

# Governmental Administrative Number



# Affairs

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## Home Building Controls

Present indications are that wartime restrictions on home construction will remain in force for the time being. Some modifications are expected in the near future; however, it is impossible to predict with any degree of accuracy just when such action will be taken and the exact nature of the changes.

Members of the home construction industry are strongly urging that all controls be lifted at once; it is understood that the American Federation of Labor has also insisted upon immediate revocation. Within Government, there is sharp disagreement as to policies which should be adopted at the present time.

In line with President Truman's instructions to dispense with controls as soon as practicable, the WPB, at a recent meeting, suggested that it favored revocation of limitation orders affecting housing and lumber. Officials of several Federal agencies hastily opposed action of this nature, contending that it would result in inflationary price increases and a scramble for scarce goods with the big fellows taking all. The result was that WPB's proposal was defeated by approximately a two-to-one margin.

The Inter-Agency Committee on Construction is attempting to reach an early accord as to the "what's and when's" of relaxing home building controls. Thus far, about all that can be said is that members of the committee, representing various Government agencies, have not been able to thrash out all the problems and differences of opinion with which they have been faced.

A favorable indication, however, comes from results of a recent WPB survey of construction materials. The conclusion reached is that actual demands should be met in the near future, although some products are in short supply at present. If adequate supplies are forthcoming, the primary worry of Federal agencies should vanish, namely, sky-rocketing prices.

## Inventory Controls

In an attempt to prevent accumulations of excessive inventories during the reconversion period, the War Production Board has issued Priorities Regulation 32, which restricts ordering, deliveries, receipts and processing of materials in short supply. The regulation covers all types of materials, including raw or semi-fabricated products of any kind, whether or not acquired with priorities assistance.

WPB officials explained that issuance of PR 32 is part of the general policy to retain controls necessary to assist orderly and equitable reconversion. The list of exempted materials will be revised as rapidly as the number of materials in ample supply increases, but inventory controls will not be suspended entirely until materials are generally in ample supply.

## Low-Cost Wearing Apparel

Members of the retail trade and officials of OPA will meet in Washington on September 5 to discuss OPA's new plan to extend retail dollar-and-cent pricing over a wide range of men's, women's and children's rayon and woolen clothing. The plan is designed to increase the supply of clothing in the inexpensive price lines for families of middle and low incomes.

Price Administrator Bowles stated that OPA intends to see to it that clothing produced under the new plan is sold to consumers at prices below present levels; each garment covered will be tagged at the factory with its retail ceiling price. A sampling made in June of a portion of the many items made of cotton already under dollar-and-cent pricing showed that substantial price reductions had been accomplished in some lines, the effects of which will be more noticeable as soon as production increases in the Fall.

In another move to give buyers more low-cost garments, the WPB plans to put into effect on October 1 a more effective program for channeling rayon and woolen fabrics to essential low-priced apparel items.

## Pricing New Automobiles

Individual automobile manufacturers are being allowed to compute their own ceiling prices under the reconversion pricing formula, subject to OPA approval, Price Administrator Bowles announced this week. This approach is deemed most feasible because of the widely varying degrees of integration among automobile producers; in addition, all manufacturers probably will not be prepared to return to production at the same time, making it impractical to utilize industry-wide averages.

In connection with the OPA announcement, a dispatch from Detroit indicates that prices will not be made public until new car models are ready for display, which is likely to be late September.

OPA also has announced that ceiling prices on most automotive parts, when sold as original equipment for automobiles, are being suspended. Mr. Bowles stated that this decision should not result in higher automobile prices, but made it clear that ceiling prices would be reinstated if parts prices go higher than justified by reconversion pricing standards.

## Cost of Living

An increase of three-tenths of one per cent in retail prices of living essentials from June 15 to July 15 has been announced by the Bureau of Labor Statistics. The Bureau's cost of living index for July, 1945, shows an increase of 2.6 per cent during the past year and an increase of 3.4 per cent from the level of May, 1943, when the President's "Hold-the-line" order became effective.

Index figures of the Bureau indicate average retail price changes in selected goods, rents, and services bought by families of wage earners and lower-salaried workers in large cities, not taking into account such wartime factors as quality changes. Various observers have stated that the actual cost of living has risen much more than shown by the Bureau figures.



## Recent Administrative Orders, Regulations, and Reports

*Copies of official documents listed below may be acquired direct from agencies issuing them or through the Department of Governmental Affairs. Write or call Mr. W. A. Creveling, National 2380. (F.R.=Federal Register.)*

**Canned Vegetable Prices:** The OPA has announced processor ceiling prices for the 1945 pack of canned corn, peas, tomatoes and tomato juice, spinach, asparagus, and several minor volume vegetables and fruits. All of these products are covered at wholesale and retail levels by fixed markups; it is expected that retail prices will not be substantially changed from those of last year (FPR 1, supp. 13).

**Coal Exports:** American coal may now be sold commercially for export to Sweden, Portugal, Switzerland, Denmark, and North Africa, provided they can be spared from essential needs in this country and liberated areas of Europe, according to the Solid Fuels Administrator. All commercial shipments will be applied against individual quotas set up by the Foreign Economic Administration for the eight million tons of coal to be made available in 1945 for Atlantic shipment (OWI 4892).

**Finished Piece Goods:** Tighter pricing of finished civilian apparel fabrics made of cotton and rayon is provided in recent OPA changes in the finished piece goods regulation. OPA stated that consumers will benefit indirectly, inasmuch as garment manufacturers will find it easier to return to production of low- and medium-priced clothing; also, some fabrics, sold by the yard, should reach shoppers at lower prices (MPR 127, am. 34).

**Foreign Sales of Surpluses:** In order to keep American exporters informed regarding foreign sales of surplus and residue plant and consumer goods, the Bureau of Foreign and Domestic Commerce has arranged to devote one page of its publication Foreign Commerce Weekly to information on overseas disposal operations. This service is being rendered through cooperative efforts of the Commerce Department and the Army-Navy Liquidation Commissioner.

**Guaranteed Employment:** The National War Labor Board has upheld an order of the Second Regional WLB at New York directing the inclusion of a guaranteed full employment clause in a collective bargaining agreement. The Board's action was taken because of facts peculiar to the case (Melville Shoe Corporation case); it does not mean that guaranteed full employment will be normally directed, the Board opinion stated (B-2172 A).

**Government-Owned Special Tools:** The Surplus Property Board has issued an amendment to Regulation 6 which permits rapid sale or lease of Government-owned special tools—jigs, dies, fixtures, gauges, molds, and similar equipment. This equipment is to be offered first to the contractor in possession for use in his civilian production. Subcontractors and sublessees are to be considered as the contractor in disposing of special tools (F.R. August 24, pg. 10398).

**Installation Services:** Effective August 30, sellers of machinery and machinery products who supply installation services do not have to bill customers separately for these services, OPA has announced. However, records must be maintained for OPA inspection which indicate prices charged for products and for installation (MPR 136, am. 9).

**Labor-Management Relations:** The National War Labor Board has announced that a procedure has been worked out

for settlement of labor-management disputes during the interim period until the NWLB completes its emergency functions and a permanent basis for adjustment of disputes is established. Every effort will be made to restore collective bargaining to its normal function and to arrive at settlements without recourse to Government. If the parties involved cannot arrive at a mutual understanding, they will be urged to submit the dispute to arbitration if such is feasible. If all other measures fail, parties to a dispute should agree to submit the case to the NWLB for a final and binding determination.

**Labor Market Survey:** WMC has announced the results of its first weekly survey of the current labor market situation. It estimated that 2,000,000 war workers have been released since the surrender of Japan. Hardest hit areas are Detroit, New York, Chicago, Los Angeles, Cleveland, and Newark. WMC warned that full effects of war-end displacements may not have been felt as yet.

**New Small Manufacturers:** Effective September 5, "new, small-volume" manufacturers of most consumer goods, other than clothing, will be allowed two special pricing methods, according to OPA. Under the cost method, the new firm will estimate total current costs, to which will be added an OPA profit factor. After a three-month period of operations, the ceiling price will be recomputed on actual costs. The alternative pricing method will be adoption of the ceiling price of a comparable product (MPR 188, Order 4332; F.R. August 28, pg. 11017).

**Paper and Paperboard:** Restrictions on utilization of idle paper machines have been removed by WPB. This was effected by amending the paper and paperboard conservation order (M-241), instead of revoking it, since current paper requirements of the military and governmental bureaus make it necessary to retain existing reserve production requirements of M-241 in the rag-content paper field.

**Price Control Suspension:** Price control has been suspended on mercury, primary aluminum, ingot and pig aluminum, primary and secondary magnesium, and most aluminum castings, magnesium castings and die castings. OPA's action in this instance is in line with policy of the Office of Economic Stabilization, under which price control may be suspended on commodities and services in ample supply (Supp. Order 129).

**Ration Point Values:** Point values for nearly all meats, cheeses, creamery butter, and margarine will be reduced sharply, and canned milk will be point-free, during the rationing period September 2-September 29. This is due to larger allocations by the Department of Agriculture and to improved distribution, the OPA says.

**Surplus Property Disposal:** During July, a total of \$41,926,000 (cost) of surplus property was disposed of for \$13,621,000, according to the Surplus Property Board. This constituted a realization of about 32 per cent of original cost. Total surplus property inventory at the end of July amounted to over \$2,500,000,000, of which approximately 68 per cent represented nonsalable aircraft.

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