, dexterity, and some specific proficiency.

As to the number of currently employed workers who will be disemployed in the next few months, relatively little of significance can be reported at this time. Most of those industries which might contribute to priority disemployment still

hope for delivery of materials, defense contracts, or subcontracts, and qualify their remarks regarding future operations by "if material cannot be obtained," and such statements. The few cases of priority curtailment, a mousetrap factory in northwest Missouri, a millinery factory in southeast Missouri, and possibly some few others, are economically insignificant.

DEFENSE TRAINING PROGRAM AND PLACEMENTS

The fact that the only stringencies in the labor market are in certain skilled lines, that most of the new jobs which defense industry will offer are ones of specific proficiency, and that Work Projects Administration rolls contain very few who are qualified in the defense trades, all point to the advisability of a training program within Work Projects Administration. This training for defense industry, as part of a Nation-wide plan, has been operating since July 1940. As of the end of October 1941, Work Projects Administration in cooperation with the State and local school officials, was conducting classroom and shop-laboratory instruction in 40 different classes in 12 cities to 617 trainees. Another 184 persons were qualifying for industrial employment by working on Work Projects Administration pay roll in various defense industry plants as "learners" or in-plant trainees. At the Kansas City Municipal Airport, under the Civil Aeronautics Administration program, 11 trainees were learning to become airport servicemen.

So far, during this program, 4,681 persons have enrolled for this training. The above-mentioned 812 were still in training at the end of October. About 10 percent, 456, were found to be unsuited for training and were dropped from the classes; 1,350 are known to have obtained private employment; 943 have returned to Work Projects Administration projects and are now better qualified for jobs when they become available and the balance have left Work Projects Administration or are unknown. No doubt many of the latter group are using their training in industry but there is no exact record of their placement. Of the 4,681 total trainee candidates, 477 have been Negroes.

Of the in-plant trainees, who are included in the above figures, the 184 were working in 23 different plants.

Another phase of the vocational training project is the examination of Work Projects Administration personnel records to discover persons who, through training or experience, are qualified for the defense industry opportunities.

The placement of Work Progress Administration workers in industry is being encouraged by a concentrated effort on the part of the Administration. Since, as has been pointed out, defense industry is concentrated largely in the metropolitan areas, this placement effort is applied to all types of employment. Newspaper releases, public meetings, and personal contacts have been used to advise employees of the potential labor reservoir available through Work Projects Administration, and in many sections a farmer who needs some hands to fill his silo or some other employer will ask the foreman of a nearby Work Projects Administration project to refer some good workmen. Placements of this nature are made from both the working load and the awaiting assignment file. Routine clearance, of course, is maintained with the Employment Service; during October there were 2,400 such placements reported.

FUTURE TRENDS

With the continuation of the defense program there will be further curtailment of unemployment in Missouri, and no doubt this will further reduce the potential load estimate. However, because of the large number of women and older people, and because of other factors contributing to the maladjustment between labor supply and demand, it is probable that there will remain a minimum of 50,000 persons who will be dependent on W. P. A. or some similar work program. As to an employment-di-employment balance, it seems reasonable to expect that such a balance will be reached wherein to employ another person, industry will be forced to release a worker. The St. Louis steel industry, for example, is practically at capacity operation; the wheat-storage facilities of the State are taxed to overflowing; the Lead Belt and tri-State districts are restricted by smelter capacity; and agricultural activity by and large was too good this year to warrant expectations of improvement next season.

The rising cost of living will be disproportionate to many a family income, since a large area of the State is outside the influence of the defense stimulation, except in its adverse reaction.

If and when defense industry faces curtailment, there will probably be a heavy migration back to the farms and smaller cities where living costs are not so high.

Many will probably return to farms which have not been maintained and on which new crops have not been planted. This was true to a limited extent in the case of Fort Wood, from which farmers returned too late for spring planting. Some of the new industries will remain as permanent pay rolls. Officials of the Curtiss-Wright Airplane Co. have announced that their St. Louis plant, after after the completion of Army contracts, will continue production of commercial models; and some of the munitions plants are supposedly permanent western factories of companies previously manufacturing in the East.

EXHIBIT 12.—EFFECT OF DEFENSE MIGRATION ON EMPLOYMENT OF AMERICAN FEDERATION OF LABOR UNION MEMBERS IN EVANSVILLE, IND.

REPORT OF THE EVANSVILLE CENTRAL LABOR UNION COMMITTEE APPOINTED TO INQUIRE INTO LABOR DISLOCATIONS CAUSED BY NATIONAL DEFENSE MIGRATION, NOVEMBER 21, 1941

The findings of this committee are based on reports from responsible officials of affiliated local unions, an exchange of views with men prominently identified with the labor movement for many years and the views of committee members themselves. Attached are brief résumés of the reports of local unions known to the committee to be directly affected and from several unions that are affected only by indirection.

We call the committee's attention, first, to the break-down report of plumbers and steam fitters union, which shows the degree of migration and the points to which members have migrated. There was not time to get a similar break-down from all locals, but the pattern is very much the same with all building trades unions.

The Evansville Central Labor Union normally represents about 7,500 workers, a large majority of which are skilled craftsmen. They come from 53 affiliated local unions. The only mass production industries represented are automobiles and refrigerators.

Major industries, with the exception of automobile manufacturers, are not under contract with unions. There is, however, considerable membership, both American Federation of Labor and Congress of Industrial Organizations in the unorganized industry. The principal industries of metal working industries, include the manufacture of automobiles, refrigerators, and light metal parts.

Evansville has no major defense industry and our local concerns were tardy in bidding on defense contracts and when they did bid were too high to get awards. We are getting some defense business but it is insufficient to make up for the losses such as are typical of the automobile and refrigerator business.

The slackening in production of our major industries affects by indirection practically all of our units. The hardest hit, however, are the building trades, as the accompanying report indicates.

A post-office project has been delayed and essential materials required, for construction repairs have become so restricted that in the absence of a satisfactory substitute, much work is being delayed. It is therefore necessary for building-trades men to migrate to communities where defense industries are located in order to get work.

It is the opinion of this committee that unless something is done to spread contracts and alleviate the conditions that prevail in Evansville we will have widespread unemployment and hardship in the near future.

REPORTS OF LOCAL UNIONS

Iron workers (building trades).

Normal membership of 40 with a fluctuation as high as 80. Fourteen members are now working in this vicinity. The balance has left for defense work elsewhere. Shortage of materials and the consequent slow-down of commercial construction and repairs is expected to put a number of the remaining 14 out of work by January 1. It is the practice of the union to register unemployed members with the Indiana Employment Service.

Paperhangers (building trades).

Normal membership of 28. Six members have migrated to defense areas for better pay and working conditions. Anticipate material shortages and lack of

work here is expected to cause a 50-percent migration of remaining members by spring. Many members contract work and conditions are so unfavorable that a number contemplate giving up their businesses and seeking employment as journeymen. So far have not made much use of the Indiana Employment Service.

Sheet-metal workers (building trades).

Normal membership of 65. In October the local lost 15 men who migrated to other defense jobs. Further migration of 15 to 20 members is anticipated within 60 days. A slow-down of factory employment restricting repairs, both commercial and residential, has reduced the number of jobs on which contractors may bid. Contractors are forced to turn down a considerable number of jobs offered because of the lack of stainless steel and copper. The local has had little occasion to use the Indiana Employment Service.

Electrical workers (building trades).

Normal membership of 400. Covers all communities within a hundred-mile area. The local has lost 30 members who have migrated for defense work elsewhere. This migration has been primarily from Evansville, where 55 members are normally engaged in building-trades construction. It is anticipated that half of the remaining number must leave town for work in the near future. The local is primarily effected in Evansville and is not hit as hard in Henderson, Owensboro, Vincennes, Bedford, and similar communities within its jurisdiction. Many small contractors in the entire area, however, expect to quit business and seek jobs as journeymen. The local makes it a practice to work very closely with the Indiana Employment Service. It is a mixed local.

Painters (building trades).

Normal membership of 140. The worst hit union in Evansville. Shortage of painting materials has had little or no effect but the slackening of demand in Evansville and the attractiveness of defense work elsewhere has led to migration by 68 members, many of whom sold their furniture and some of whom have sold homes. Members have migrated to California, Alabama, Texas, Illinois, Kentucky, Washington, D. C., and other points. Lack of defense work here and uncertainty of the future has slowed down commercial contracts and restricted repairs. With the winter slack period coming on, it is expected there will be further substantial migration by members of this local.

Roofers (building trades).

So far this local has not been hit but it anticipates a slump because of inability of its employers to buy essential materials for the trade that are restricted by priorities.

Common laborers (building trades).

Normal membership of 300. The local expects 90-percent unemployment by January 1 because of lay-offs and restricted production in local industrial plants which will nullify normal expansion and has already cut normal repairs. The local has given, is now giving, and expects to give a great many travelers. Uses the Indiana Employment Service very little and a training program would not help much because many members lack the background to profit by such training. They prefer to "hit the road."

Carpenters (building trades).

Normal membership of 275. Of this membership 15 percent have migrated to defense jobs elsewhere. Approximately 15 percent of the remainder is either out of work or working part time. Since there is little or no work coming up soon, most of the other members will be out of work by January 1. The only hope is to get a defense job of some sort here. Several construction jobs now under way are delayed because contractors are unable to get materials because they do not have priorities. Members as a rule do not register with the Indiana Employment Service.

Plumbers and steam fitters (building trades).

Normal membership of 78. At present 40 percent of the membership is working out of town, having migrated to defense projects. Members have migrated from 150 to 850 miles away. Ten percent of the remainder are not working. Only half of the membership is now employed at home and their work will be considerably curtailed on account of priority orders conflicting with commercial and house building contracts. The local cooperates closely with the Indiana Employment Service. The following break-down gives a typical picture of migration by building-trades unions:

Steam fitters working in Evansville	10
Plumbers working in Evansville	29
Plumbers out of work in Evansville	8
Men working out of town	31
Total membership	78

Migration has been to the following points:

To Morgantown, W. Va	2
To Burns City, Ind	2
To Birmingham, Ala	4
To Charlestown, Ind	5
To Charleston, W. Va	1
To Louisville, Ky	1
To Salt Lake City, Utah	1
To Dallas, Tex	2
To Indianapolis, Ind	3
To Des Moines, Iowa	3
To St. Louis, Mo	3
To Carbondale, Ill	2
In Army	2

Brewery workers and beer bottlers.

Normal membership of 675. Affected indirectly by a slow-down in employment at industrial plants, which is already being felt and is expected to become more acute unless defense work is brought here to offset restricted production.

Taxi drivers.

Normal membership of 115. The business is, as a rule, one-third greater in winter months, which results in increased employment. Because of lay-offs, it is expected that the normal summer crew will be able to handle the business.

Coopers.

Normal membership of 17. Has not yet been affected, but expects some slow-down unless elimination of the steel barrel creates a demand for the wooden product.

Bartenders.

Normal membership of 150. Five men now out of work because of slow-down of bars near industrial plants. Extra men not in demand.

Teamsters.

Normal membership of 450. Fifty drivers in the car hauling division are out of work, all of which have been registered at the Indiana Employment Service. Most of them have left town on their own accord to seek employment elsewhere. This dislocation comes as the result of restricted automobile production. Freight business is far below normal for this time of year, due primarily to cut in production of local plants.

United Automobile Workers (American Federation of Labor) (includes all employees at Vulcan Plow Co., Hercules Corporation, and some at Chrysler and Briggs).

Typical condition in the automobile industry prevails here. Production at Chrysler has dropped from 50 to 30 cars an hour and is expected to drop as low as 21 cars an hour.

Other locals on which we have no report or which are affected only by indirection.

Barbers.	Millmen.
Asbestos workers.	Motor coach operators.
Carpet and linoleum layers.	Moving-picture operators.
Cement finishers.	Musicians.
Cigar makers.	Post-office clerks.
Elevator constructors.	Pressmen.
Expressmen.	Railway carmen (L. & N.).
Fire fighters.	Railway carmen (C. & E. I.).
Hairdressers.	Retail clerks.
Ice men.	Sign painters.
United garment workers.	Stereotypers.
Lathers.	Stage employees.
Machinists.	Typographical.
Mailers.	United garment workers.
Meat cutters.	Watchmakers.

EXHIBIT 13.—EFFECT OF THE DEFENSE PROGRAM ON EVANSVILLE, IND., INDUSTRIES

REPORT BY N. L. KNEISE, SECRETARY-MANAGER, EVANSVILLE MANUFACTURERS
AND EMPLOYERS' ASSOCIATION, EVANSVILLE, IND.

INDUSTRY AND COMMODITIES

Evansville, Ind., a city of approximately 110,000, is the industrial and employment center of 146,000 people living within a radius of about 30 miles of Evansville. There is today in Evansville approximately 200 manufacturing plants producing annually nearly \$200,000,000 worth of manufactured goods. Evansville is a typical industrial center with a wide diversification of manufactured products.

The following are some of the typical "made in Evansville" items:

Addressograph plates	Coffee
Advertising specialties	Columns (cast iron and steel)
Agricultural implements	Concrete blocks
Air-conditioning equipment	Concrete fence posts
Ale	Condiments
Anchors	Conveying equipment
Animal medicines	Cooperage
Anvil tools	Cornices
Arbor presses	Corn meal
Automatic beer pumps	Cosmetics
Automobile accessories and parts	Couches
Automobile bodies	Crates
Automobiles	Crockery
Awnings	Cultivators
Axes	Dairy products
Bags	Desks
Baked goods	Dies
Bar fixtures	Dinnerware
Barber supplies	Dishes
Barges	Disinfectants
Barrels	Dog food
Baskets	Dolls
Bedding	Doors
Beds	Elevators
Bed springs	Excavating machinery
Beer	Explosives
Beer boxes	Fabricated steel
Bluing	Feeds
Boilers	Fencing
Bolts	Fertilizer
Bookcases	Fire escapes
Bottle and jar caps	Florist equipment
Boxes	Flour
Bread racks	Flower baskets and vases
Brick and tile	Food products
Brooms	Furniture pads
Burial vaults	Games
Candy	Generators
Canned goods	Grease and oil guns
Canopies (glass and metal)	Harness
Carbonated beverages	Ice cream
Caskets	Industrial gases
Casters	Insecticides
Castings	Jellies
Ceilings (ornamental)	Labels
Cereals	Lamps
Chairs	Lubricants
Check valves	Mattress covers
Chipboard	Meat packing
Cigar boxes	Metal fixtures
Cigars	Metal plating
Clothing	Mine cars
Coal-mine supplies	Monuments
Coal tipples	Motor oils

Ovenware	Laboratory and processing equipment
Paint, varnishes and lacquers	Lamp posts
Paper and paper boxes	Machine tools
Pharmaceutical specialties	Mattresses
Plumbers' goods	Medicine
Potato chips	Metal giftware
Power shovels	Metal stampings
Radio cabinets	Morrors
Refrigerators (household)	Mops
Road building machinery	Mush
Septic tanks	Overalls
Skis	Painters drop cloths
Steel scaffolds	Patterns
Store fronts and fixtures	Plastic products
Stoves	Polish (auto and furniture)
Tanks (storage)	Pottery
Tents	Pumps
Tobacco	Refrigeration equipment (commercial)
Toilet seats	Revolving doors
Tools	Rubber goods
Truck bodies	Shipping containers
Uniforms	Steel products
Veneering	Steel stairs
Ventilators	Stove parts
Wagon parts	Studio couches
Furniture	Tarpaulins
Furniture trimmings	Tiles
Gasoline	Tobacco machinery
Golf clubs	Tool bags
Hardware specialties	Toys
Ice	Trucks
Ice picks	Vehicle woodstock
Infants' diets	Venetial blinds
Iron and steel	Vinegar
Jigs	Water heaters, gas

EMPLOYMENT STATISTICS

Month-to-month statistics on employment are not available for the past number of years. However, the figures available indicate the general trend of industrial employment from year to year. Likewise man-hours indicating performance of local industry.

June 15, 1938: 17,111 employees, 197 plants.

June 15, 1939: 18,548 employees, 194 plants.

June 15, 1940: 21,986 employees, 190 plants.

June 15, 1941: 21,528 employees, 190 plants.

Total man-hours worked per week of—

June 15, 1938: 665,340.

June 15, 1940: 900,312.

June 15, 1939: 787,106.

June 15, 1941: 882,648.

The decline in employment since May 1940 as indicated by the above figures is primarily due to seasonable operations. Decline of employment since June 1941 indicates the transition from nondefense to defense production in many cases.

EFFECTS ON INDUSTRY DUE TO PRIORITIES AND ALLOCATION PROGRAMS ON EMPLOYMENT OPPORTUNITIES

From September 16, 1941, a survey of 21 of the largest companies in Evansville and others taken at random, the following information was revealed that affected industrial employment due to priorities and curtailment of a source of supplies of materials for nondefense use.

(a) NONDEFENSE PRODUCTION

Number of paid wage earners in first pay toll of month. 21 companies' average in 12 months' period ending—

June 30, 1941	10, 533	August	9, 428
July	10, 764	September	9, 339

Estimated on a basis of 40-hour week and tentative civilian curtailment program or material shortage—

October	7, 387	December	6, 841
November	7, 156	January	6, 573

(b) DEFENSE PRODUCTION

Number of paid wage earners in the first pay roll of the month for 21 companies. Average in 12 months' period ending—

June 30, 1941	257	August	349
July	229	September	427

Estimated on a basis of 40-hour week and defense contracts on hand or in process—

October	543	December	1, 056
November	812	January	1, 235

(c) TOTAL PRODUCTION (AGGREGATE OF NONDEFENSE AND DEFENSE PRODUCTION SHOWN ABOVE)

Number of paid wage earners in first pay roll of month for 21 companies. Average in 12 months' period ending—

June 30, 1941	10, 790	August	9, 777
July	10, 993	September	9, 766

Estimated on the basis of combined anticipated employment shown above—

October	7, 930	December	7, 897
November	7, 968	January	7, 808

RELIEF OR PUBLIC ASSISTANCE PROGRAM

Many employees will draw on their unemployment compensation due to the separation of employment because of priority allocations. It is reasonable to assume that if employment is not available during the winter months, certain classes of workers will apply for public assistance and relief.

INDUSTRIAL ACTIVITIES

For many months Evansville industries have maintained personal representatives in Washington and in other ordnance districts for the purpose of securing prime contracts and information on subcontracts. Many contacts have been made with Government officials, ordnance officers, and prime contractors in an effort to secure subcontracts and for participation in the defense program. Further effort to secure contracts for Evansville area have been made through the Office of Production Management offices in Washington. On September 9 executives from the Office of Production Management, Washington Division of Labor, were in Evansville to begin survey to determine conditions here. The results of this survey are listed in this report under the heading of "Effects on industry due to priority and allocation programs on employment opportunities."

Mr. Ralph Kaul of the Office of Production Management Labor Division and Mr. Aug. Wilks, Office of Production Management engineer, conferred with some 21 manufacturers to investigate the possibilities and the problems here. To further action on this cause a conference of mayors and representatives from the Midwest cities was called in Chicago on September 12. This Midwest emergency conference was for the purpose of organizing communities who are likewise facing employment dislocation, due to the priority rulings. Since this time a group of Army engineers and officers of the Procurement Division have been in Evansville to survey the problem and to determine the possibilities in this district. Navy procurement officers have been here on several occasions to check with industry as to whether or not they are qualified to bid and receive contracts from that branch of service. Many meetings have been held with these various groups and the various ordnance divisions and procurement divisions are making every effort to place contracts with local industries when and where they can manufacture the items needed.

FACILITY SURVEY

During the early part of 1943 the Evansville Manufacturers' and Employers' Association made a survey of local industries. All available equipment in Evans

ville had been listed and placed on card files for ready reference. These surveys have been placed on facility card records for the Office of Production Management office both in Washington and St. Louis. This survey likewise has been furnished to the Office of Production Management Labor Division for their survey here in September. These records have been used continuously to assist local manufacturers in locating equipment which is necessary in producing defense items. Any piece of equipment which we locate that is ideal, effort is made to secure orders, either prime or subcontract type, to be engaged on operation of this equipment. Up to the present our labor supply has been sufficient to handle any and all contracts that have been received. Contracts both prime and sub, up to the present time, amount to approximately \$10,000,000 in this district.

TRAINING WITHIN INDUSTRY PROGRAM

All local metal industries have instituted "Training within industry" programs. Effort has been made by these industries to train semiskilled labor and unskilled labor to machine-operating jobs. Our local school corporation has been running its mechanic arts training school practically 18 hours per day for the purpose of training semiskilled workers and skilled workers for industrial positions. There is a need for continued training of Evansville workers for defense production in this area and this program is scheduled for continued operation into the future. Evansville industries and the Indiana State Employment Service have been working in close harmony in connection with priorities unemployment. Every effort has been exerted by the employment service to assist industry in securing skilled employees. Industry will likewise call upon the employment service for new employees when defense programs start in this city.

EXHIBIT 14.—LAY-OFFS, MIGRATION, AND DISLOCATIONS IN THE EVANSVILLE, IND., AREA

REPORT BY FRANK E. RICHTER, ACTING MANAGER, EVANSVILLE OFFICE, INDIANA STATE EMPLOYMENT SERVICE, EVANSVILLE, IND.

NOVEMBER 5, 1941.

I am enclosing copies of surveys made by this office in September relative to anticipated unemployment. These surveys were made for Briggs Indiana Corporation, Chrysler Corporation, Servel, Inc., and Sunbeam Electric Manufacturing Co.

These reports were made with two primary objectives in mind:

1. An effort to get this information into the hands of Office of Production Management officials in time to avert a lay-off, if possible, by the distribution of subcontracts to these firms and, this failing,

2. Attempt to place displaced workers either locally or through clearance.

All of this information, of course, was obtained by direct contact with the employers and represents their statements of the various conditions, as outlined in these reports.

I am also enclosing a recap sheet outlining the manner in which these displaced workers were scheduled in visit our office, in order that we could evaluate their qualifications in an attempt to place them in private employment, or accept their claim for unemployment compensation. You will note that this recap sheet only takes into account the Servel and Sunbeam lay-offs. Those individuals who were not called back by Briggs and Chrysler because of the curtailment order, were already set up as unemployed available persons.

You will notice that in the case of all of these firms certain individuals who were laid off, did not report to this office, even though requested to do so. It is safe to assume that these individuals who did not report have either obtained local employment without our knowledge, or migrated to other communities where they have either found employment, or filed their claims for unemployment compensation.

BRIGGS-INDIANA CORPORATION

SEPTEMBER 26, 1941.

A. 1. *The Work Force.*—This company, at present, employs 1,075 persons. These workers are distributed by occupational groups as follows:

Professional	25	Skilled	158
Clerical	134	Semiskilled	604
Service	47	Unskilled	107

2. *Defense employment.*—None.

3. *Seasonality of employment.*—This company ordinarily suspends production during July and August, for model changes.

4. *Lay-off schedule.*—When this company resumed production, on a curtailed basis, the first of this month, 388 persons were not called back; 274 of these individuals had been reporting at the local employment office. The other 114 had either migrated to other communities or did not contact our office. These individuals are distributed occupationally as follows:

Professional.....	1	Skilled.....	33
Clerical.....	3	Semiskilled.....	128
Service.....	1	Unskilled.....	108

In the skilled group, the occupations are broken down as follows:

Upholsterer.....	2	Engine lathe operator.....	1
Upholsterer, auto.....	10	Solderer.....	1
Welder, acetylene.....	5	Steam fitter.....	2
Welder, arc.....	2	Millwright.....	1
Welder combination.....	1	Auto mechanic.....	2
Electrician.....	4	Auto body repairman, metal.....	1
Electrical repairman.....	1		

We have already forwarded a list of these occupations and the number unemployed in each to M. Turpin Davis.

No additional lay-offs of any type are anticipated before the first of the year. It is not possible for company officials to forecast developments after that date.

5. *Reasons for lay-off.*—Curtailed orders from the Office of Production Management resulted in the above men not being called back. The local authorities cannot state what the possibilities of conversion, from civilian to defense production to absorb these unemployed individuals, are. This decision and step rests entirely with the Detroit management.

6. *Equipment survey.*—Mr. August Wilks, Office of Production Management engineer, recently made a complete survey of the plant's productive equipment, in an effort to recommend remedial steps.

7. *Employment opportunities in the community.*—There is not much possibility, at this time, of absorbing displaced workers in this community.

CHRYSLER CORPORATION

SEPTEMBER 26, 1941.

A. 1. *The work force.*—Chrysler Corporation at present is employing 623 persons, in the following occupational groups:

Professional.....	14	Skilled.....	123
Clerical.....	48	Semiskilled.....	374
Service.....	28	Unskilled.....	36

2. *Defense employment.*—None.

3. *Seasonality of employment.*—This company ordinarily suspends production during July and August, for model changes.

4. *Lay-off schedule.*—No additional lay-offs of any type are anticipated before the first of the year. It is not possible for company officials to forecast developments after that date. One hundred and twenty workers were not called back the first part of this month, when production was resumed on a curtailed basis, by orders of the Office of Production Management. These men will not be called back to work. We have already forwarded a list of the occupations and the number unemployed in each to M. Turpin Davis. They are distributed as follows:

Clerical.....	6	Semiskilled.....	12
Service.....	3	Unskilled.....	86
Skilled.....	13		

In the skilled group, the occupations are broken down as follows:

Sheet-metal worker.....	1	Foreman (auto manufacturing)....	1
Horseshoer.....	1	Switchman.....	1
Electrical repairman.....	1	Stationary engineer.....	2
Cork insulator.....	1	Painter.....	2
Motor and chassis inspector.....	2	Maintenance mechanic.....	1

5. *Reasons for lay-off.*—Curtailment orders from the Office of Production Management resulted in the above men not being called back. The local authorities cannot state what the possibilities of conversion, from civilian to defense production to absorb these unemployed individuals, are. This decision and step rests solely with the Detroit management.

6. *Equipment survey.*—August Wilks, Office of Production Management engineer, recently made a complete survey of the plant's productive equipment, in an effort to recommend remedial steps.

B. *Employment opportunities in the community.*—There is not much possibility, at this time, of absorbing displaced workers in this community.

SERVEL, INC.

SEPTEMBER 25, 1941.

A. 1. *The work force.*—Servel's last pay roll showed that they had 4,120 employees. They are distributed occupationally as follows:

Professional.....	141	Skilled (includes 91 foremen).....	864
Clerical.....	381	Semiskilled.....	181
Service.....	91	Unskilled.....	821

This occupational break-down was taken from the employer's pay-roll records and, of course, would vary somewhat because of a difference in interpretation of what constitutes skilled, semiskilled, etc., occupations.

2. *Defense employment.*—Approximately 2½ percent of the total working force is now engaged in defense production.

3. *The seasonality of employment.*—This organization shuts down for 3 or 4 weeks, for inventory, sometime during August.

4. *Lay-off schedule.*—Sometime in October this organization anticipates that 1,063 persons will be laid off. This includes approximately the following number of individuals, in the occupational groups listed below:

Clerical.....	57
Semiskilled.....	553
Unskilled.....	375

In the skilled group, it is expected that the following number of individuals will be laid off, in the occupations noted:

Millwrights.....	3
Job setter.....	29
Welder, arc.....	3
Auto body repairman.....	4
Finish patcher.....	4
Molder, machine.....	14
Coremaker, foundry.....	5
Router operator (wood).....	4
Planer operator (wood).....	5
Inspector (machine shop).....	3
Foreman (refrigerating equipment).....	4
Total.....	78

During the latter part of November, they expect to lay off 18 unskilled and 32 semiskilled workers.

5. *Reasons for lay-off.*—Material curtailment, as ordered by the Office of Production Management, will be the sole reason for this lay-off, if it occurs.

6. *Equipment survey.*—August Wilks, Office of Production Management engineer, made a complete inventory of local plant equipment during the week of September 8.

B. *Employment opportunities in the community.*—It is the consensus of opinion of everyone concerned with this survey and the one made recently for the Office of Production Management that the possibility of absorbing displaced workers is negligible, unless defense contracts are obtained or the Office of Production Management lifts the material curtailment.

SUNBEAM ELECTRIC MANUFACTURING CO.

SEPTEMBER 25, 1941.

A. 1. *The work force.*—This company has 3,088 employees on their pay roll at present. They are distributed occupationally as follows:

Professional	22
Clerical	150
Service	50
Skilled (includes 116 foremen)	676
Semiskilled	1,770
Unskilled	420

This, of course, is the employer's statement relative to these occupational groups. While they are reasonably accurate, there undoubtedly would be a difference in interpretation as to what constitutes a skilled or semiskilled worker. In other words, the only way we could obtain a 100 percent accurate picture of the occupational distribution of employees would be to take a work application on them, which, of course, is not practical.

2. *Defense employment.*—Approximately .0066 of the total working force are now employed on defense production.

3. *The seasonality of employment.*—As stated in my previous letter, this organization usually shuts down for approximately 2 weeks, for inventory, sometime during August.

4. *Lay-off schedule.*—Sometime in October, the company anticipates the following lay-off break-down:

Clerical	35
Skilled	12
Semiskilled	960
Unskilled	193
Total	1,200

In the skilled group, they expect to lay off 6 acetylene welders, 3 are welders and 3 millwrights.

Semiskilled:

November	80
December	144
January	65

Unskilled:

November	55
December	36
January	15

5. *Reasons for lay-off.*—The specific reason for these lay-offs is material curtailment, as ordered by the Office of Production Management.

6. *Equipment survey.*—A representative of Office of Production Management Contract Service has a complete inventory of all equipment in our local plants. This followed equipment inventory made by the local defense council.

B. *Employment opportunities in the community.*—As mentioned before, we have been working with the Evansville employers, civic leaders and Office of Production Management officials in an effort to suggest remedies for the absorption of workers who have been laid off or will be displaced in the near future. As you probably know, Evansville is in a very singular situation, as far as the reemployment of individuals laid off is concerned, which presents a problem that certainly cannot be answered as yet. You might be interested to know the four suggestions made by this committee, to be presented in Washington. They are as follow:

1. Modification of the priority program—to ease the curtailment drops in non-defense production to make for a saner transition to defense production.

2. Closer alliance between Evansville industries and the Office of Production Management at Washington for procurement of more prime and subdefense contracts.

3. Preferential consideration to plants in priority unemployment areas where reemployment opportunities are negligible.

4. Acquisition of defense industries.

SUNBEAM

First lay-off, week ending Oct. 4, 1941:	
Total released.....	301
These were reported by list and Form 133 was sent:	
Reported.....	220
Did not report.....	81
Second lay-off, week ending Oct. 18, 1941:	
Total released.....	779
These were reported by list and were scheduled for interviews by appointment slips from Monday, Oct. 20, through Thursday, Oct. 23, 1941:	
Reported.....	613
Did not report.....	166
Total of those to report who are available for transfer.....	823

SERVEEL

Lay-off week ending Nov. 1, 1941: Total released..... 724
 These were reported by list and have been scheduled for interview by appointment slips for Monday, Oct. 27, through Monday, November 3.

	Sched- uled	Reported	Did not report
Monday, Oct. 27.....	176	132	44
Tuesday, Oct. 28.....	176	108	68
Wednesday, Oct. 29.....	94	72	22
Thursday, Oct. 30.....	24	16	8
Friday, Oct. 31.....	176	106	70
Saturday, Nov. 1.....	75	52	23
Monday, Nov. 3.....	3	2	1
Total.....	721	.....	.....

Total scheduled through Wednesday.....	446
Total reported through Wednesday.....	312
Total did not report through Wednesday.....	130
Total of those reporting through Wednesday who are available for transfer.....	218

SUNBEAM

Third lay-off, week ending Nov. 1, 1941:	
Total released.....	60
Did not report.....	9

These were reported by list and have been scheduled for interview by appointment slips for Tuesday, November 4, from 9 a. m. through 3:30 p. m.

NOVEMBER 18, 1941.

MR. JACK B. BURKE,
Field Investigator, St. Louis, Mo.

DEAR MR. BURKE: This is in reply to your letter of November 7, requesting me to supply you with certain information relative to labor migration and dislocation.

I have already given you copies of anticipated lay-off reports which were made on September 25 by this office, for Serveel, Inc., Sunbeam Electric Manufacturing Co., Chrysler Corporation and Briggs-Indiana Corporation. I am enclosing two copies of Form ES-223 reports recently made for the Faultless Caster Co. and Never-Split Seat Co., who anticipate lay-offs due to material shortages. These will supplement the information previously forwarded you. I am also enclosing a copy of a labor market report submitted November 15 to our administrative office. This report should answer several of the questions which you requested.

I am enclosing a recap sheet containing the number of workers laid off since September whose unemployment has been caused by curtailment orders in the refrigerator and automobile industries. The great majority, probably 95 percent, of these individuals are drawing unemployment compensation. I am also forwarding to you our report of active file registrations in selected national defense occupations. This was our work-sheet copy, which explains why it was prepared

in pencil. However, I believe it will be adequate. I believe primarily, for all practical purposes, you will be interested in column three of this report, which shows the number of registrations of available workers in the occupations listed in column I, as of November 15.¹

In regard to the working arrangement between our office and Evansville employers regarding employment statistics, I will generalize by saying that the cooperation is good. Occasionally an employer is reluctant to give us certain information regarding his defense contracts, or anticipated contracts, but by continually hammering away at them we are usually able to secure the desired information. As you know, it is necessary for us to ferret out anticipated lay-offs and report these figures and causes for unemployment to Office of Production Management officials. We make a periodic call to all contract holders in this area once a month in an effort to get this information.

For over a year we have been referring trainees to the local defense training schools for pre-employment or refresher training. At the present, the quota in their training classes is filled. By agreement of the State council for the administration of the national defense training program, the defense schools are to train the individuals and we are to make the referrals. This is in order that we can truly act as a central clearing house for labor and thus be at all times cognizant of all labor problems regarding the supply and demand of workers that might arise.

I am sorry that the information I am supplying you is so disconnected, but I do believe that by reading these various reports you should be able to obtain all of the information requested in your letter. I am also sorry that I cannot furnish you with the seventy-five copies of these reports. We do not have a duplicating machine in this office, nor do we have funds to permit the purchase of this type of service.

If I can furnish you with any information in the future, which will be helpful to you, or your committee, do not hesitate to call upon me.

Very truly yours,

INDIANA EMPLOYMENT SECURITY DIVISION,
FRANK E. RICHTER,
Acting Manager, Evansville Office.

Federal Security Agency
Social Security Board
Form ES-223 (10-41)

REPORT OF LABOR DISPLACEMENT AS A RESULT OF SHORTAGES OF MATERIALS OR PARTS

1. Name of establishment: Faultless Caster Co.
2. Address of establishment: 1521 North Garvin Street, Evansville, Ind.
3. Has a previous report on Form ES-223 been submitted for this establishment?
No. If so, give date of most recent report.
4. Principal products manufactured:
(a) Nondefense: Caster assemblies. Office and home furniture hardware.
(b) Defense: Shell fuzes, casters.
5. Number of employees: (a) Total employees, 444; (b) employees engaged in defense production, 325.
6. Shortage materials or parts: Strip steel, hot and cold rolled; ball bearings; rubber composition for caster wheels (containing very little rubber). Have brass, but cannot use after January 1, 1942.
7. Products affected by shortages of materials or parts: Casters, furniture hardware.
8. Schedule of lay-offs resulting from shortages of materials or parts:

Date of lay-off	Number of workers to be laid off	Occupational group		
		Professional, managerial, and skilled	Semiskilled	Other
I	II	III	IV	V
Already laid off (Dec. 1, 1941)	151	1	30	120
Total				

¹ Held in committee files.

9. Reductions in working hours resulting from shortages of materials or parts:
10. Plant conversion possibilities:
 - (a) Have any equipment surveys been made by Government or private agencies? Yes. If so, by whom? Office of Production Management. When? September 10, 1941.
 - (b) In the opinion of the management, can the plant facilities be converted to defense production? Yes. If so, to what products?
 - (c) Outstanding bids on defense contracts.
11. Employment opportunities for displaced workers in the area:
 - (a) Specific needs for such workers in the area: Negligible.
 - (b) Barriers to absorption of displaced workers: Lack of job openings.

Office: Evansville, 16½ SE. Second Street, Indiana.
 Date: November 12, 1941. Manager _____

Defense production employees, approximately 325.
 This company makes a line of casters and furniture hardware. Has prime contract for shell fuzes and subcontracts for normal products, many on special specifications. Management is certain that in excess of 55 percent of production goes ultimately to fill defense orders, through jobbers and other manufacturers, for which this company has no priorities. In addition, much of normal production goes into hospital beds, office and home furniture, industrial trucks and stock bins, which represents a small proportion of finished inventory, but a large percentage of company's output. Many unfilled orders are from holders of prime and sub contracts, for which there are no priorities available.

Orders are coming in at the average rate of about 120 a day from an active list of 5,000 customers. At this time there are 2,400 unfilled orders. Material shortage consists of strip steel, hot and cold rolled; balls for caster bearings; and rubber composition for caster wheels, which contains very little rubber.

Mr. J. A. Ewing, Office of Production Management, 2628 Social Security Building, Washington, D. C., recommended that company secure priority assignment for all production items.

Federal Security Agency
 Social Security Board
 Form ES-223 (10-41)

REPORT OF LABOR DISPLACEMENT AS A RESULT OF SHORTAGES OF MATERIALS OR PARTS

1. Name of establishment: Never-Split Seat Co.
2. Address of establishment: 200 East Morgan Avenue, Evansville, Ind.
3. Has a previous report on Form ES-223 been submitted for this establishment?
 No. If so, give date of most recent report.....
4. Principal products manufactured:
 - (a) Nondefense: toilet seats—Wooden and hard rubber.
 - (b) Defense: toilet seats—Wooden and hard rubber.
5. Number of employees: (a) Total employees 125; (b) employees engaged in defense production: 50.
6. Shortage materials or parts: Brass for hinges. Have stock but cannot use without priorities after January 1, 1942.
7. Products affected by shortages of materials or parts: Toilet seats.
8. Schedule of lay-offs resulting from shortages of materials or parts:

Date of lay-off*	Number of workers to be laid off	Occupational group		
		Professional, managerial, and skilled	Semiskilled	Other
I	II	III	IV	V
Already laid off (Jan. 1, 1942).....				
Total.....	75	2	27	46

9. Reductions in working hours resulting from shortages of materials or parts: .
10. Plant conversion possibilities:
- Have any equipment surveys been made by Government or private agencies? Yes. If so, by whom? Office of Production Management. When? September 10, 1941.
 - In the opinion of the management, can the plant facilities be converted to defense production? Yes. If so, to what products? Wood products.
 - Outstanding bids on defense contracts:
11. Employment opportunities for displaced workers in the area:
- Specific needs for such workers in the area: Negligible.
 - Barriers to absorption of displaced workers: Surplus of wood workers in community.

Office: Evansville, 16½ S.E. Second Street., Indiana.

Date: Nov. 12, 1941. Manager:

Defense production employment, 50 employees.

This firm manufactures toilet seats exclusively, wooden and rubber. Are currently working on orders for Army and other governmental agencies, as well as their normal business. After January 1, company must discontinue the use of brass for hinges, except on priority orders. Since the only suitable replacement is stainless steel, which is extremely difficult to secure, company expects to be forced to curtail nondefense production, with a lay-off of about 75 men.

Management believes much of production sold through jobbers goes on defense construction work, for which they have no priorities.

LABOR MARKET REPORT, ES 274, FOR EVANSVILLE OFFICE. OCTOBER 15
NOVEMBER 15, 1941

A. LABOR MARKET DEVELOPMENTS IN THE AREA

1. *Increases in employment.*—The local Chrysler Corporation has been designated by its home office as a parts-distribution center. They have already started to call back a few of a total of 150 workers who were not recalled in September due to the curtailment order affecting the automotive manufacturing industry. They expect to have all of these 150 workers back on the pay roll by the end of the month.

Cavalier Garment Corporation, which has a defense contract for enlisted men's shirts and trousers, hired 15 sewing-machine operators through our service within the last 2 weeks. They estimated that these operators have increased their production approximately 10 percent. They originally told us they were looking for 35 additional operators, but have now told us to suspend referral until further notice.

2. *Decreases in employment.*—Sunbeam Electric Manufacturing Co., manufacturers of electric refrigerators, laid off approximately 700 workers, starting the last week in October. This made a total of approximately 1,200 persons laid off from this organization since the first week in October. The greater majority of these persons laid off were in the semiskilled and unskilled occupational groups. This lay-off was directly due to a curtailment made retroactive to August 1, 1941.

Servel, Inc., laid off approximately 1,000 individuals during the week ending October 18. This lay-off was also due to a curtailment order. The majority of these workers were in the semiskilled and unskilled occupational groups.

In both of these cases mentioned above, only about 80 percent of those persons laid off reported to the employment office. Inasmuch as the other 20 percent are eligible for unemployment compensation, it is safe to assume that these workers either migrated to other communities where they found employment, or filed their claims for unemployment compensation.

There is little prospect at the present for placing the workers laid off from these two firms because of their unskilled and semiskilled nature. We have had a few scattered requests for some of these workers laid off, such as an order for 18 welders from Comersville. We have only been able to place approximately 50 of the persons laid off due to the curtailment order, either locally, or in other areas through clearance.

3. *Training.* Mechanic Arts School offers the following supplementary courses: Mechanical drawing I and II, electrical maintenance I and II, practical electricity, sheet metal lay-out, machine maintenance, welding, machine shop I and II, turret lathe operation, and auto mechanics theory. Their trade extension courses, which also are supplementary courses, are as follows: Foremen training, Diesel engines, time and motion study, measuring instruments, refrigeration service, machinery handbook, slide rule, print reading, beginning and advanced, practical shop

mathematics and heat treating. They also offer special supplementary courses as follows: Structural steel print reading and lay-out, structural steel drafting and design, and aluminum aircraft welding. At the request of Hoosier Lamp & Stamping Corporation, metal stamping manufacturers, they are contemplating inaugurating a course in aluminum riveting. This firm also requested the class on aluminum aircraft welding. These training courses started September 29, 1941, with the second term starting January 5, 1942, and the third term Monday, March 30, 1942. The supplementary courses are offered from 4 to 7 p. m. and Saturday morning from 7 to 11. There are approximately 20 to 25 trainees in each of the above classes.

This school has filled its quota for trainees in the preemployment refresher courses in machine shop I and II, sheet metal lay-out and arc and acetylene welding.

National Youth Administration still continues to give training in five classes; namely, machine shop, sheet metal, woodworking, welding (arc and acetylene), and radio. They have about 30 to 40 boys and girls in each of these five classes. The students spend 100 hours per month in the workshop and the boys are given 60 hours per month at Mechanic Arts High School, studying related subjects.

As near as we can estimate, about 75 to 80 percent of the trainees, who have completed their training, have found employment in private industry. It is my sincere belief that the majority of these persons have found employment outside of Evansville through their own resources. Also a great number of them have found employment in occupations other than those in which they have received training.

Servel, Inc., is attempting to obtain a contract for breach locks. If this contract materializes they are planning on starting a T. W. I. program for approximately 200 milling machine operators, provided, of course, they can obtain additional milling machines.

4. *Migration into and out of the area.*—We estimate that approximately 300 to 400 individuals, who have been laid off recently, have migrated to other communities, either in an effort to secure employment, or establish a residence and draw their unemployment compensation.

We know that some of the individuals laid off have migrated to Indianapolis and obtained employment at Allison Engineering Corporation and Curtiss-Wright. We also have a few specific cases of mechanic arts trainees migrating to Indianapolis, South Bend, and Hammond, where they have obtained employment.

The majority of workers migrating elsewhere are semiskilled and the balance were skilled men who sought employment elsewhere because of higher wage scales. We were able to assist the Baldwin Locomotive Works recruit six workers for their Eddystone, Pa., plant.

There are very few workers migrating into this community, in view of the unfavorable employment possibilities which have been publicized extensively throughout the Middle West.

5. *Changes in methods of recruiting labor.*—(a) Servel, Inc., and Bueyrus-Erie have recruited a few machine operators from the local defense training school directly through the instructors. These instructors were formerly on the pay roll of these organizations and when they spot a high-type trainee they refer him direct to the employer.

Faultless Caster Co. has permitted us to clear openings for job setter II. Up until the first of this month, they would not permit us to clear on these orders, but the need became so acute they finally permitted us to use this medium of recruitment.

(b) There has been no noticeable competition for labor in this area because of the priorities and curtailment orders now effective.

6. *Other developments.*—The housing and transportation situation in this area is probably better than average. Houses and apartments can be had for no increase in rentals than prevailed a year ago.

B. LABOR MARKET DEVELOPMENTS IN IMPORTANT INDUSTRIES

1. *Industry I (refrigeration industry).*—The refrigeration industry has laid off an additional 1,700 employees since the last report, making a total of approximately 2,200 persons who are now unemployed in this industry due to a material curtailment order. As pointed out before, these occupations are in the majority semiskilled and unskilled.

2. *Industry II (automobile body manufacturing and assembly industries).*—The automobile body manufacturing and assembly industries are unable to anticipate what will happen to their production after January 1. They have to wait for

information from Detroit before anticipating production schedules after that date.

3. *Industry III (job machine shop industry).*—Holsclaw Bros., semiproduction machine shop, which holds prime contracts for ordnance parts, is still seeking 6 tool makers, 25 gage makers, and 5 machinists. We have open clearance orders for this firm for each occupation where there is a shortage. They estimate that if they could find qualified workers in the above occupations they should be able to approximately double defense production.

This company is very disturbed because local National Youth Administration took two of their best production workers as instructors. Mr. Holsclaw said that they have even lost orders to Pratt-Whitney when these men left because production schedule could not be maintained.

We have orders from other job machine shops in this area for tool and die makers, machinists, and foremen. Other than Holsclaw, the other shops do not necessarily feel that production is being curtailed because they cannot locate these men, but that they could accept additional defense contracts provided these qualified men were obtained.

4. *Industry IV (synchronous electric motor industry) Hansen Manufacturing Co., Princeton, Ind. (defense production employment, 50).*—This company makes synchronous electric constant speed motor, with controlled revolutions per minute of from 1 to 300. There are about 60 prime companies with total employment of about 20,000 employees dependent on this firm for motors. Fifty percent of production consists of motors for timing devices; 50 percent is on movements and motors and timing machine assemblies. Almost entire production goes either directly on defense orders, or to essential defense industries. Now are building some special experimental models for Wright Field Station, Dayton, Ohio, of United States Air Corps. Customers include telephones, aircraft, maritime commission, time-recording firms, manufacturers of testing equipment, aircraft fire-fighting apparatus. About \$2,000 in orders have been filled to lease-lend agency without benefit of priority certification.

Most of orders require small quantities of materials. Management gave up trying to keep up with priority certifications as it was too slow and cumbersome. Have been filling orders from own stock. Management seems to be very resourceful in developing substitutes and adapting product to various needs and conditions.

Office of Production Management has suggested company secure blanket priority certification on entire production, due to its vital importance in defense. Unless company can secure materials by December 10, they will be forced to lay off most of working force. Company buys no completed goods except wire and screws. Have built a new plant since fire in 1939 and installed mostly new equipment. Nearly entire force is well trained in precision work, even to assemblies. Screw machine work is held to tolerance of from 0.001 to 0.0002.

Company estimates yearly material requirements as follows: 64,000 pound brass in sheets, plate, drawing, wheel; 10,000 pounds brass rods; 15,000 pounds enameled magnet wire; 25,000 pounds copper strip; 700 pounds aluminum strip; 50,000 pounds sheet steel; 300,000 pounds rubber-covered copper hook-up wire; 20,000 pounds steel rods.

5. *Industry V (toilet seat industry) (defense production employment, 50), Never-Split Seat Co.*—This firm manufactures toilet seats exclusively, wooden and rubber. They are currently working on orders for Army and other governmental agencies, as well as their normal business. After January 1 company must discontinue the use of brass for hinges, except on priority orders. Since the only suitable replacement is stainless steel, which is extremely difficult to secure, company expects to be forced to curtail nondefense production, with a lay-off of about 75 men.

Management believes much of production sold through jobbers goes on defense construction work, for which they have no priorities.

6. *Industry VI (metal caster and furniture hardware industry), Faultless Caster Co. (defense production employees, approximately 325).*—This company makes a line of casters and furniture hardware. Has prime contract for shell fuzes and subcontracts for normal products, many on special specifications. Management is certain that in excess of 55 percent of production goes ultimately to fill defense orders, through jobbers and other manufacturers, for which this company has no priorities. In addition, much of normal production goes into hospital beds, office and home furniture, industrial trucks and stock bins, which represents a small proportion of finished inventory, but a large percentage of company's output. Many unfilled orders are from holders of prime and subcontracts, for which there are no priorities available.

Orders are coming in at the average rate of about 120 a day from an active list of 5,000 customers. At this time there are 2,400 unfilled orders. Material shortage consists of strip steel, hot- and cold-rolled; balls for caster bearings; and rubber composition for caster wheels, which contains very little rubber.

EXHIBIT 15.—FORMATION OF HUNTINGTON COUNTY INDUSTRY POOL TO SECURE DEFENSE CONTRACTS

REPORT BY C. H. DREW, EXECUTIVE VICE PRESIDENT, HUNTINGTON COUNTY DEFENSE GROUP, HUNTINGTON CHAMBER OF COMMERCE, INC., HUNTINGTON, IND.

Several of the manufacturing concerns in this district became concerned about the possibility of priority unemployment in our community and organized the pool described on the enclosed sheets as a method of hedging against such a contingency. What we have done to date is write requests to be placed on the mailing list of all of the procurement agencies of the Government, including in addition to the armed forces, quartermaster departments and housing authorities; we have contacted our district ordnance office and contacted the distribution service office both by letter and in person. We made two trips to Washington and have been invited to design and present quotations on machine tool and prefabricated houses. This work is now being done. We have been successful in obtaining some subcontract work as a pool.

We believe that the members of the pool agree it is a worth-while effort and will probably result in our community not finding it necessary to be certified as a distressed community.

We hope the committee will not think us presumptuous in making the following statement: There seems to be in Washington the tendency to pay a great deal of attention to distressed communities and very little to communities who are making efforts of their own to solve their problems. This places a premium on being "distressed" and actually results in penalizing a community that is trying to help itself. We will be glad to cooperate with the committee in any way they require.

HUNTINGTON COUNTY DEFENSE GROUP

PARTICIPATING INDUSTRIES

The Majestic Co.¹
 Guests Machine Works.
 Asbestos Manufacturing Co.¹
 Orton Crane & Shovel¹
 Huntington Laboratories, Inc.
 The Hosdreg Co.¹
 Caswell-Runyan Co.¹
 Glaze Manufacturing Co.
 Self-Rising Door Corporation.
 The Kitchen Maid Corporation.
 Crull Gun Co.
 Wabash Tool Machine Co.
 Rock City Foundry.
 Schacht Rubber Manufacturing Co.
 Peabody Seating Co.
 Columbia Products Co.
 Laketon Machine Co.
 Cripe Electric & Machine Co.

Partial list of the facilities of this defense group.

The reason that this list is headed "Partial" is that we are every day receiving requests from additional manufacturers to join our group and have listed only manufacturers that have applied to date.

This group not only has the following facilities but are also fortunate in having among their number a very capable group of engineers to guide and coordinate the work of the several industries.

Metal working equipment:

Engine lathes:
 9-inch, 13.
 12-inch, 7.
 16-inch, 14.
 20-inch, 13.
 30-inch, 3.
 36-inch, 2.

¹ Industries listed to become prime contractors for the group.

Horizontal milling machines:

- Hand mills, 8.
- Production mills, 8.
- Universal mills, 9.
- Hobbing machine, 2.

Drilling equipment:

- Bench drills, 16.
- Drill presses, 18.
- Automatic drills, 9.
- Gang drills, 8.

Saws:

- Power hack saws, 10.
- Power band saws, 3.

Turret lathes:

- Warner, Swasey.
- Foster, J. & L., 11.

Shapers: 14 to 24 inch, 6

Punch presses:

- Small, 4.
- Medium, 2.
- Large, 7.

Hand screw machines:

- Brown & Sharp.
- Mullholland, 10.

Automatic screw machines: 4-spindle, 8.

Grinder equipment:

- External, 4.
- Internal, 3.
- Universal, 3.
- Surface, 3.
- Face, 1.
- Snag, 1.
- Cutter, 2.
- Profile, 2.

Keyseaters, 2.

Planers, 2.

Brakes (14 gage), 3.

Sheers (14 gage), 3.

Welding equipment:

- Arc, 5.
- Gas, 5.
- Spot, 7.

In addition to the above there are two complete sheet-metal plants, one which manufactures built-in kitchen equipment and the other whose regular production are tanks, garbage cans, etc. These plants have complete forming, bending, and welding equipment as well as necessary hand tools too numerous to list.

Four gray iron foundries, total capacity 31,000 pounds per day. Each foundry complete with core rooms, pattern departments, and cleaning facilities.

Wood-working equipment:

1. *Caswell-Runyan Co.*—One of the largest manufacturers of cedar chests and radio cabinets in the country. Have 275,000 square feet of floor space and is a most modern up-to-date wood-working plant.

2. *Kitchen Maid Corporation.*—This plant has 150,000 square feet of floor space. Manufactures as a regular item built-in kitchen equipment and fixtures. They are a combination sheet-metal and wood-working company.

Peabody Seating Co.—Floor space approximately 200,000 square feet. Have for 40 years manufactured school and theater seats in combination cast iron and wood as well as sheet steel and wood.

Chemicals:

One complete chemical plant known as the Huntington Laboratories, Inc., composed of 30,000 square feet of floor space with tanks, kettles, filters, stills, mixers, etc.

Rubber:

One complete rubber plant known as Schacht Rubber Manufacturing Co., who manufactures rubber specialties under the trade name of "Daisy" for many years and part of whose capacity is now taken up with gas-masks parts.

EXHIBIT 16. - THE INDUSTRIAL SITUATION IN MUNCEIE, IND.

REPORT BY LESTER C. BUSH, MANAGER, MUNCEIE CHAMBER OF COMMERCE, MUNCEIE, IND.

NOVEMBER 15, 1941.

MR. JOHN W. ABBOTT,
Chief Field Investigator,
St. Louis, Mo.

DEAR MR. ABBOTT: With further reference to the industrial situation at Muncie, I have purposely waited until this late date in order to give you the best picture possible about it.

There has been no change in our situation since you were here with the exception that our information is that Ball Bros. laid off about 100 people yesterday on account of a tank going down for repairs. I understand that these repairs will shortly be made and that the workmen will be back on the job within several weeks.

I am concluding that there is no necessity for a subcommittee from the co-operative committee to appear before your committee on November 26 and 27. I will keep in close contact with you and as changes in the situation develop, keep you informed.

Thank you very much for your interest in the Muncie industrial situation.

Yours very truly,

LESTER C. BUSH, *Manager.*

EXHIBIT 17.—DISLOCATIONS OF WORKERS IN IOWA DUE TO PRIORITIES AND MATERIAL SHORTAGES

REPORT BY IOWA EMPLOYMENT SECURITY COMMISSION, DES MOINES, IOWA

NOVEMBER 17, 1941.

One of the most disturbing factors in the general labor market situation in Iowa during the past 2 or 3 months has been the actual or anticipated lay-off of workers due to the inability to secure essential materials. Examples of such lay-offs, arranged according to localities, are as follows:

Newton.—The Maytag Washing Machine Co., laid off 50 workers from their grey iron foundry on October 16 due to a lack of aluminum, steel, pig iron, zinc, and scrap iron. The workers affected were machine molder squeezers, polishers, grinders, and factory laborers. The assembly line, involving about 200 men, is only working 3 days per week because of a shortage of materials, and some of the salesmen are idle since agents are not able to secure the necessary products. The Wind Power Manufacturing Co., manufacturers of farm electrical power systems, was forced to lay off a few engine lathe operators because of inability to secure steel and motors. The Automatic Washing Machine Co., laid off a few punch press operators and factory laborers and has called in all of their salesmen off the road because of a shortage of steel, aluminum, and zinc. The Midwest Stamping Co., was forced to lay off 15 punch press operators, 15 factory laborers, and 1 office clerk because of inability to obtain materials essential to the washing-machine industry. While a few of the workers laid off have been absorbed by other industries, possibilities for employment are definitely limited in the area outside of the washing-machine industry.

Des Moines.—The Rollins Hosiery Mills has laid off a total of 394 workers during the past 2 months as a result of the raw silk shortage. The workers affected involve knitters, toppers, loopers, seamers, gray inspectors, menders, skein winders, spinners, combers, boarding machine operators, and inspectors. The Chamberlain Laboratory, which employs 35 workers, closed down their entire plant during October due to the inability to obtain 188 proof alcohol. The plant was reopened on October 20, but the present supply of materials is expected to be depleted within a few days. The Ideal Manufacturing Co., laid off about 20 workers, predominately unskilled, in September because of an insufficient supply of bar steel and 16 gage sheet metal. Some of the smaller job shops have also indicated that it might be necessary for them to close down unless materials can be secured in the near future. The report received today from the Rollins Hosiery Mills indicated that approximately 50 of the workers laid off have already been rehired, and it is anticipated several more will be added during the next 6 weeks. In fact, present indications point to the possibility of the firm operating at near normal production by January 1942. This

is due to a decided increase in the output of cotton and rayon hosiery. Some of the workers laid off from the foregoing establishments have found employment at the Des Moines ordnance plant, or with other firms in the city. However, a recent analysis disclosed that a large percentage were drawing unemployment compensation benefits.

Cedar Rapids.—The Hall Manufacturing Co. and the Rapids Equipment Co. were forced to lay off 40 to 50 floor assemblers and sheet-metal workers during September because of inability to secure materials. The Universal Crusher Co. laid off 31 helpers and assemblers during October, and the Century Engineering Corporation anticipated a lay-off of 30 sheet-metal workers and welders unless sheet metal can be obtained. It is also anticipated that the Dearborn Brass Co. will be forced to lay off 10 foundry workers unless brass tubing, scrap, and ingots are made available. Due to the present demand for workers in this area, most of those affected by the foregoing lay-offs have been absorbed by other establishments in the community.

Waterloo.—The Chamberlain Corporation, manufacturers of washing machine wringer rollers have laid off 150 workers during the past 2 months due to a curtailment of orders brought about by a reduction in the production of washing machines. It is understood, however, that this concern has obtained a defense contract and that those laid off will be reemployed in the near future. The Associated Manufacturers, Inc., laid off 110 workers in September due to priorities and to seasonal fluctuations. This firm is now back to normal production, however, and most of the workers laid off were rehired during October.

Dubuque.—The A. Y. McDonald Manufacturing Co., expects to lay off 20 skilled, 30 semiskilled, and 150 unskilled workers on November 15 due to a shortage of brass ingot and component parts for the manufacture of pumps, governors, etc. The General Dry Batteries, Inc., expects to lay off 876 workers in the near future because of a shortage of zinc. Due to the fact that the other foundries in Dubuque are faced with a similar situation, and to the fact that there is a relatively small demand for workers in other industries at the present time, considerable difficulty is anticipated in securing employment for the workers to be displaced.

Oskaloosa.—The Universal Manufacturing Co., has laid off 15 employees due to a shortage of 16-gage sheet steel, even though present orders justify the hiring of 30 additional workers. While some of the employees affected can be transferred to other jobs, there is no demand in the community for the occupations in which these workers have been engaged.

Albert City.—The Superior Manufacturing Co., has laid off a total of 102 workers during the past 4 months because of inability to obtain 16-gage cold-rolled sheet steel, and unless defense contracts are received an additional 60 to 65 workers will be laid off during the next 45 days. While several of the workers already displaced have secured agricultural employment in the area, some have already migrated to centers of defense activity, and a few are still unemployed. Due to the lack of demand for factory labor in this section of the State and to the relatively limited opportunities in agriculture during the winter months, considerable difficulty is to be expected in finding employment for additional workers that might be laid off in the community.

MIGRATION

Although accurate figures are not available concerning the migration of workers from the State, it is known that a considerable amount of out-migration has taken place since the beginning of the defense program. The most outstanding instance of out-migration during the past few weeks has been to the Lockheed Aircraft Corporation in California. As the result of aptitude examinations and personal interviews conducted by a representative of that concern, it is estimated that 1,000 to 1,200 workers, from all sections of the State, have already left Iowa to accept employment with that establishment. Several hundred skilled and semi-skilled workers had previously left to accept employment in the aircraft industry in Kansas, Texas, and California. There has also been a considerable exodus of skilled construction workers to Indiana and Missouri, and several skilled workmen in the metal-trades industry have left the State to accept jobs in Minneapolis. A considerable amount of intrastate migration has also been evidenced during the past year, and several hundred workers have migrated from less industrialized areas to those of greater defense activity. Differentials in the prevailing wage scale have also resulted in the movement of skilled workers from one city to another. The only area from which a total figure of out-migration has been reported is Iowa City. The most reliable estimates available for that locality indicate that 1,600

residents have moved from the city since the beginning of the defense program. While the amount of out-migration is undoubtedly much less pronounced from most other communities, it is evident that the more agricultural areas have lost thousands of workers during the past year.

The most outstanding example of in-migration occurred at Burlington during the construction of the Iowa ordnance plant. Of the 11,000 workers employed at peak construction, only 15 percent were residents of Burlington, 4 percent lived elsewhere in Des Moines County, 41 percent were residents of other counties in Iowa, and the remaining 40 percent were from other States. The construction of the Des Moines ordnance plant near Ankeny has also resulted in a considerable influx of workers into the Des Moines area, and it is estimated roughly that 1,200 to 1,500 carpenters, bricklayers, plumbers, iron workers, and other skilled construction workers have recently migrated into Des Moines to work at the ordnance plant.

EXHIBIT 18.—EMPLOYMENT, LAYOFFS, AND LABOR SUPPLY IN IOWA

REPORT BY IOWA EMPLOYMENT SECURITY COMMISSION, DES MOINES, IOWA

DISTRIBUTION OF WORKERS BY INDUSTRIES

As based upon the 1940 census the total gainful workers of Iowa numbered 949,412. While reliable figures are not available subsequent to 1935 concerning an industrial break-down of the workers in the State it is estimated that 35 percent are engaged in agriculture, 5 percent in construction, 12 percent in manufacturing, 7 percent in transportation and communication, 10 percent in retail trade, 2 percent in wholesale trade, 18 percent in service, 2 percent in mining and quarrying, 2 percent in finance, insurance, and real estate, and the remaining 7 percent in miscellaneous industries including unpaid agricultural workers.

Practically every county in the State is predominately agricultural, the chief crops being corn, oats, and soybeans. With the exception of Des Moines and Sioux City all of the major manufacturing centers are located in the eastern one-third of the State, the leading industrial cities being Waterloo, Cedar Rapids, and Davenport.

In Waterloo (population 57,743) are located the two largest manufacturing establishments in Iowa, namely, the John Deere Tractor Co., and the Rath Packing Co. The former establishment normally employs about 5,000 workers and the latter establishment about 4,500. Other relatively large establishments in the city include the Chamberlain Corporation, manufacturers of washing machine wringers; the Hinson Manufacturing Co., manufacturers of leather and canvas goods; the Associated Manufacturers Corporation, manufacturers of cream separators and gas engines, the Construction Machinery Co., manufacturers of concrete mixers and hoists; the Galloway Co., manufacturers of cream separators and agricultural implements; and the I. C. Railway shops. The defense contracts received in the Waterloo area by the end of September totaled over \$12,000,000. By far the largest of these contracts (\$11,000,000) was let to the Iowa Transmission Co., a subsidiary of the John Deere Tractor Co., for the manufacture of transmissions for tanks. This contract has recently been increased to \$20,000,000. Other relatively large contracts include an allotment of \$592,000 to the Hinson Manufacturing Co. for the manufacture of cartridge belts, field bags, etc., and an allotment of \$483,000 to the Rath Packing Co. for canned meat.

The major manufacturing concerns in Cedar Rapids (population 62,120) include Wilson & Co., meat packing, with a total pay roll of about 1,500; the Quaker Oats Co., manufacturers of cereals, with a total pay roll of about 800; and Penick & Ford, Inc., manufacturers of corn sirup, starch, etc., with a total pay roll of about 600. Other relatively large establishments in this community include the LaPlant-Choate Manufacturing Co., manufacturers of road machinery; the Collins Radio Corporation, manufacturers of radio equipment; the Link Belt Speeder Machinery Co., manufacturers of excavators, cranes, etc.; and the Chicago, Rock Island & Pacific Railway shops. The defense contracts received in the Cedar Rapids area by the end of September totaled approximately \$5,000,000 which has obviously resulted in a considerable demand for workers in this community. The major contracts include a \$2,469,000 allotment to the Collins Radio Co. for the manufacture of radio transmitters, crystal builders, etc., a \$612,000 allotment to the Link Belt Speeder Corporation, for the manufacture of shovels and cranes, and a \$1,319,000 allotment to the Universal Crusher Co. for the manufacture of crusher equipment, cradle assemblies, etc.

The only firm in the Davenport area (population 66,039) which normally employs more than 500 workers is the Bettendorf Co., manufacturers of railroad freight cars, which according to latest reports had a total pay roll of 1,334. There are, however, about 18 establishments in the iron and steel and machinery manufacturing industries which employ between 200 and 500 workers, and for this reason the area is important from the standpoint of national defense. Furthermore, Davenport comprises a part of the quad-city labor market area (Rock Island, Moline, East Moline, and Davenport), and for this reason the Rock Island arsenal draws several of its workers from this city. The defense contracts received in the area by the end of October 1941 totaled over \$5,000,000. The major contracts include an allotment of \$1,355,990 to the Davenport-Besler Corporation, for the manufacture of locomotives, electric switch engines, etc., an allotment of \$1,019,000 to the Uchtorff Co. for the manufacture of helmets, automotive equipment, etc., and an allotment of \$941,000 to the Zimmerman Steel Co. for the manufacture of steel castings.

Burlington (population 25,832), which is located on the Mississippi River near the southeastern corner of the State, was selected as the site for the \$66,000,000 Iowa ordnance plant. The construction of this plant is now nearing completion, and the number of construction workers has been reduced from about 12,000 at the end of July to approximately 3,500 at the present time. The operation of the first and second assembly lines has been started and about 2,800 workers had been employed by Day & Zimmerman, Inc., by the middle of December. It is estimated that about 3,500 additional workers will be needed during the next 6-month period and the total pay roll might reach 10,000 when peak production is realized.

Des Moines, the State's capital (population 159,819), is primarily a distribution, publishing, and insurance center. While there are about 250 manufacturing concerns in the area there are only 4 which normally employ over 500 workers, namely the Iowa Packing Co., the Meredith Publishing Co., the Register & Tribune Co., and Rollins Hosiery Mills. The greatest effect which the community has experienced from the defense program has been the construction of the \$30,000,000 Des Moines ordnance plant, about 8 miles north of the city. At the present time over 12,000 workers are employed in the construction of this plant, which is to be completed about March 30, 1942. The plant is to be operated by the United States Rubber Co., and it is estimated that 6,500 workers will be needed for the operation of the plant, approximately 35 percent of whom will be women. The other defense contracts received in Des Moines by the end of September totaled about \$4,000,000, the largest of which include an allotment of \$1,234,000 to the Boyt Harness Co. for the manufacture of gun covers, cartridge belts, etc., an allotment of \$627,000 to the New Monarch Machine & Stamping Co. for the manufacture of clips, trench helmets, etc., and an allotment of \$946,000 to the Pittsburgh-Des Moines Steel Co. for the manufacture of elevated steel tanks.

Other cities in the State having a population of more than 25,000 are Clinton, Council Bluffs, Dubuque, Mason City, Ottumwa, and Sioux City. The 4 major concerns in Clinton are the Clinton Co., manufacturers of corn sirup and starch, which employs about 1,000 workers; the Chicago & North Western Railway Co. shops and operating department, which employ about 1,200 workers; the Curtis Co. (millwork), which employs about 800 workers; and the E. I. du Pont de Nemours & Co., Inc., manufacturers of cellophane, which employs about 500 workers. Council Bluffs (population 41,439), which is located on the Missouri River near the southwestern corner of the State, is primarily a railroad center, and there are no large manufacturing concerns in this community. Dubuque (population 43,892), located on the Mississippi River in the northeastern corner of the State, has two of the largest sash and door factories in the world, namely Carr, Adams & Collier Co., with about 800 employees; and the Farley & Loetscher Manufacturing Co., with about 1,400 employees. The other major manufacturing concerns in the area include the General Dry Batteries, Inc., with about 850 employees; and the A. Y. McDonald Manufacturing Co., manufacturers of farm pumps, plumbing supplies, etc., with about 450 employees. Mason City (population 27,080), which is located in the north central part of the State, is dependent to a large degree upon the meat packing and cement industries, which normally employ about 1,750 workers. Ottumwa (population 31,570), which is located in the southeastern section of the State, is dependent to a very large extent upon the John Morrell & Co. meat packing plant, with about 4,000 workers; the Dain Manufacturing Co., with about 100 workers; and the Ottumwa Iron Works, with about 300 workers. Sioux City (population 82,364), is located on the Missouri River near the northwestern corner of the State. This community is dependent

to a large degree upon the Armour, Cudahy, Swift, Raskin, and Smith meat packing plants, which employ about 3,750 workers. The other major manufacturing concerns in this city are Albertson & Co., Inc., manufacturers of tools, which employs about 350 workers, and the Wincharger Corporation, manufacturers of wind operated generators, which employs about 200 workers.

COMMUNITIES AFFECTED BY LAY-OFFS

Employment trends in most of the major industries of the State, particularly manufacturing, have shown marked gains during the past 2 years. However, materials shortages have had a decided effect upon the general labor situation for the last few months. The communities most seriously affected by lay-offs due to materials shortages and the establishments involved are as follows:

Newton.—The Maytag Washing Machine Co. laid off approximately 100 foundry workers during October and November, and several departments in the factory are now working only 3 or 4 days per week due to inability to secure aluminum, steel, pig iron, zinc, and scrap iron. Between 250 and 350 employees (about 30 percent) are now working on a defense contract for the Martin Bomber Co., and the establishment is desirous of obtaining additional defense work. The Automatic Washing Machine Co. has laid off several punch press operators and factory laborers, and whether this plant resumes operations after their annual inventory, which is now in progress, will depend largely upon their allotment of aluminum, zinc, rubber, copper, plastics, and steel. This concern has a small subcontract on a mine scraper which involves about 18 (8 percent) of their workers. The Midwest Stamping Co. has laid off a number of punch press operators and factory laborers due to shortages of zinc, brass, steel, and scrap iron. This company has recently received some defense contracts, and about 50 (25 percent) of their employees are engaged in defense production. The Newton Foundry laid off 20 machine and bench molders and factory workers between November 15 and December 15 because of difficulty in securing pig iron. The production in this establishment during the next 30 to 60 days will be dependent in a large measure upon their ability to secure orders from defense contractors. While Newton has been designated as a certified defense area, which should aid materially in the securing of defense contracts, the community has been dependent to a very large degree upon the washing machine industry, and shortages of materials essential to this type of activity have already created rather serious labor displacement problems in the area.

Waterloo.—The John Deere Tractor Co. laid off 500 workers between November 15 and December 15 because of inability to obtain steel and copper gaskets for cylinder heads. An additional 300 workers are expected to be laid off temporarily on January 13, 1942 because of a shortage of axles. The Iowa Transmission Co. a subsidiary of the John Deere Tractor Co. has a \$20,000,000 contract for the manufacture of tank transmissions and component parts, which means that 1,500, or one-third of the company's total employees, are engaged in defense production. The Chamberlain Corporation, manufacturers of washing machine wringer rollers, laid off 150 workers during September and October due to a curtailment of orders brought about by a reduction in the production of washing machines. While most of these workers were reemployed during November, further lay-offs again occurred during the early part of December. The Associated Manufacturers, Inc., laid off 110 workers in September due to priorities and to seasonal fluctuations, but this firm is now back to normal production. While most of the displaced workers have not experienced a great deal of difficulty in finding other employment, several of the skilled men have migrated from the community, which has worked a hardship on some establishments.

Des Moines.—The Rollins Hosiery Mills laid off a total of 394 workers during September and October as a result of the raw silk shortage. Although several of the workers have been rehired, it is estimated that 200 women were still unemployed on December 15. The Lake Shore Tire & Rubber Co. laid off about 300 employees during the early part of December, and the reopening of this plant in the near future is contingent upon developments in the rubber industry. The Wood Bros. Thresher Co. recently laid off 200 assembly line workers and factory laborers because of inability to obtain steel and arc-welding machinery. While this company has called back about 50 employees, their present defense contracts will be completed in January 1942, and the operation of the plant after this date is dependent in a large measure upon the availability of steel. The New Monarch Machine & Stamping Co. laid off 80 employees in November due to a shortage of hot- and cold-rolled steel and 10-gage to 28-gage galvanized sheet metal. However, most of these workers have already been called back, and normal

production is expected within the next month. The Chamberlain Laboratories will be forced to discontinue plant operations in January 1942 unless an additional supply of 188-proof alcohol can be secured, and some of the smaller job shops have experienced considerable difficulty in obtaining necessary materials. A large percentage of the workers laid off from the foregoing establishments have found employment at the Des Moines ordnance plant or with other firms in Des Moines and other localities. However, several of them are still drawing unemployment compensation benefits.

Cedar Rapids.—The Rapids Equipment Co. has reduced their force to 21 from a peak of 63, and further lay-offs are expected in the near future because of a shortage of sheet steel and other essential materials. The Universal Crusher Co. laid off 31 helpers and assemblers during October, and the Eddy Paper Corporation recently laid off about 20 men due to shortages of materials. Since this community has received several defense contracts there is still a demand for workers in some of the leading establishments. But several of the smaller firms are uncertain as to continued operations and further dislocations are probable within the next few weeks.

Dubuque.—While no serious displacements of labor have resulted to date in this community as a result of priorities or production-curtailment orders, several lay-offs are anticipated unless additional materials become available. The A. Y. McDonald Manufacturing Co. (manufacturers of farm pumps, oil-handling equipment, plumbing supplies, etc.) is having considerable difficulty in obtaining brass ingots, and a large lay-off is to be expected if this material is not available. The General Dry Batteries, Inc., is experiencing considerable difficulty in obtaining specific zinc, and lay-offs are probable as far as this establishment is concerned. The Klauer Manufacturing Co. (manufacturers of snow plows and sheet-metal building products) expects to lay off about 40 percent of its present force (25 unskilled and 55 semiskilled) unless sheet metal can be obtained. The Farley & Loetscher Manufacturing Co. and the Carr, Adams, & Collier Co. (sash, doors, and millwork) have had trouble in securing wire screen, brads, nails, and glass, and the employment in these concerns during the coming year will be dependent to a large degree upon the amount of construction that is undertaken for defense purposes. The Northome Furniture Industries, Inc., is having difficulty in obtaining steel springs essential to the manufacture of upholstered furniture; the Midland Chemical Co. has experienced a shortage of gas fumigants; the Nurre Co., Inc. (manufacturers of mirrors), is having trouble in securing a sufficient quantity of glass, and the H. B. Glover Co. (manufacturers of clothing) anticipates difficulty in obtaining needles and blades. The local possibilities for the absorption of workers who might be displaced are definitely limited at the present time. But should the community receive its share of defense work, and should building activities maintain a relatively high level, it is improbable that any serious problems will develop.

Other areas.—The Superior Manufacturing Co. in Albert City has laid off a total of approximately 100 workers during the past few months due to inability to obtain 16-gage cold-rolled sheet steel. While this company now has a defense contract, which should provide employment to the remaining 80 workers for a few weeks, it is doubtful whether the workers already displaced will be called back by this establishment. The Dryden Rubber Co. in Keokuk laid off 464 workers during the early part of December due to restriction order M-15-B. The future operation of this plant is, of course, contingent upon subsequent developments in the rubber industry. The Hercules Manufacturing Co. in Centerville recently laid off 50 men and reduced the hours of the 50 remaining employees from 48 to 32 or less per week. Part of this lay-off was due to the completion of a wood contract, although production in the foundry has also been decreased materially because of the cancellation of orders from concerns which could not use castings as a result of their inability to obtain steel products. The Dain Manufacturing Co. in Ottumwa recently laid off 50 workers and an additional 150 workers are expected to be laid off within a few days because of shortages of materials essential to the manufacture of agricultural machinery. The Oliver Farm Equipment Co. in Charles City laid off 40 workers during November and December because of a shortage of parts essential to the manufacture of tractors. The Franklin Equipment Co. (manufacturers of farm equipment) in Monticello laid off 18 workers on December 30, and the company expects to lay off an additional 10 workers on January 30, 1942, because of a shortage of steel. The C. S. Dunham Co. in Marshalltown (manufacturers of steam-heating specialties) laid off 32 workers on December 6 and the married office force is working on an alternate-week basis because of a restriction in sales for nonessential civilian use. The Kiowa Corporation in the same locality (a bronze, brass, aluminum die casting factory) laid off 6 employees on December 3 because of the restrictions on sales of materials

under the M-9-C limitation order, and the Marshalltown Trowel Co laid off 16 men on December 15 because of a shortage of steel and malleable iron necessary for the manufacture of trowels. The J. I. Case Co. in Burlington (manufacturers of grain combines) recently laid off 280 of their workers due to a shortage of cold-rolled sheet steel. While this particular lay-off is expected to be temporary, it is probable that the plant will be closed down after June 1, 1942, unless defense contracts are obtained. The Uchtorff Co. in Davenport laid off 46 unskilled and semiskilled workers during December, due in part to a shortage in materials and in part to the cutting out of one shift with the effect of stringing out the work on present orders over a longer period of time. With the exceptions of Burlington and Davenport, the lay-offs outlined in this paragraph occurred in fairly small communities in which local demands are relatively limited at the present time.

ADEQUACY OF THE SUPPLY OF LABOR

An analysis of the ES-270 reports for November indicate that shortages exist for over 600 skilled workers who will probably be needed during the next 6 months. The occupations in which the major shortages exist, and the approximate number of workers needed in each of these occupations during the next 6 months are as follows: Machinist II, 173; armature winders, 80; turret-lathe operators, 54; engine-lathe operators, 39; milling-machine operators, 31; tool and die makers, 30; grinder operators, 23; sheet-metal workers, 16; boring-mill operators, 15; shaper operators, 12; boiler makers, 10; and molders, 10. While clearance procedures, the defense-training program, upgrading, job dilution, in-industry training, and transfers of workers from nondefense to defense industry will undoubtedly aid in alleviating some of the foregoing shortages, it is probable that the actual demand will be considerably greater than was anticipated in November. The shortages to date have not resulted in any real bottlenecks in production, but they have undoubtedly hindered expansion in the metal-trades industry in some of the more industrialized areas.

The supply of semiskilled and unskilled labor has been adequate in practically all instances, although it was necessary to recruit a large percentage of the 12,000 workers needed for the construction of the Iowa ordnance plant at Burlington from other areas. Most of the unskilled and semiskilled labor for the construction of the Des Moines ordnance plant has been available locally, but approximately 1,500 to 1,750 skilled workmen have been brought in from other localities. No real problems have been encountered in the hiring of approximately 2,800 workers for the operation of the Iowa ordnance plant, but a large percentage of the 3,500 workers to be hired during the next 6 months will undoubtedly have to be recruited from other areas. The local supply is expected to be considerably greater for the operation of the Des Moines ordnance plant, although a large percentage of the key men will be brought in from other localities. The United States Rubber Co. has estimated that over 5,000 workers will be hired during the next 4 months for the operation of this plant.

Although shortages of agricultural workers have been reported from several scattered areas of the State, it is believed that most jobs have been filled providing standard employment was offered. However, the recruitment of men for military purposes, the migration of agricultural workers to centers of defense activity, and the curtailment in production of agricultural machinery might bring about quite serious shortages in this field during the coming year.

While accurate figures are not available concerning the migration of workers from the State, it is known that a considerable amount of out-migration has taken place since the beginning of the defense program. The most outstanding instance of out-migration during the past few weeks has been to the Lockheed Aircraft Corporation in California. As the result of aptitude examinations and personal interviews conducted by a representative of that concern, it is estimated that 1,500 workers from all sections of the State have left Iowa to accept employment with that establishment. Several hundred skilled and semiskilled workers had previously left the State to take jobs in the aircraft industry in Kansas, Texas, California, etc. There has also been a considerable exodus of skilled construction workers to Missouri, Illinois, and Indiana, while several skilled workmen in the metal trades industry have left the State to accept jobs in Minneapolis and elsewhere. Intrastate migration has also been quite pronounced, and hundreds of workers have migrated from the less-industrialized areas to those of greater defense activity. A recent survey made by the chamber of commerce in Iowa City has indicated that 1,600 residents have moved from the city since the beginning of the defense program. While the amount of out-migration is undoubtedly much less pronounced from most other communities, it is evident that the more agricultural areas have lost thousands of workers during the past year. The most

outstanding instances of in-migration have occurred at Burlington and Des Moines. Surveys by the Work Projects Administration have indicated that 2,800 new families moved into Burlington and 3,200 into Des Moines from October 1, 1910, to October 1, 1911. Most of the migrants into Burlington were employed in constructing the Iowa ordnance plant, but a majority of the newcomers to Des Moines found jobs in professional, proprietary, or clerical work.

A marked increase in the use of the facilities of the State employment service has been evidenced since the beginning of the defense program, although a few of the leading employers still recruit workers through their own personnel departments. The workers for the construction of the Des Moines ordnance plant were referred through the employment service after union affiliation had been secured, and the United States Rubber Co. is cooperating with the employment service in the recruitment of workers for the operation of the plant, although it has set up its own employment office for the receiving of applications. The employment service was used for the recruitment of unskilled workers for the construction of the Iowa ordnance plant; whereas most of the skilled workmen were referred by the various local unions. Day and Zimmerman, Inc. are using their own personnel department for the recruiting of all types of workers for the operation of the plant, even though many attempts have been made by employment-service officials to enlist their cooperation.

The major housing problem in the State has been centered in the Burlington area. At the time of peak construction only 15 percent of the 12,000 workers were residents of Des Moines County and 40 percent were from other States. This situation obviously created a considerable amount of overcrowding even though several trailer camps were located in the vicinity and a large number of workers commuted 50 or more miles daily to work. The 575 dwelling units now under construction should help to alleviate this situation, although it is believed that this number is not adequate to accommodate adequately the families who are expected to migrate into the area during the next few months. A housing shortage has also existed in Davenport due to the influx of workers to the Rock Island arsenal and to other defense plants in the area. Limited housing facilities have also been reported from Ottumwa, Clinton, and Dubuque, but it is doubtful whether any of the foregoing shortages are actually acute at the present time. No serious housing problems have developed in Des Moines to date, although the anticipated influx of families for the operation of the Des Moines ordnance plant might result in a shortage of desirable dwellings.

EMPLOYER SPECIFICATIONS

Some employers are still reluctant to hire Negroes and other minority groups, and the degree of skill and experience required is still quite rigid in some cases. On the other hand, specifications with respect to age and experience have been relaxed to a marked degree by a large number of employers, and it is doubtful whether employer restrictions are actually playing an important role in limiting the supply of workers in any locality. It might be pointed out in this connection that only 0.7 percent of the total population in the State are Negroes and only about 6 percent are foreign-born.

Citizenship and physical examinations are required of all operating employees at the Iowa and Des Moines ordnance plants. The relatively small number of foreign-born in the areas concerned means that the former requirement is not of special significance in terms of the labor supply, but the latter specification might disqualify several workers who would otherwise be eligible. The minimum age limit is 18 in both instances, and no definite upper limit has been announced. Officials of both plants have signified their willingness to hire Negroes, but relatively few have been employed to date. Approximately one-third of the operating employees in both plants will be women.

EXHIBIT 19.—EFFECT OF THE DEFENSE PROGRAM ON NEWTON, IOWA, SCHOOLS

REPORT BY B. C. BERG, SUPERINTENDENT, NEWTON PUBLIC SCHOOLS, NEWTON, IOWA

NOVEMBER 14, 1941.

Beginning September 1941, the withdrawals from school are listed approximately as follows. Three hundred forty-nine children have dropped school or have moved to other towns. The primary reason for their moving was not associated with any defense industries.

The following children have moved since that time because of the fact that the members of the family have secured employment in purely defense industries in the following States:

(a) California, 52: Most of these moved into the Los Angeles area where airplane production was important.

(b) Illinois, 45: These were mostly located in Rock Island, Moline, where their parents work in the arsenal or in Peoria for the Caterpillar Tractor works.

(c) Iowa, 43: Most of them moved to Davenport where their parents work at the ordnance plants. A few moved to Waterloo and Cedar Rapids into industries associated with war contracts.

(d) Indiana, 18: Practically all of them went to Indianapolis where their parents are working with the Allis Chalmers Corporation.

(e) Michigan, 9: Practically all of them went to Detroit.

(f) Washington, 5: Their parents are working in shipyards.

(g) Ohio, 5: To the industries at Akron.

(h) Alabama, 4: Went to work in the defense industries there.

(i) Louisiana, 3: To work on war camp construction there.

(j) Massachusetts, 3, war work; South Carolina, 3, war work; Minnesota, 2; Rhode Island, 2; Wisconsin, 1; Oregon, 1; Nebraska, 1; Missouri, 1.

Last year, by running a program during the summer in which the shops were used for the three summer months and a night school program was operated during the winter months, 275 men were trained. This fall we have begun our defense classes with four classes in machine-shop work with 4 different instructors, 9 hours per week per class and a class running 10 weeks. The distribution of men who are registered in these classes is as follows: Parsons Trench Excavating Machines Co., 16; Maytag Co., 28; Automatic Washer Co., 14; Smaller machine shops in the city, 6. We have 2 classes of blue print reading with 33 men: 4 unemployed; 1 Works Progress Administration; 12, Maytag Co.; 8, Automatic Co.; 8, Parsons. We have approximately 80 which couldn't be considered due to the fact that we didn't have enough training stations for them. We have applied for a Federal grant and it has been allowed which will permit us to purchase \$20,000. worth of additional equipment. With this equipment, we will be able to run machine-shop classes of 24 men and welding classes of 20 men in addition to our blue print reading classes. A special building is being constructed to house our welding classes. Factories are insisting upon welding classes by which they can train their men to do the work necessary in certain types of war contracts.

The men of these classes are chosen by the advisory committee consisting of Mr. N. E. Molleck, Maytag Co.; Mr. E. A. Brugger, Parsons Co.; Mr. H. J. Mertz, Automatic Co.; Mr. Lloyd Schnathorst; Mr. H. G. Ringgenberg; Mr. Frank L. Gunsaulus.

We have tried to set up some rule by which each application is considered. Two things have influence on the choice. First, the need of industry for further training of certain individuals, and second, the order in which the applications have been made for this training.

EXHIBIT 20.—EFFECT OF PRIORITIES ON EMPLOYMENT IN NEWTON, IOWA, INDUSTRIES

REPORT OF YATES PAYSEUR, MANAGER, IOWA STATE EMPLOYMENT SERVICE, NEWTON, IOWA

OCTOBER 29, 1941.

From Mrs. Hermione Johnson, assistant welfare director of Jasper County, the following information:

The average relief family received \$14.87 per month in Newton and Jasper, County in September 1941. This does not include any medical, hospital, or burial expenses. Their present schedule for groceries is as follows: \$7 for single person; \$11 for 2; \$15 for 3; \$18 for 4; \$20 for 5; \$23 for 6; \$27 for 7; \$30 for 8; \$33 for 9; \$36 for 10; \$39 for 11; \$41 for 12. In addition to this each family receives one-half more in stamps from the Federal Surplus Marketing Plan. The welfare office tries not to pay any more rents than they have to and when they do, not more than \$15 per month. They know that this item is high considering State average but they figure the living expenses in Newton are higher.

The local welfare worker gave me the following data regarding what the relief situation was in 1938, at which time the Maytag strike was on: Just before the

strike 455 families were on relief. During the strike and afterward it jumped to 1,042 families. While this is past history it does indicate that a workingman in Newton does not have very much reserve and should there be a drastic reduction in the working force of the factories a great many of these families would have to go on relief immediately after they had used up their unemployment compensation benefits. At the time of the strike these workers were not eligible for unemployment compensation benefits.

Parsons Co.—This company manufactures ditch-digging machines and heavy road machines. They are a subsidiary of the Koering Co., of Minneapolis, Minn. By Mr. Erwin A. Brugger, manager.

At the present time 100 people are employed by this company, 80 in the factory and 20 in the office. They do not anticipate any change in the next 3 months in their line of work. While they do not have any defense contract, they are working on equipment for contractors who are building defense factories and airplane fields and hangars. This company has a very high priority rating and has been able to get all of the materials that they have needed, although there have been a few times when their orders were delayed a short time.

Windpower Manufacturing Co., by Mr. Ed McCardell, general manager.—In order that you might know our factory is being affected by material shortages, brought about by our inability to obtain a sufficient volume of defense business, we are pleased to submit the following information:

1. Our present pay roll is made up of 14 employees, 4 of which are machinists, 2 armature winders, 2 electricians, 1 stockkeeper, and 4 office employees. This represents our minimum force, which has been cut down from a maximum of approximately 40 employees working at the time when we could obtain all the material we wanted.

2. At the present time all of our work is on our farm equipment composed of farm lighting plants, hoists for hayloaders and stackers, and repairs, with no defense production. Our principal reason for having no defense production is because we have been unable to find any work suitable for our shop, even though we have been attempting to line it up for almost a year.

3. In previous years the late spring and summer was our low period. However, with the addition of the hayloader, this has been overcome because this same period represents the peak season for the production of hayloaders and stackers, so that at present our production should be fairly even throughout the entire year.

4. Up to the present time this company has been able to get most of the materials needed. But within the last 2 days copper, zinc, lead, and steel show up as being very hard to obtain. If within the next 30 days we are unable to obtain any more material, we shall have to close up altogether, as there is not sufficient volume of outside business coming in to keep us going. A shortage of material would of course, first cause a lay-off of our machinists, then our armature winders, our assemblymen, and finally our clerical force.

5. Thus far the lay-off has occurred among our less-skilled employees, inasmuch as we have had our skilled employees do the less important jobs even though it has cost us double and triple of what it should do in normal times.

For some months we have been attempting to locate subcontracting work and electrical work which we could do for defense production, but because our facilities are somewhat limited, we have been unable to accomplish very much up to the present time. We should be able to do machine work and production wood working as well as special armature winding which does not require special engineering services.

So far no Government or private organization has surveyed our plant's productive equipment, although we have listed our facilities with the Des Moines branch of the Office of Production Management, and the Chicago branch of the Office of Production Management.

We are hoping this will give you a cross-section picture of our organization and are also hoping it might enable you to line up something we can do to prevent our shop from being closed down.

Newton Foundry, Job Foundry Shop, by Dr. Green, president.—About 25 percent of this company's business is defense subcontracts. There has been none laid off on account of shortage of materials. One hundred and nine are employed in the foundry at the present time. This company has gotten defense subcontracts for furnaces and gas-regulating valves. About 34 workers are involved in this subdefense contract work. About 60 percent of the company's equipment is convertible if the right type of contract was obtained on an item suitable to their

foundry. One hundred percent of the personnel will be convertible to defense work if the right type of contract was obtained. Dr. Green stated that he contemplated his business would continue at an even keel during the months of November and December. He has not experienced any shortages of material as yet, although at times they have run on a very close inventory.

Newton Manufacturing Co., specialize in novelties, by Dick Dunn, superintendent of factory.—There are no workers engaged in defense work at this time, but on November 15, about one-fifth of the personnel will be so engaged. Within the last month about 20 have been laid off on account of not being able to obtain materials. This particular item was No. 11 basic wire. As soon as dies can be made to use metal instead of the wire, these workers will be called back. About 125 are employed in the factory and about 400 part-time salesmen carry their items in the field. The defense contract that they have and will start to work on November 15 is an order for 50,000 field caps for the Army. This will involve working about 25 people for a period of 60 days. At the end of this time this company is hopeful of securing additional similar contracts. About 90 percent of the company's equipment is convertible to the defense program. This will involve their punch presses, tool room, silk screen, and paint shop and their rubber stamps. Mr. Dunn states that 100 percent of the office personnel will be convertible to defense contracts if obtained.

Advertising Novelty Co., manufacturers of advertising novelty specialties, by Miss Frances Coy, sales manager.—There is no defense work carried on by this company at the present time, and they have not had any defense contracts awarded to them in the past. About 180 employees work in the factory and 30 in the office, in the field 50 full-time salesmen and 200 part-time salesmen. This company has not had a great deal of trouble securing materials up till the present time, but there is an indication that paper and cartons will be hard to obtain. It seems that the companies that have been supplying them with these items have an unusually large business in the defense line of work. This has brought the price of these items up and made them very scarce. The company equipment could be converted to the defense work if contracts could be secured using their printing equipment, punch presses, and paint shop. Their paint shop is one of the modern shops of the day using a baking process with infra red rays. The entire equipment would be convertible if the right type of defense contracts were obtained. About 16½ percent of the personnel would be convertible to defense work. This company hires women labor in a great deal of their factory work. Their duties are assembling of calendars and novelties, silk screen process work, and othertypes of light factory labor that does not require a very high degree of skill.

EXHIBIT 21.—EFFECT OF THE DEFENSE PROGRAM ON THE MATTHEWS MANUFACTURING CO., NEWTON, IOWA

REPORT BY J. S. MATTHEWS, PRESIDENT

NOVEMBER 1, 1941.

History of business.—Started in 1927 as a side line while I was cost accountant at the Maytag office.

In 1929 I left Maytag Co. to become president of the Matthews Manufacturing Co., Inc. In 1936 I bought out all the stockholders, and dissolved the corporation and then called the new concern the Matthews Manufacturing Co.

Employment.—Our regular force during the past few years ran from 5 to 8 men, all married. One employec has been with me 13 years, another 12, another 7, and another 5, and so on down.

Plant.—Building cost in 1929 \$16,500; lot \$1,500; equipment probably cost in all around \$5,000.

Effect of defense.—We have been cut off 100 percent on galvanized tubs, steel, and practically all other items, and will have to lay off all but one man—a general shop man to be used on repair orders. We buy our galvanized ware from Wheeling Corrugating Co., our steel from Chicago warehouses, paint from Chicago houses, bolts from Sheffield Steel, Kansas City, etc. We sell our products to washing machine dealers and jobbers, department and hardware stores, and our flexible shafts to machinery jobbers and repair shops.

EXHIBIT 22.—EFFECT OF THE DEFENSE PROGRAM ON THE MIDWEST STAMPING CO., KELLOGG, IOWA

REPORT BY SECRETARY

OCTOBER 28, 1941.

We have approximately 10 percent of our force working on defense contracts at this time.

We have lost about 40 people through lack of material.

Number of workers in office.....	25
Salesmen direct.....	20
Factory.....	180

We are now working on a secondary contract making tools for ammunition on which about 18 men are working. We are also converting our equipment as rapidly as possible to obtain additional contracts.

We are transferring all of the present working force possible into defense work and training our present employees to take on this new type of work.

We cannot forecast anything over 30 days ahead. There are so many arbitrary rulings coming up daily relative to material we do not have any assurance of operating steadily. We can only work incessantly at greatly increased costs to maintain even a semblance of steady production. We have not received any contracts or other aid in any way through any of the different departments set up for aid to small manufacturers. Any contracts we were able to get were obtained solely from our own efforts. At this time, we do not expect any contracts other than those we had obtained previously.

EXHIBIT 23.—INDUSTRIAL TRENDS AND THE LABOR MARKET IN ILLINOIS

REPORT BY LEON BROWER, SUPERVISOR OF RESEARCH AND STATISTICS, ILLINOIS DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION, CHICAGO, ILL.

DECEMBER 20, 1941.

THE STATE AS A WHOLE

1. DISTRIBUTION OF WORKERS BY INDUSTRIES

Illinois is both a large agricultural and a large manufacturing State. It also has many coal mines, and is rapidly becoming an important oil-producing State. Illinois has some 3,400,000 workers, and of this number 300,000 are in agriculture; about 1,250,000 are in manufacturing; 49,000 are engaged in mining and quarrying; 150,000 are in transportation, communications and utilities; and about 1,650,000 in all other industries.

There are about nine differentiated farming areas in the State, each characterized by an easily recognizable type of farming. In the vicinity of Chicago, dairy and truck farming are the principal types. Cash grain and general farming are in the central part, and mixed general farming predominates in the southern half of Illinois.

During the years 1939 and 1940, Illinois' rank as an oil-producing State rose from seventh to fourth. Oil-well drilling and crude-petroleum extraction are in operation in some 17 counties in the southeastern and south central parts of the State. Illinois coal mines are spread over two-thirds of the State, but are primarily concentrated in the south central, southwestern, and southern parts of the State.

The major manufacturing industries are concentrated in and around seven cities: Chicago, Peoria, Rock Island, Rockford, East St. Louis, Bloomington, and Decatur. The more important of these areas are discussed below.

The largest manufacturing center is Chicago, plus the area within a 40-mile radius on the north, south, and west. Thus the area includes such major communities as Aurora, Elgin, Waukegan, Joliet, Harvey, and the Indiana communities of Hammond, Indiana Harbor, etc. With a total population of 4,500,000, this area should be considered as one integrated industrial community. The working population commutes between any of the outlying towns and Chicago. Retail and wholesale firms employ at least 128,000, with Sears, Roebuck, Montgomery Ward, Goldblatt Bros., and Marshall Fields employing 85,000 of this number. The meat-packing industry, with Armour, Swift, Morris, etc., employs

45,000. Steel mills, radio manufacturing, farm equipment, railroad cars manufacturing and railroading, employ thousands upon thousands of workers. Two new defense plants for the manufacture of airplane engines are being constructed in Chicago—one the Buick plant, which now employs 2,000, will continue hirings until 14,000 are on the job in early summer; and the second, the Studebaker plant, began employing in December, and by May will have 5,000 in the plant. Two major ordnance plants are near Joliet. These plants, one operated by Sanderson & Porter, and the other by Du Pont, will have 11,000 in employment by early spring. They now employ about 3,500.

The East St. Louis area, with a population of 75,609, includes certain important manufacturing communities such as Alton, Belleville, Granite City, Edwardsville, and East St. Louis. The communities are known for their meat packing establishments, their foundries and stove manufacturing firms, and for Alton's Western Cartridge Co. The latter, increasing its employment from 4,400 to 7,300 in a year, produces ordnance materials. The company also has a hundred million dollar defense contract for the construction and operation of the United States Cartridge Co. in St. Louis. Actually, all of the communities of this area are tied in with the economic life of St. Louis, Mo., where there are very large defense contracts for airplanes, ordnance, etc. The important stove manufacturing firms, mainly in Belleville, are expected to experience difficulties because of shortages of material. As yet no important layoffs have occurred.

The Rock Island area includes Moline and East Moline, Ill., and Davenport, Iowa. The population is 195,000, with a working population of 40,000 in manufacturing. The United States Arsenal at Rock Island, and the farm equipment industries in the area dominate the manufacturing picture. The arsenal now employs 10,000, while last year it employed about 8,400. In the next year the arsenal will add 3,000 more workers, bringing its employment to about 13,000. The farm equipment firms employ about 15,000 now, as compared with 12,000 last year. The future of the farm equipment industry is not known, for a curtailment order is expected which will cut production. As yet, the lay-off plans of farm equipment firms are not known, but it is known that the two International Harvester plants in the area, with 1,900, and 4,400 workers, respectively, will reduce their workweeks to 4 days beginning the middle of December.

In Peoria, with a population of about 110,000, employment in manufacturing firms increased by 25 percent in the last year, to about 38,000. Peoria is known for its farm-equipment industry (Caterpillar Tractor Co. with 14,000 employees) and for its heavy road machinery, steel and wire, and washing-machine companies. It is anticipated that there will be no significant lay-offs or hirings during the next 6-month period.

In general, the employment picture of the remaining manufacturing areas in the State may be summarized by referring to the index of employment and pay rolls. The employment index in manufacturing rose from 104 in April 1940 to 139 in November 1941. Pay rolls increased from 112 in April 1940 to 182 in November 1941. All major manufacturing areas have been working at top speed for the last year, due to the direct or indirect effects of defense contracts.

However, during the last 2 months curtailment orders and shortages of material have affected the employment in several communities. Some of these communities are one-industry towns, not a part of the major industrial areas described above. An example is Ottawa, with a population of 16,000. The Libby-Owens-Ford plant, with employment of around 1,500, dominates the industrial picture of the community. This plant manufactures glass for automobiles. Curtailment orders in the automobile industry have forced this firm to lay off 750 workers in the last 2 months, and another 500 will be laid off during December. A community of the size of Ottawa, needless to say, is seriously affected with the closing of a plant of this size. However, about 400 of those laid off have found work with the ordnance plants near Joliet.

Galesburg, with a population of around 28,000, has already had lay-offs of 232, and anticipates further lay-offs of 360 in the next few weeks. These lay-offs have occurred because of curtailment orders for electric refrigerators and shortages of material for soft-drink equipment. Most of those laid off found work with the Rock Island Arsenal or the Burlington, Iowa, Ordnance Plant.

Shelbyville, a community of 4,000, has four manufacturing firms employing about 750 workers. One of these firms, a hairpin company, will have to lay off 360 of its 385 workers because of shortages of material. Other firms in the community will have, or have already had, lay-offs. In total, 558 workers have been or will be laid off because of the shortages of material.

Decatur, a community of 60,000, is expected to have lay-offs of 2,200 workers because of shortages of brass, copper, and other critical metals. The firms affected are those producing valves, plumbing supplies, and electrical appliances.

Belleville—which is in the East St. Louis area—has a population of 28,000. There are 2,000 workers employed in 14 stove foundries in the community. It is expected that a curtailment order affecting stoves will cause great unemployment. However, as yet no serious unemployment has occurred in the community, and it is not known when the displacement of workers in the stove industry will begin.

2. ADEQUACY OF THE LABOR SUPPLY

There is a very large supply of unskilled workers throughout the State, and to date there has been no difficulty in recruiting the necessary construction workers for the munition plants in Joliet, the aero-engine plants of Buick and Studebaker in Chicago, and construction work at Scott and Chanute Fields. Likewise, there has been no difficulty so far, in staffing the ordnance plants near Joliet. There will be an adequate supply of unskilled and semiskilled personnel for the Buick and Studebaker plants in Chicago, and for the large Crab Orchard munition plant which is now under construction in southern Illinois. It is expected that the Crab Orchard plant, to be completed in the early summer, will employ some 8,000-10,000 production workers. Crab Orchard is near the depressed coal mining area, where the supply of workers is more than adequate.

There has, of course, been a shortage of skilled workers in the metal trades. Actually these shortages have not caused curtailment of operations, for through upgrading and job dilution, the needs have been met. However, there have been serious difficulties in the supply of skilled and certain semiskilled workers in the Rock Island and Rockford areas. In Rock Island, the arsenal expects to employ 3,000 workers next year: 700 skilled, 1,200 semiskilled, and 1,100 others. It is felt that the arsenal has already dried up the source of supply in and around Rock Island. Consequently it will be necessary for the arsenal to attract these skilled and semiskilled from outside of the area. Likewise, in Rockford, skilled workers have all been absorbed and there is a need for machinists, tool and die makers, etc. These workers will have to be recruited from other areas, but the housing situation will not permit much in-migration.

Inadequate housing in Rock Island may make it difficult for the arsenal to attract skilled workers. Already 300 families, who have one or more workers in the arsenal, either live in tourist camps, in trailer camps, or commute excessive distances. There have been instances of workers traveling 40 to 50 miles a day to the arsenal. It is to be noted that the arsenal, having increased its working force from 1,800 to 10,000 since 1938, has necessarily attracted a large number from other communities. It is estimated that some 10,000 have migrated into the Rock Island area in the last two years. This has necessarily caused overcrowding in the schools and other community problems.

There has been little evidence of excessive migration in other parts of the State, except that workers may commute long distances to such plants as the Joliet munitions establishments, the Savanna Ordnance Plant, etc.

In 624 occupations, considered essential for defense, the Illinois Division of Placement and Unemployment Compensation finds an adequate supply or a slight surplus in all of them, with the exception of 48 occupations. In these 48 occupations there are shortages—on the basis of current and anticipated demand, there will be a shortage of 4,700 in these occupations. These occupations are: Machinists, tool and die makers, milling machine operators, pattern makers, tool grinding operators, boring machine operators, etc. For the most part, defense training cannot prepare people for all of these occupations, for long training is necessary. In many of the other occupations the adequate supply, or even surplus, has been the result of defense training courses.

3. EMPLOYER SPECIFICATIONS

In general there has been a relaxation of restrictive hiring specifications in the last year. There has been great relaxation on the question of age. Employers are more inclined to hire people, particularly skilled workers, on the ability to do the job, rather than on the question of age. There has been a tendency to relax on experience requirements. Many establishments are now hiring women for jobs formerly reserved for men. But with respect to color, national origin, and religion, there has been little relaxation. Poles and Italians are widely discriminated against. Negroes, while a greater number are being hired now than previously, still are not accepted by many firms, and are employed largely in service or unskilled occupations. It is to be noted, however, that several large firms within the last 2 or 3 months have been hiring Negroes for semiskilled jobs. Job applicants of certain religions have little opportunity of finding work in manufacturing establishments.

EXHIBIT 24.—EFFECT OF PRIORITIES ON THE WAGNER MALLEABLE IRON CO.

REPORT BY JOHN A. WAGNER, PRESIDENT, WAGNER MALLEABLE IRON CO., DECATUR, ILL.

NOVEMBER 18, 1941.

This company is engaged in the production of malleable iron castings. Its major markets are the automotive industry, railroad companies, and, the builders of lawn-mowers and washing-machines.

Additionally the Wagner Malleable Products Co. was organized in 1938, as a wholly owned subsidiary, to engage in the production and merchandising of electrical conduit fittings used in the construction industry, and also in the production and sale of expanding ground anchors used by public utilities for guying telephone and telegraph poles. Approximately 25 percent of the output of the foundry is now used by the Products Co.

The following table of employment, of production workers, is taken from our records, as of the 15th of each month:

	1939	1940	1941		1939	1940	1941
Jan. 15		263	331	July 15	188	250	409
Feb. 15		260	343	Aug. 15	210	260	413
Mar. 15		241	353	Sept. 15	210	289	402
Apr. 15		239	365	Oct. 15	294	306	396
May 15	214	230	376	Nov. 15	254	329	395
June 15	219	235	410	Dec. 15	259	340	-----

The employment of the Wagner Malleable Products Co. is included in this tabulation, and roughly represents about 50 percent of the increase in the total figures.

The Wagner Malleable Products Co., in producing electrical conduit fittings, disposes of most of its merchandise through distributors, consequently, we saw the necessity of priority help early last spring. When the defense supplies rating plan (off the shelf goods) was announced on May 19 we set our house in order, and were qualified as of July 1 as the one hundred and eleventh company under the plan.

The cooperation of the individuals in charge of this plan has been very good, and so far we have not been handicapped for lack of supplies under this order.

The condition of the Wagner Malleable Iron Co. is entirely different, as we produce castings to customers orders and from their patterns; hence might be regarded as a mirror of the activities of our customers. The result is that we are not operating on any priority, and have no subcontracts of any note other than casting business from our regular customers, such as various malleable iron castings which are used by the Chrysler Corporation on certain Army trucks, castings used by concerns making electrical power switches, two items from the Chrysler Corporation used on the medium tank; one item from the Chrysler Corporation used on the Bofors gun; and numerous railway applications for railroad cars by car builders, railroad companies, and railway equipment producers.

Up to this time the Wagner Malleable Iron Co. has not been embarrassed by a shortage of any materials, and has not resorted to priority excepting in the purchase of equipment, in which instances we were accorded prompt cooperation by the Priorities Division.

The only major item of materials which are expected to give difficulty are pig iron which is on allocation, and melting scrap.

On pig iron we have been obligated to use up our inventory, having received no allotment in September or October, and only 75 percent of our requirements for the month of November. Likewise, we have been using up our inventory of melting scrap, having been able to purchase at ceiling prices only small quantities, mainly due to the fact that Chicago, being used as a basing point, absorbs all of the scrap in the surrounding territory, leaving us only that scrap which originates in our immediate locality, or such quantities which originate on rails coming into our city.

Our situation on scrap is expected to reach a critical point early in the year.

The Wagner Malleable Products Co., under the defense supplies rating plan, has operated during the last 6 months at 75.1 percent defense supplies.

The circumstance of the Wagner Malleable Iron Co. has varied from month to month, dependent upon the complexion of incoming business. Orders booked in the month of October, as an example, amounted to 33 percent A-9 or better and approximately the same amount A-10; the balance for civilian orders.

By invitation of Colonel Armstrong, of the Chicago Ordnance District, we placed our facilities at the disposal of the Rock Island Arsenal. There have been several contracts awarded us for castings to be machined at the arsenal and assembled into devices at that point.

So far the Ordnance Department has uncovered nothing in their procurements which is specified in malleable iron. The same thing is true in the case of the Navy, where our contact has been defense contract service.

As long as a year ago the writer endeavored to interest local manufacturers in a program to pool facilities of the community. A definite start on this was made this summer, and our group, which is known as the Decatur Defense Industries, has since been certified by the Contract Distribution Division of the Office of Production Management, for subcontracts. Up to date this group has not been placed in contact with any inquiries which would permit the local manufacturers to switch over to direct defense business.

Individually we have also contacted various procurement agencies, and have repeatedly gone into the circumstance that steel was specified; and there have been instances where it has been felt by us and others in the industry that malleable iron could be used. This statement is not intended to convey the impression that a malleable iron casting can, in all instances, be substituted for steel. We do feel confident, however, that with reasonable cooperation, many items on tanks, certain fuse bodies, and hand wheels for guns could be produced in malleable iron without affecting the utility or life of the apparatus.

We respected, however, the viewpoint of Ordnance Division, and the Army and Navy engineering staff, that during peacetime, when requirements were small, there was no occasion for substitutions. We feel now however that a product which is so largely used on automobiles, and having the requirement of standing up under the abuse of fast driving, and being less costly, should receive more favorable attention from these same Procurement Divisions for mass production. In a number of instances we have converted some parts at the Rock Island Arsenal on this program.

The Wagner Malleable Iron Co. will suffer in employment in the next 2 to 3 months, by reason of the fact that pleasure cars, in another 30 days, will undergo a further decrease in rate of production, and that items like lawn mowers and washing machines will virtually disappear, and, we see very little to take the place of that loss of tonnage.

It is expected that we will therefore suffer as a result of the curtailment of usage by our customers, probably as much as 30 to 50 percent in employment, and also because we are in an industry which, unfortunately, is not established with the governmental procurement agencies as being vital, and therefore capable of taking up the slack occasioned by reduced buying on the part of our customers of civilian goods.

The Wagner Malleable Products Co., under the order affecting residential building, will likewise be reduced, and will be obliged to forego production of any electrical fittings other than those required on governmental bases, factories being built for defense business, Federal housing and Army cantonments, and so forth.

The circumstances of our particular company are like those of many small business firms. The general attitude among our local manufacturers, as well as many of our friends in other communities, is that they would like to do a larger part in the defense program, but unfortunately the business seemingly is concentrated among a small number of large firms. This is to be expected, in view of their better personnel, and financial position, and plant facilities. People like ourselves early were cognizant of the fact that we could only be rated as secondary suppliers.

All of this naturally boils down to the fact that employment must, of necessity, shift to those plants securing substantial prime contracts, and those plants which are springing up in many regions designed specifically for the production of war goods. Unless civilian goods are produced it means a tremendous decrease in output for most concerns like our own. We therefore believe that a definite allotment of peacetime materials should be given to those concerns who cannot, at the moment, or later on, adapt themselves to the production of war materials.

This thought is also important for all corporations, as even in the case of the large ones it could not be expected that they could produce prime contracts or sub-contract without a percentage of their normal products, and achieve a low cost production.

We think too little attention has been given to a proper allocation of peacetime goods; and too little serious thought given to the question of whether or not so-called small business can adapt itself to the needs of the war program.

EXHIBIT 25.—PEORIA, ILL., GROUP RESOURCES POOL FOR SECURING DEFENSE CONTRACTS

REPORT BY L. A. PHELPS, SUPERINTENDENT, HART-CARTER CO., PEORIA, ILL.

NOVEMBER 19, 1941.

The efforts of the group resources pool in this city, for the purpose of securing defense contracts for the industries of this area, have during several months effort along this line met with little success. A great deal of time and expense have resulted, in so far as we know, in no prime contracts. Some bids have been made but nothing has come of them, and many promising requirements which have come to the attention of this group have been received at a date so close to the date of closing of bids that it was impossible to gather the details and information necessary for an intelligent bid, and prepare and submit a bid in the time remaining before the closing date.

Considerable defense production is proceeding from the larger Peoria industries but not because of the efforts of this pooled group. Some work has come to Peoria in the form of subcontracts from prime contractors who have learned in one way or another of the existence of this group plan and have a desire to place these subcontracts in likely potential fields. By far the greater part of Peoria's defense contracts have come through influence or information other than that of the group resources plan.

Considerable timidity and apprehension has been evidenced by the smaller and medium sized plants in this area, largely, perhaps, because of inexperience in working under Government contract—much because of fear of inability to secure material necessary to fulfill their contract, and some because of fear of penalty for performance failure or delay.

The smaller industries of Peoria have suffered much because of material shortage, and personnel has been considerably reduced. In our plant the number of factory employees is approximately 50 percent lower than normal or than would be true if material were available as needed to fill orders.

EXHIBIT 26.—THE LANCASHIRE WAY

REPRINT OF AN ARTICLE BY A. J. LIEBLING, APPEARING IN THE NOVEMBER 22, 1941, ISSUE OF THE NEW YORKER MAGAZINE

Great Britain just now is producing about 75 percent as much war material as she is capable of producing, according to Lord Beaverbrook, who considers this a reproach to his countrymen. The United States is turning out around 20 percent of its capacity, according to other Britons, who try not to sound reproachful when they mention it to an American. "That's about as well as we were doing in 1938 and 1939," a man I know in the Ministry of Supply told me resignedly the other day. It has become such a matter of course for each nation to repeat the mistakes of others that no one any longer becomes excited about it. In an effort to cheer him up, I said that when I left New York a few months ago our armament plants were working two or three shifts and we were building new plants as fast as we could, and he answered, "Yes, that's how we tried to do it at first. We stopped depending on the obvious soon after Dunkirk. Now, when we need more cartridges, we don't wait until we have built a new cartridge factory. We get some from a man who used to make fountain pens and some more from a chap who once manufactured lipsticks. We get shell fuses from a shop that once turned out prams—baby buggies, you know—and fuse components from costume-jewelry fellows. In the first year of the war those little fellows used to swarm into the ministries looking for work and we would send them away. Now we hunt for them and think up things they can do with the sort of plants they have. It's poppycock to say that a country with a great peacetime industrial plant has to scrap it and start all over again in a war."

Before he got through he had me so interested in the possibilities of what Britain calls its bits-and-pieces system that I made a date to go to his office in the ministry and discuss his pet subject at greater length. "And I'd like to see a couple of those embattled notions factories, too," I told him, thinking that here seemed to be the pith of the 1941 phase of the war in the British Isles. When I presented myself on the appointed day I found that he had prepared for me not only a dossier on bits-and-pieces but an itinerary. "Actually, there's an astonishing number of little factories turning out important war jobs even in the heart of London," he told me, "but the best place to see the system in operation is in

Manchester. All of Britain is divided into 12 production areas, which incidentally coincide with the civil defense areas. And each area is divided into districts. There are 6 districts in London alone, with what we call a clearing office for each one. You wouldn't think of Westminster, for example, as an industrial district, but our Westminster clearing office helps place about £75,000 worth of war contracts in a month. They're mostly for small items, of course, things like screws and primer caps and strikers and tank-engine parts, but orders of big stuff running into the millions would be held up if they had to wait for those parts. In Westminster we have a candlemaker doing tank parts, for instance. Some of the candlemaker's lathes are a hundred years old. A fellow who used to make dental pumps—you know, those things the dentist puts under your tongue to draw away saliva—is now making an important part of the mechanism of the Bren gun. Then the fellows who used to make the metal tops of soda-water siphons are very useful, and so are beer-bottle-cap makers, who, with the aid of a little jiggery-pokery, change over to cartridge cases. A lot of those small fellows are damned good mechanics. A man whose shop has only a couple of machines which he has been using for several different operations often proves more adaptable than a big-factory boy who has been used to ordering a special machine tool for each new job.

"I'm afraid that you might get too limited an idea from enterprises as small as those, so I want you to go down to Lancashire to see the same thing done with big factories. Lancashire, you know, used to be at least 70 percent textile before the war. There were, of course, the textile mills. Then there were the machine shops, which turned out textile machinery for the most part, and there was a good deal of miscellaneous light industry. However, there weren't any steel mills or locomotive plants or motor works. It's only 20 percent textile now, and it's working full blast—harder than ever in its history. Some of the mills are still making textiles required for the war effort and for a minimum civilian consumption; the others have been closed down. But the machinery plants have been expanded and the textile labor has gone into them. Most of the people have been weavers and spinners for generations and never went near a lathe. There's a sort of sense, though, that people acquire from being around any kind of machinery. They get the swing of the new work much faster than, say, agricultural workers or white-collar fellows turned into a mill. The companies that are allowed to continue making textiles act as trustees for the whole industry. The owners of the closed plants get an indemnity out of the profits of those that stay open. The companies that stay open are pledged to protect the future interests of the closed ones—take care of the other fellow's customers as well as possible during the war, for example."

A couple of days later I arrived in Manchester equipped with letters of introduction to the area officer of the Ministry of Supply and the regional controller of the Ministry of Labour. My friend in the Ministry of Supply had even got me a reservation at one of Manchester's two big hotels, a cross between a balloon hangar and a Victorian boudoir, the kind of place, I'd been told, in which the harried chambermaids hardly have time to change sheets between the departure and arrival of travelers, the supply of soda, but not of whisky, runs out punctually at half past 9 in the evening, and the public bars close with the playing of God Save the King at 10, after which everybody in sight pretends to be a guest, because residents are privileged to drink all night, assuming they can keep a waiter awake to serve them.

The day I arrived I looked up the area officer, an energetic and astoundingly voluble Scot, who seemed delighted at a chance to show off Lancashire's versatile factories. He had prepared a huge catalog of people who used to make one thing and were now turning out something different and lethal. We whittled down his list to a couple of typical plants, a large one and a small one, on which we would pay calls. "The only trouble, from your point of view, is that you can't write exactly what the large places did before the war, because that might put Jerry onto them," he said. I promised not to mention the real peacetime uses of the larger factory I would visit. The other, a fountain-pen factory, the area officer said, was too undistinguished to be identified. He said that an automobile would pick me up at my hotel the next morning. The driver would know the way and the area officer would telephone the company officials to expect me.

I spent the rest of the afternoon with the Ministry of Labour man, on the twelfth floor of the Sunlight Building, Manchester's nearest approach to a skyscraper. The Labour man had the evangelical manner of so many men in the British trade-union movement. Trade-unionism is in Britain a kind of dissenting church; if the fox-hunting rector has his political equivalent in certain types of Conservative Members of Parliament, the Wesleyan preacher has his among

the Labour people. "In Manchester and its suburbs alone 40,000 men and women came over from textile work to the war factories," he told me. "The textile industry always employed a high proportion of women, and the proportion increased during the first year of the war, when a number of men went into the services, so a majority of the workers changing over were women. Some of our people have worked in the same mills for generations, and they always settle near the place they work. In the old days it was an adventure for a man or a girl to change to a mill a quarter of a mile away from the old one. This county, you know, is where the industrial revolution started, and families have been spinners or weavers ever since. Well, not long after Dunkirk, the governing body of the textile industry closed down 328 mills, and the people signed up for jobs in various war industries. When we could, we got them into factories near their homes, but some women had to travel as much as 30 miles a day, at least one way in the black-out. It was a great change in their habits, but they didn't complain. In most mills that shut down the workers got together and held a sort of ceremony on the last night, and all the women cried. Then the people went to work learning their new jobs. It takes only about a week to train a woman for the simplest work, filling shells. They train up to 6 or 8 weeks for more skilled jobs, getting paid while they learn. After they were all sorted out you'd think they'd never worked with anything but metal. Lancashire people have cooperation in their blood. It's here the trade-unions, as well as the factories, started. And the cooperative stores, which are the largest medium of distribution in all Britain now, began at Rochdale, a bit north of here. Why, even the troupes of girls who dance in unison—precision dancers, I think you call them—originated here. The original Tiller Girls were recruited from Lancashire. So when people understood what they were up against, they set themselves to win the war in the Lancashire way. The money is good, by our standards. A woman filling shells gets 3 guineas to 3 pounds 7 a week, she gets the extra 4 shillings as a kind of bonus when she works with TNT, because it temporarily dis-colors her complexion."

"Three guineas a week doesn't seem an awful lot," I said. A guinea nowadays is about four dollars and a quarter.

"It's good money up here, though," the Labour man said. "More than most of them made on textiles. You must remember that our people lived comfortably on their textile wages when they were working. They only got into difficulties when they were unemployed. One great service the war has done is to destroy the fiction of the unemployable. We have 2½ million men and women registered as workers in this area, which includes 3 counties besides Lancashire. Recently we checked up and found we had just 15,000 unemployed; 5,000 were really industrial wrecks; 10,000 were just workers changing from one job to another, the sort of thing you'd find on any given day. Yet a few years ago, when we had hundreds of thousands out of work, there were rich men who said that most of the fellows on the dole were either useless or shiftless, that if a man had no job it was his own fault."

The driver who called for me at the hotel next morning was a trim matron with steel-blue hair and a tailored uniform that would have done credit to a wealthy subaltern. It was khaki, with pale-blue piping, and a profusion of leather goods was arranged like a trellis on her coat. She was a member of the Mechanized Transport Corps, she explained, a voluntary organization of women who supply their own cars and buy their own uniforms. They drive officers and civil servants on official business, and the Government reimburses them for the petrol they use. She turned out to be an excellent driver, and since she was Lancashire-born she knew her way around the network of roads that radiate from Manchester to the scores of smaller factory towns around, places with names we never hear in America, with populations of from 25,000 to 150,000. The bare hills and valleys north of the city are full of them; the flatlands that stretch westward to Liverpool and south into Cheshire bristle with smoking chimneys. As we drove along the road, I could not help thinking of the perplexity of a German bomber pilot if he got over this region. Industry is not concentrated, but is almost anywhere, and between the clusters of factories there are stretches of pasture land into which his bombs would drop harmlessly if he missed. It is impossible to blanket such an area with bombs. More and more the British are decentralizing their production, thus taking the sting out of mass raids.

Our first stop was a factory 20 miles from Manchester that once made—or so I'll say—refrigerators and kitchen cabinets. We drove up in front of the old, grimy office, which reminded me of hundreds I have seen in southern New England. Inside the door I found Mr. Bradshaw, the works manager, a stubby, determined little badger of a man who, I soon found out, is proud of his plant's versatility. There were pictures of all sorts of iceboxes on the walls, but in the

place of honor on the mantelpiece stood a magnificent 25-pound shell, the leader of the firm's new line. The plant had begun changing over in June 1940, after Dunkerque, Mr. Bradshaw said. The Chamberlain government, with its policy of business as usual, had encouraged the manufacture of kitchen cabinets for export. The factory had got its first new machines in July 1940, actually a set of ancient German power lathes. In October, the Ministry of Supply had installed a battery of really new Canadian machine tools. "But we're using 95 percent of our old equipment as well," Mr. Bradshaw said, "and we're using our engineering brains. The design of weapons is highly specialized, but there's nothing superhuman about making them, provided that you know how to use your machines. That's the engineer's job. Once the machines are set, the operator can't make a mistake. We work a little finer on armament jobs than on most peacetime products," he said as he steered me through the back of the office and into the shops. "On the coarser war jobs we work to a thou'. That's a thousandth-of-an-inch margin of error. On the better grade we work to one or two ten-thousandths. When you have a mechanism with dozens of moving parts a very small error will jam the whole works." He piloted me between rows of machines that looked like monster, power-driven pencil-sharpeners, each putting a point on a bar of steel. Women manipulated these planers by levers, nursed the steel, bathed it in a soapy-looking liquid, flicked away long streamers of steel shavings, and lifted the rough-turned shells from the machines. "Roughing shells from the blanks," Mr. Bradshaw said in passing. "Women are allowed a maximum of 3 minutes for the operation, but they average 2 minutes and a quarter after they've been here awhile. All of them used to be in shops, mills, or paper-box factories. You're interested in what we do with our old stuff? I'll show you our annealing furnaces."

Mr. Bradshaw led me to a shed where, in one of the walls, there was a row of furnace doors. "We can get a temperature of 900° in them," he said. "We used them for putting the vitreous finish on enamel. We did a lot of enameling, naturally, making kitchen stuff. Now we use the same furnaces for hardening tank armor. We're using the same furnaces to harden solid-armor-piercing shot for anti-tank guns, too. It's an 18-pound shot of solid steel. The ordnance people take lots at random and test them. Out of 6 shots fired against 2½-inch armor, at least 4 have to go clean through without breaking up. Quite a change from kitchen enamel. Now I'll show you our tin shop. We used to do a lot of light cylindrical stuff—you know, home equipment, like sanitary cans. Well, now we make seamarkers for the Admiralty and the Royal Air Force. A seamarker is a light metal cylinder with powdered aluminum inside. When it's dropped on the sea from an airplane, the impact drives the aluminum up through the top. It spreads over the water, forming a big, shiny disc, and that marks the position of the crippled German submarine that the pilot thinks is down below the surface. The pilot flies home, gets more bombs, comes back to finish the job. Ingenious, what?"

All the workers in the tin shop were girls, wearing green smocks. Most of them seemed to be of high-school age. "We had about 1,200 workers before the war," Mr. Bradshaw said. "The number dropped off to 700 while we were changing over, but now we have 2,000. Naturally, there are very few peacetime plants that can simply go over to war work without alterations. They aren't balanced, as we say. That means that if you're making a product that requires a great deal of milling and not so much boring, or a lot of boring and not so much milling, you may not have the correct proportion of machines for a war job. But the fellow over the hill, making a different product, may have a surplus of the machine capacity you need for your war work, and you may have just what he needs. So you marry demands and capacity. Maybe out of a hundred assorted factories you get the equivalent of 20 modern, balanced armament plants. It would take years to build the new plants, whereas with a little jiggery-pokery you can begin getting stuff out of the old ones in a few weeks. With our furnaces, for example, we can do the hardening for several factories that aren't equipped for it. It's like one artisan borrowing a tool from another. We have a second plant about 2 miles away from here, a former textile mill that the Government has fitted up with the best sort of new machinery, American stuff. They turned it over to us to run because by the time they had got it equipped we had built a up lot of experience in war production. That's another point. If we had waited for a new plant to be built, we wouldn't have had the experience."

We went out to the car, and my Mechanized Transport Corps driver, following Mr. Bradshaw's directions, took us to the newly equipped plant. The machines there, I noticed as soon as I went in, were for the most part glossy gray and dis-

played in large letters the names of such familiar points of origin as Milwaukee and Cincinnati. There were also a couple from Plainfield, N. J., and one friendly steel beast from Nashua, N. H. "The machines on this side of the room," Bradshaw said, "are turning out incendiary bullets for machine guns. An incendiary bullet is practically a miniature infernal machine. You can see for yourself how complex it is." As he said this, he picked up from the foreman's table a large-scale drawing of an incendiary bullet and showed it to me. "There are eight separate operations," he said, "and they are all down to a thou' or finer. The machines in this row do the eight simultaneously and turn out the finished bullet. It's like grinding out sausage. That's what you can do with the right kind of machine when you can get it." He looked slightly contemptuous of such easy success.

He took me to another part of the plant, where girls were making the components of fuzes for 25-pound shells. "There are 34 separate parts to a fuze," he said. "We make them all here and then assemble them. The Government inspectors, those girls in the khaki smocks, test samples of each sort of component, and then they test samples of the finished fuzes." He picked up a fuze and showed me how it worked. There was a minute chamber at the bottom, which was to hold the detonating charge. This chamber, Bradshaw explained, had a roof one five-thousandth of an inch thick. There was a steel pin perpendicular to this roof, and, as Bradshaw pointed out, when the shell hit, the impact would drive the pin against the roof of the detonator, through that delicately milled five-thousandth, and into the explosive. "It's very simple," he said, "so simple that you couldn't even handle the thing without blowing yourself to bits if we made it that way. So we have a steel disk with a shutter in it between the pin and the roof. When the gun is fired the shell begins to rotate, and when the rotation reaches a certain speed the shutter winks back. It's all based on centrifugal force. The pin drops through the hole and rests against the detonator chamber, and the shell explodes at the precise instant of contact. It's a watchmaker's job, and we turn them out by the hundreds of thousands."

My driver and I left Bradshaw at his new plant. Miles before we arrived at our next destination, the country ceased to look industrial. After two or three inquiries we arrived before a weathered red-brick building with a small brass doorplate that bore the legend "Robinson Pen Co." in script. I marched into a cubbyhole of an office where an old chap in worn striped trousers and office coat sat at a high desk. For the anteroom to an arms factory, the décor was perfect Hitchcock. To carry out the motif, the old chap insisted on seeing my identity card, my alien-registration certificate, and my passport. Finally, he pushed a button in the panelled rear wall and a concealed door opened before me, something I had never expected to see except from a seat in the Rialto Theater.

Mr. Robinson, the head of the firm, who met me inside, was in his early forties. He favored the "American" style that became a fashion in England in Harold Lloyd's heyday, when "gogetter" was a new bit of slang. He was complete, from tortoise-shell glasses to soft white shirt and baggy flannel pants. Mr. Robinson said he was the son of the founder. The firm had existed in a modest way for 40 years, making pens without trying to advertise them. "We use very rudimentary machinery," he said. "I expect you'll find it amusing. But it's so simple that it's adaptable. We employ girls almost exclusively—always have. Most of them work on a small, electrically driven hand lathe that can be quickly reset for a great variety of operations. But the girl has to pay constant attention to what she's doing; it's rather like work at a sewing machine. Then we have the machines on which we used to stamp out gold nibs for pens. We're still making some pens. As a matter of fact, they need a certain number in the war effort. Making pen nibs is rather fine work. I'll show you." I followed him down a steep flight of stairs into a basement which, again in the Hitchcock tradition, was unpredictably large and high. There must have been a hundred and fifty girls down there working at machines and above the collective racket I could hear a radio loudspeaker blaring "Only Forever." "The girls like the radio on loud like that," Robinson said. He took me to one side of the room to watch a machine that he said was normally used on pen nibs. "This is what we do on it now," he said, shoving a box of tiny copper disks with raised edges toward me. "These are the primer caps for a sensitive incendiary shell, a one-pounder used in anti-aircraft guns. They are the last bit fitted to the loaded shell. The explosive is so sensitive that just a microscopic roughness on the edge of the disk will set off the charge. A few workers in arsenals are walking around without hands now because of those shells. The flat surface of the disk is four ten-thousandths thick and the edges two ten-thousandths. The whole thing is about an eighth of an inch in diameter. There's never been an accident with our disks. Only one

other firm has been able to make them, and that happens to be a gramophone company. Now come over and look at what the girls are doing on their lathes."

As I was telling Mr. Robinson about the plants I had visited earlier that day, he picked up a small object that a girl had just taken from her lathe and placed in the box before her. I recognized it immediately. "Why, that's one of the incendiary bullets that they're turning out on those big American machines at Bradshaw's place," I said. "Yes," he said, "but *we* break the job down into four operations, and a battery of four girls with hand lathes turns out the same bullet that Bradshaw's machine does in one operation. It isn't quite as fast or as cheap, but the bullets meet the same tests. In fact, I think we have rather fewer rejections than they. Those big specialized machines are efficient, of course, but there aren't enough of them in the world. Also, they cost the Government upward of a thousand pounds apiece. Actually, our production costs are about 10 percent higher. But the country needs all the production it can get, and it can only get production by using us all. I suppose you saw them make all the parts for the fuze up there and then assemble them. Well, we assemble the same fuze here from parts made in little shops in a dozen parts of England. The 34 parts are contributed by 26 different factories. Separately, the things look like small articles you'd pick up on the hardware counter of a Woolworth's."

I said good-bye and started back to Manchester with my Motor Transport Corps driver. On the way I had plenty of time to think of the deadly trifles that might some day come out of zipper and razor-blade factories in the United States.

EXHIBIT 27.—INTERSTATE CLAIMS AND BENEFITS

REPORT BY BUREAU OF EMPLOYMENT SECURITY, FEDERAL SECURITY AGENCY,
WASHINGTON, D. C.

Data reported on interstate claims for unemployment compensation benefits do not adequately measure the volume of migration. The number of weeks compensated refers only to workers who had been attached to the labor market long enough to be qualified for unemployment compensation benefits and who, becoming unemployed, filed a claim in another State against the State in which they earned their benefit rights and actually received a payment. Hence, migrant workers who have not earned benefit rights under the unemployment compensation laws of any State do not affect the statistics on interstate claims. Similarly, migrants who do have benefit rights, but who, upon migrating, obtained employment quickly enough to obviate the need for unemployment compensation are not reflected in data on interstate claims.

A liable State is one against which a worker claims unemployment compensation benefits. An agent State is one through whose facilities a worker claims unemployment compensation benefits against the liable State.

KANSAS

Approximately 3,300 workers received unemployment compensation benefits in other States on claims filed against Kansas during the year ending September 1941. Almost 27,000 weeks of unemployment were compensated by Kansas as liable State and claims for 38,000 weeks of unemployment were forwarded as agent State. Although there is no clear trend in the proportion of agent to liable State claims from quarter to quarter, the proportion in July-September 1941 was somewhat higher than that shown for the corresponding period a year ago.

In July-September 1940 there were approximately 15 weeks of unemployment compensated to claimants who had moved away and 23 weeks to claimants who had come in for each 100 weeks of intrastate unemployment. By July-September 1941 these proportions had increased to 18 and 25 percent, respectively.

More persons leaving Kansas were going to neighboring States than had been true in the past. In July-September 1940 only 47 percent of the weeks compensated by Kansas to persons leaving the State had gone to adjacent States but, in July-September 1941, 62 percent of the weeks compensated were paid to claimants in neighboring States. Almost 37 percent of the weeks compensated as liable State during the third quarter of 1941 went to workers who had emigrated to Missouri, more than double the relative number in the same quarter of 1940. A substantial number of weeks compensated as liable State were for workers who had emigrated to Oklahoma and California.

There was considerable in-migration of workers from Missouri and California. Approximately one-fifth of all claims forwarded by Kansas as agent State went to California and almost two-fifths to Missouri. The proportion of claims forwarded to the latter State more than doubled over the past year. Oklahoma was the only other State to contribute a substantial portion of the migrants to Kansas.

Selected data on interstate claims, Kansas, by quarters, July 1940-September 1941

Quarter	Minimum number of interstate work-ers filing claims against Kan-sas	Number of weeks compensated on out-of-State claims received as:						Number of weeks compensated on out-of-State claims forwarded as agent State to contiguous liable State		
		Liable State	Agent State	Ratio of liable to agent	Percent of residential load		Liable State from contiguous agent State		Number of weeks	Per-cent of total agent
					Liable	Agent	Number of weeks	Percent of total liable		
July-September 1940.....	691	5,396	8,312	64.9	14.6	22.6	2,544	47.1	3,439	41.4
October-December 1940.....	798	6,041	7,980	75.7	15.9	21.0	3,015	49.9	3,070	38.5
January-March 1941.....	1,109	8,100	10,683	75.8	13.7	18.1	4,242	52.4	4,392	42.0
April-June 1941.....	738	6,295	10,633	59.2	16.7	28.2	3,921	62.3	5,901	55.5
July-September 1941.....	631	6,331	8,589	73.7	18.3	24.8	3,937	62.2	4,802	55.9

Initial claims received as liable and agent State, Kansas, January-December 1940¹

	Liable State	Agent State
Total.....	8,204	9,141
California.....	1,537	1,250
Oklahoma.....	1,501	1,377
Missouri.....	1,371	1,512
Texas.....	1,177	792
All other.....	2,615	4,210

¹ Latest data available.

MISSOURI

Agent State claims exceeded liable State claims in Missouri. During the year ending September 1941, approximately 42,000 weeks of unemployment were compensated to individuals who left Missouri as compared with 69,000 weeks of unemployment paid by other States to claimants who had come into Missouri.

It is estimated that approximately 5,500 workers who had earned sufficient wages to be eligible for unemployment compensation benefits filed claims upon Missouri from other States during the year. By July-September 1941, the number of persons who came into the State in relation to those going out seemed to be decreasing but the net inflow still remained substantial.

For each 100 weeks of unemployment compensated to intrastate claimants in July-September 1940 about 5 weeks were paid claimants who had moved out of the State and 9 weeks were paid to claimants who had come into the State. In the same quarter of 1941 8 weeks of unemployment were compensated to claimants who moved out and 12 to those who moved in for each 100 weeks of unemployment compensated to intrastate claimants.

A majority of the workers who left Missouri went no farther than the neighboring States; this proportion increased slightly over the past year. Of those who went to States not bordering on Missouri, approximately one-half migrated to California. An increasing number of workers emigrated to Kansas; those leaving for Illinois showed a corresponding decline.

Workers leaving Missouri dispersed themselves over a smaller area than the one from which incoming workers were drawn. During July-September 1941, about 50 percent of the weeks of unemployment compensated to workers coming into Missouri originated from surrounding States, whereas 60 percent of the weeks of unemployment charged against Missouri went to surrounding States. The largest

number of persons coming into Missouri came from California and the second largest number came from Illinois. A sharp increase occurred in the number of claimants coming to Missouri from Kansas.

Selected data on interstate claims, Missouri, by quarters, July 1940-September 1941

Quarter	Minimum number of interstate workers filing claims against Nebraska	Number of weeks compensated on out-of-State claims received as—						Number of weeks compensated on out-of-State claims forwarded as agent State to contiguous liable States		
		Liable State	Agent State	Ratio of liable to agent	Percent of residential load		Liable State from contiguous agent State		Number of weeks	Percent of total agent
					Liable	Agent	Number of weeks	Percent of total liable		
July-September 1940	1,487	10,773	17,870	60.3	5.2	8.6	5,784	53.7	8,746	48.9
October-December 1940	1,249	9,081	15,845	57.3	4.8	8.4	4,408	48.5	7,113	44.9
January-March 1941	1,510	11,432	20,187	56.6	6.6	11.7	5,916	51.7	8,937	44.3
April-June 1941	1,340	10,738	17,256	62.2	9.5	15.3	6,592	61.4	8,498	49.2
July-September 1941	1,312	10,712	15,446	69.4	8.3	11.9	6,373	59.5	7,949	51.5

Initial out-of-State claims received as liable State, Missouri, by quarters, October 1940-September 1941

	1940, October-December	1941		
		January-March	April-June	July-September
Total	3,548	4,065	3,697	4,353
California	801	764	596	798
Illinois	625	634	476	548
Kansas	374	857	1,284	1,027
Arkansas	204	296	169	383
All other	1,544	1,514	1,172	1,597

IOWA

Approximately 2,000 persons who had been employed in Iowa a sufficient length of time to become eligible and draw benefits filed a claim on Iowa from another State. Approximately 16,600 weeks of unemployment were compensated by Iowa on out-of-State claims, and claims for 23,000 weeks of compensation were forwarded to other States for the benefit of individuals who came to Iowa.

Interstate unemployment is relatively small in Iowa when compared with the total volume of intrastate unemployment. For each 100 weeks of unemployment compensated for intrastate workers during July-September 1941, there were approximately 5 weeks for claimants who left the State and 9 weeks for incoming claimants.

A majority of the weeks compensated on interstate claims by Iowa as liable State were forwarded to Iowa from States contiguous to it; similarly, over 50 percent of the claims forwarded by Iowa as agent State went to contiguous States. About 18 percent of the weeks compensated in each quarter for workers filing claims upon Iowa in other States went to California and 15 percent to Illinois; other States with more than 10 percent were Missouri and Minnesota.

Within the last half year, Iowa has shown a tendency to draw a relatively greater proportion of migrants from wider areas. This is evidenced by the decreasing proportion of all agent State claims forwarded by Iowa to adjacent States for payment. By far the greatest proportion of claims forwarded by Iowa went to Illinois, and the volume of these claims was approximately equal to that forwarded to California and Nebraska, the next two largest liable States.

Selected data on interstate claims, Iowa, by quarters, July 1940-September 1941

Quarter	Minimum number of interstate workers filing claims against Iowa	Number of weeks compensated on out-of-State claims received as--						Number of weeks compensated on out-of-State claims forwarded as agent State to contiguous liable State		
		Liable State	Agent State	Ratio of liable to agent	Percent of residential load		Liable State from contiguous agent State		Number of weeks	Percent of total agent
					Liable	Agent	Number of weeks	Percent of total liable		
July-September 1940	3,567	4,196	6,378	65.8	4.8	7.3	2,231	53.2	3,567	55.9
October-December 1940	3,502	4,260	6,389	66.7	6.7	10.1	2,423	56.9	3,502	54.8
January-March 1941	4,147	6,769	8,042	81.2	5.1	6.0	4,035	59.6	4,147	51.6
April-June 1941	2,290	3,555	4,587	77.5	5.4	7.0	1,882	52.9	2,290	49.9
July-September 1941	1,815	2,041	3,752	54.6	4.9	8.9	1,197	58.6	1,815	48.4

Initial out-of-State claims received as liable State, Iowa, January-December 1940¹

Total	6,600	Missouri	835
		Nebraska	644
California	1,221	Minnesota	531
Illinois	1,165	All other	2,204

¹ Latest data available.

ILLINOIS

It is estimated that a minimum of 13,200 workers who filed claims against Illinois from other States during the year ending September 1941 had been engaged in covered employment in Illinois long enough to become eligible for benefits. While no data are available as to the number of persons coming into the State, they undoubtedly totaled less than the emigrants since only 65,000 weeks of unemployment were compensated on claims forwarded to other States by Illinois as compared with 142,000 weeks of unemployment compensated on out-of-State claims received as liable State. Thus, the volume of compensable unemployment incurred by workers leaving the State but previously employed in Illinois was slightly more than two times the volume of compensable unemployment experienced by individuals who earned their wage credits in other States but came to Illinois and had their checks forwarded to them.

For each 100 weeks of unemployment compensated to intrastate claimants during July-September 1941, there were approximately 7 weeks compensated for claimants who had left Illinois and filed claims upon Illinois from other States and 2 weeks for claimants who came into Illinois and drew benefits on another State. In both instances, the relative proportions of weeks compensated by interstate workers increased over those a year ago.

Some evidence of the distance of migration among covered workers can also be determined from the data available on the payment of interstate claims. Unlike most of the other States throughout the country, a majority of the weeks compensated by Illinois were paid to workers who had crossed more than one State line after leaving Illinois. Workers in this group accounted for 60 percent of all weeks compensated in July-September 1940 and 65 percent in July-September 1941. Between 15 and 20 percent of the weeks compensated to workers leaving Illinois went to California and substantial proportions also went to Missouri, Oklahoma, Indiana, and Michigan.

Slightly more than one-third of the weeks forwarded by Illinois as agent State were sent to adjacent States. For the year as a whole, the largest proportions of claims were forwarded to California and New York. Each of these States compensated between 10 and 15 percent of the total agent State load in Illinois.

Selected data on interstate claims, Illinois, by quarters, July 1940-September 1941

Quarter	Minimum number of interstate workers filing claims against Illinois	Number of weeks compensated on out-of-State claims received as—						Number of weeks compensated on out-of-State claims forwarded as agent State to contiguous liable States		
		Liable State	Agent State	Ratio of liable to agent	Percent of residential load		Liable State from contiguous agent State		Number of weeks	Percent of total agent
					Liable	Agent	Number of weeks	Percent of total liable		
July-September 1940.....	3,091	41,054	22,828	179.8	4.0	2.2	16,445	40.0	9,142	40.0
October-December 1940..	2,734	32,727	19,639	166.6	4.9	3.0	11,431	34.9	7,130	36.3
January-March 1941.....	2,578	37,581	19,612	191.3	6.0	3.1	12,036	32.0	7,735	39.4
April-June 1941.....	5,378	36,789	13,217	278.3	6.1	2.2	12,512	34.0	4,263	32.3
July-September 1941.....	2,520	34,857	12,744	273.5	6.6	2.4	12,307	35.3	4,154	32.6

NEBRASKA

Weeks compensated by Nebraska as liable State for the year ending September 1941 numbered 18,000, representing claims of approximately 1,400 eligible workers who had been previously employed in the State. On the other hand, 15,000 claims were forwarded for compensation by Nebraska on behalf of claimants who had immigrated into the State. There was a tendency during the year, however, toward a narrowing of the difference since by July-September 1941, the volume of weeks compensated as agent and liable State approximated one another.

The volume of interstate migration was relatively large in Nebraska. For each 100 weeks of unemployment compensated for intrastate claimants in July-September 1940, approximately 12 weeks were paid to claimants who moved away from the State after having worked in Nebraska and 10 to claimants moving in for payment by other States. By July-September 1941, these proportions increased to 17 and 16 percent, respectively.

At all times, considerably more than half of the workers leaving Nebraska moved beyond the States adjacent to it and the proportion of claimants doing so in recent months has been increasing. In January-March 1941, approximately 47 percent of all claims compensated by Nebraska to claimants who had previously worked there came from contiguous States but by July-September 1941 only 28 percent of the total were forwarded by these same States for compensation. This was largely attributable to the growing proportion of workers leaving for California as evidenced by the fact that 35 percent of all claims compensated by Nebraska as liable State in July-September 1941 originated in California as compared with 23 percent earlier in the year. Large numbers of claims for compensation were also forwarded from Iowa and Missouri.

As large a proportion of claims were paid by Nebraska to claimants in contiguous States as these States paid to claimants in Nebraska. The proportion of claims sent to Colorado for compensation declined in recent months while those sent to Illinois have correspondingly increased. A considerable interchange of workers exists between California and Nebraska with each forwarding and receiving approximately equivalent numbers of claims. Other States compensating many claims for claimants emigrating into Nebraska are Iowa, Kansas, and Wyoming.

Selected data on interstate claims, Nebraska, by quarters, July 1940-September 1941

Quarter	Minimum number of interstate workers filing claims against Nebraska	Number of weeks compensated on out-of-State claims received as:							Number of weeks compensated on out-of-State claims forwarded as agent State to contiguous liable States	
		Liable State	Agent State	Ratio of liable to agent	Percent of residential load		Liable State from contiguous agent State		Number of weeks	Percent of total agent
					Liable	Agent	Number of weeks	Percent of total liable		
July-September 1940.....	315	4,135	3,399	121.6	12.4	10.2	1,578	38.2	1,253	36.9
October-December 1940....	371	4,841	3,616	133.9	14.6	10.9	2,027	41.9	1,358	37.5
January-March 1941.....	567	6,758	5,964	113.3	10.4	9.2	3,190	47.2	2,711	45.4
April-June 1941.....	265	4,115	3,432	119.9	13.9	11.6	1,604	39.0	1,215	35.4
July-September 1941.....	213	2,544	2,327	109.3	17.3	15.8	708	27.8	710	30.5

INDIANA

In the 12-month period ending September 30, 1941, an estimated minimum of 3,048 workers filed claims for unemployment compensation against Indiana from outside the State. These workers either (1) have permanent residences outside of Indiana and during spells of unemployment return to their homes in these other States, or (2) have migrated out of the State in search for jobs.

Data on minimum number of workers who are drawing benefits on Indiana from outside the State, besides including workers who are merely returning to their homes in other States during a spell of unemployment, obviously do not include all of the bona fide migrants from the State. Workers who upon migrating to another State immediately obtain jobs and during their benefit year remain employed and accordingly do not file claims for benefits are not covered by interstate claim statistics. Many migrants who worked in covered employment in Indiana may not have worked long enough to earn sufficient wage credits to entitle them to benefit rights. Farm, domestic, and other workers not in covered employment are not represented. Workers who filed claims for benefits within Indiana but subsequently moved out of the State and continued filing claims for the same spell of unemployment are also not included in the figures.

In addition to the above estimate on out-migration, other statistics are available on the number of weeks of unemployment compensated by Indiana to persons who filed from another State, and also on the number who filed in the State of Indiana upon other States. These statistics are affected by both the number of workers receiving benefits and the duration of the period in which they draw benefits. Unfortunately, no information is available which would serve to keep either of these variables constant. The data cannot, therefore, be used directly to measure migration to and from Indiana.

The largest ratios of out-migration to in-migration (where the figures are large enough to be representative) occur for agricultural States: Kentucky, Tennessee, and Missouri. The largest ratios of in-migration to out-migration are for industrialized States: Illinois, Ohio, and Michigan. On the basis of this information and on analysis of the industrial characteristics of the State, the tentative conclusion may be drawn that Indiana is a labor reserve for more industrialized States, but is in turn a recipient of migrants from agricultural States. It is possible, therefore, that the majority of the workers filing interstate claims against Indiana and in Indiana against other States might fall into the group that lives in one State, but works in another, and returns home during periods of unemployment.

Part of the migration to Indiana may be attributed to the relatively higher degree of defense production in that State than in Michigan, Illinois, Kentucky, Missouri, and Tennessee. Part of the movement to agricultural States could represent the return of workers to farms during harvesting seasons—the movement to farm States becomes relatively greater during the harvest period.

A majority of the payments for out-of-State unemployment claims by Indiana were to workers who filed their claims from contiguous States, chiefly Kentucky.

Likewise, a majority of the payments to workers filing from Indiana were from contiguous States, chiefly Illinois.

The upward trend of out-of-State payments to total payments may indicate either a longer duration of unemployment out of the State in comparison to duration of unemployment within the State, or more likely a greater migration relative to job opportunities.

Selected data on interstate claims, Indiana, by quarters, July 1940-September 1941

Quarter	Minimum number of interstate workers filing claims against Indiana	Number of weeks compensated on out-of-State claims received as—						Number of weeks compensated on out-of-State claims forwarded as agent State to contiguous liable State		
		Liable State	Agent State	Ratio of liable to agent	Percent of residential load		Liable State from contiguous agent State			
					Liable	Agent	Number of weeks	Percent of total liable	Number of weeks	Percent of total agent
		July-September 1940.....	919	8,687	12,170	71.4	3.5	4.9	5,397	62.1	8,115	66.7
October-December 1940..	698	7,221	9,436	76.5	5.0	6.6	4,043	56.0	5,921	62.7
January-March 1941.....	874	8,127	10,151	80.1	4.6	5.7	4,696	57.8	6,581	64.8
April-June 1941.....	562	5,191	7,928	65.5	5.9	9.0	3,021	58.2	5,134	64.8
July-September 1941.....	950	6,048	7,769	77.8	5.5	7.1	4,153	68.7	4,758	61.2

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