

Compliance Branch is the policing agent.

(3) From the Compliance Branch itself, which make comprehensive surveys of particular segments of industry. This is expected to be the principal device in future enforcement. Inspection staffs borrowed from regular government agencies—chiefly Wage-Hour and the Federal Trade Commission—have at various times been set to examining the operations of, say, 2,000 aluminum foundries, or 90 primary fabricators of copper.

• **Surveys by Mail**—The branch has found it possible to conduct some industry studies by mail. Ignorance of priority requirements is so widespread that many companies will, in all innocence, return questionnaires indicating clear violations.

The Production Requirements Plan (BW—Mar. 14/42, p18) will give the Compliance Branch one of its biggest jobs. Intention is to check every PRP rating once every six months.

• **Injunction**—The branch's first use of the injunction weapon occurred last month in the case of Chicago Alloy Products Co. An order compelling the company to submit to inspection and temporarily suspending its operations was obtained in federal court after WPB investigators, sent to check on deliveries of cadmium and nickel, had been refused admittance to the firm's offices.

Subsequently a consent decree was obtained, in which the company agreed to comply with all priority regulations.

• **Suspension Order**—The commoner

way of getting at violations is through a suspension (S) order. If the Compliance Branch's analysis unit (through which all complaints are routed) considers that a case calls for such action, the legal unit prepares a formal charge letter which is sent to the alleged violator with instructions that he appear within ten days to answer the charges. Adopting the procedure of the semi-judicial agencies, branch lawyers and the accused argue the case before a compliance commissioner.

On the basis of the commissioner's recommendation, an S-order is drawn up and submitted for approval to Director Knowlson of the Division of Industry Operations. The accused may appeal to Knowlson at this point. If Knowlson approves, the order is issued.

• **Inventory Policing**—The Inventory and Requisitioning Branch, established last December, is charged with the job of seeing that scarce materials are kept in circulation rather than sterilized in inventories.

The underlying rule on inventories is contained in Priorities Regulation No. 1, which specifies that no business—whether or not it uses priorities—shall maintain more than a "practicable minimum working inventory" of any material. This is so broad and so vague that it is unenforceable; it is hardly more than a plea to material users.

• **M and P Orders**—More specific requirements as to inventory are contained in some of the M and P priority orders. Enforcement of these is up to the appropriate industry or commodity branches and the Compliance Branch. But there are so many more urgent enforcement jobs pending that practically no attempt has been made to do anything about this.

Ultimately, if Priorities Regulation No. 1 is to be enforced, Inventory and Requisitioning will have to establish definite inventory standards—industry by industry, or even company by company.

• **Data Now Available**—As an intermediate step, use can be made of the information furnished by PD-25A applications for priority assistance under PRP and by the similar questionnaire form, PD-275, which was received last month from 10,000 firms accounting for about 90% of metals consumption.

As soon as the Census Bureau is through tabulating the returns and as soon as the branch has built up enough of a staff, it will start analyzing these documents, working out a ratio of inventory to rate of use for each firm. Where a ratio is far out of line with that in similar firms, action will be indicated.

An attempt will be made to set up a sort of clearing house by which excessive inventories thus revealed can be sold to firms with low inventories. Where voluntary compliance fails, requisitioning will be used.



STREAMLINED TAG

The 43 different varieties of motor car tags which now adorn government-owned cars are about to give way to a single design—a modified Union Shield, traced in blue, on a white background, with red lettering.

American Shaves

Domestic steel has taken over a Swedish job and, though OPA is watching razor blades, whiskers aren't a worry yet.

Next time you encounter a safety razor blade, examine the lettering it carries. Chances are that you won't find the once-familiar inscription, "Swedish steel."

The blade may have been made of Swedish steel since there still remain some stocks acquired before the war. But blade makers who still have the imported steel realize that a long war is probable. That means total dependence on American steel, Swedish steel shipments to this country having been cut off completely since last June, when Germany jumped Russia. And the blade people don't want to aggravate the old myth that only Swedish steel will cut whiskers.

• **Already Domesticated**—Actually Americans in both hemispheres have been shaving with American steels for quite some time. The blade manufacturers dreaded the switch to domestic materials because Swedish steel and razor blades have become firmly linked in the public acceptance. Strongest proof that American companies have done a job in developing razor-blade steel lies in the fact that there have been practically no complaints on their products. The shift was made without the man at the



RUNNING EXTRA

White flags which are customarily used by all railroads to signify that a train is an extra, are being replaced by American flags, for the duration by Gulf, Mobile & Ohio Railroad, in order to let everyone along the Rebel Line know that G. M. & O. is running extra for victory.

mirror realizing anything had happened.

The Swedes completely dominated the pre-war market. In those years American blade makers imported some 1,500 tons annually. When U. S. producers tried to break in, the Swedish steel-makers didn't undersell. They simply met the American price and delivered better steel in the face of a 15% tariff. There was plenty of competition among Swedish mills, hence their monopoly was founded on quality, not combination. Last sale of Swedish steel in this country was at 38¢ per lb. A nice little business which netted around \$1,000,000 yearly.

● **Saw It Coming**—After Norway went down, the Swedes shipped across Russia. Some of the steel got to the U. S. via Iran. Several shipments routed through Japan simply vanished. But the Nazi attack on Russia blocked all remaining exits. The Germans and the British now allow two or three Swedish ships safe-conduct through war areas each month but no steel exports are permitted.

Blade manufacturers from Gillette on down had seen what was coming. They bought and stored. They also got busy with domestic steel manufacturers, encouraged them to develop the specialty. For instance, Pal Blade Co. contracted with the Stanley Works (American Tube & Stamping) and Crucible Steel Co. to develop a domestic razor-blade steel. Steel mill metallurgists and cold rolling experts went right into the Pal plants with their tests.

● **Americans Said, "Sure"**—U. S. steel engineers had contended all along that they could produce as good a steel as the Swedes. They pointed for proof to American surgical steels which are finer than razor blade grades. Sure, the Swedes had high grade ore remarkably free from trouble-making phosphorus. Sure, they made a fine carbon steel by burning charcoal instead of coke in their furnaces. But American steel masters contended that the Swedes used charcoal because they had plenty of forests but little coal for coke. Moreover, they asserted they could refine the American ores to a purity equaling the rival product. Main difficulties in making razor blade steel were the handling of small melts, the cold-rolling of a very thin strip smooth and even throughout, and maintenance of uniform quality.

American steel companies solved the problem separately, each developing its own machinery and process. Razor steels are delivered untempered in coils, and, after perforating, are tempered. The strips for Gillette-type blades are .880 to .883 inch wide, and .006 inch thick. Coils from 2,000 to 2,500 feet long weigh only 35 to 45 lb. The strips (only slightly wider than the finished blade) fit into automatic finishing machinery, the two edges of the strip becoming the cutting edges of the final

product. A pound of steel makes 375 to 400 blades.

● **Quantity and Price**—Besides Crucible and Stanley, razor blade steels are made by American Steel & Wire (U. S. Steel subsidiary), Athenia Steel Co., Cold Metal Process and a few others. There is a government ceiling on prices which run 30¢ to 40¢ per lb. From 1,500 tons of imports, demand has increased to between 4,000 and 5,000 tons annually.

So far, there has been plenty of razor blade steel but war encroachments already are felt. An order limiting the quantity of steel for razor blades is now in the works at the Office of Price Administration. A cut of 25% under 1941 consumption is under consideration. This would permit about 100% of 1940 consumption. OPA would like to include in the order a stipulation protecting quality. Insiders say this provision won't appear in the final order for the simple reason that it won't be necessary. If blade makers can only get a certain amount of steel they are going to insist on the best.

● **Whiskers and Morale**—Blade makers feel they have a right to survival since a whisker-shrouded male population would be demoralizing to civilians and razor blades are part of every fighting man's kit. Also the 23 principal companies making blades can keep their workers in jobs on a very small steel allotment. Naturally, they are inclined to brush off the dry (electric) shaver threat.

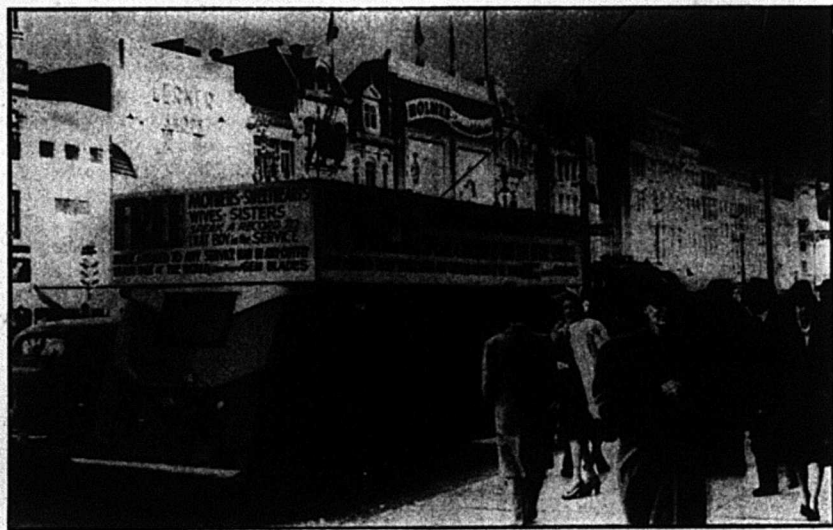
In 1936 U. S. bought some 750,000,000 blades. The following year the total jumped to 1,250,000,000, in 1938 it was 1,750,000,000, in 1939 it was 2,-

000,000,000 and this year consumption is expected to reach 2,500,000,000. Here is a result of lower prices, a process that has been going on since Gillette's original patents expired (back in 1921) and competition began to get in its licks.

● **Faster Turnover**—When blades cost 5¢ each, the man in the bathroom was careful in handling them, got four or more shaves on each one. But when the price was cut to as low as 1¢ per blade, the shaver discarded the blade after a couple of shaves, thereby aggravating the classic question of what to do with the old ones.

"Gyp" blades can be had for much less than a cent each. These are mostly discards that have failed to pass inspection and find their way to pitch-men, street vendors, other such outlets. Makers get more from them this way than by selling them for scrap. The culls are not sold under advertised brand names. There are hundreds of brands since all you need to do in launching a new name is to change the rubber die used to stamp the lettering and alter the title of the package to fit.

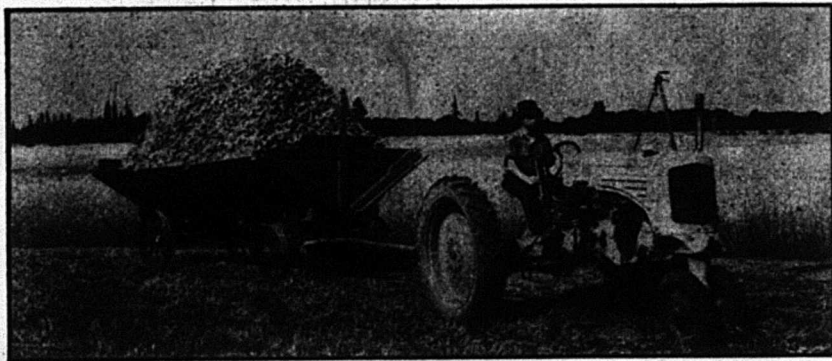
● **Anti-Hoarding Campaign**—Right now the supply problem of the blade manufacturers is complicated by hoarders. Frightened men are buying as many as 1,000 blades at a time, thereby draining dealers' stocks. Blade makers are eager to stop this sort of thing as it runs up their requirements for steel. There are plans under consideration by individual companies for combating hoarding through advertising and publicity campaigns that would stress, (1) present adequacy of steel for blades, (2) threat to this sufficiency from over-buying.



VOICES FROM HOME

More than 25,000 men in military service have sent home recordings of their voices since Gem Safety Razor's mobile recording studios started tour-

ing the camps last fall (BW—Nov. 8'41,p35). Now Gem is inviting friends of service men to talk back. Trailer-studios are doing a thriving business at street corners like Canal and Barrone, New Orleans (above).



HEIPLE'S TEASEL

Lack of steel for combing up the nap on woolens has started textile manufacturers experimenting with substitutes, among them the prickly burrs from teasel, a plant which grows wild in the copses and hedges of England

and which English textile men used for centuries. Roy Heiple, of Mollala, Oregon, has been doggedly growing cultivated teasel for several years (he thinks he is the only teasel grower in the U.S.). Now, very suddenly, comes the payoff. Mr. Heiple's teasel has become a war crop, and he's cashing in.

(3) need for getting four or more shaves per blade by proper lathering and by protecting the cutting edge while handling or wiping. Also contemplated is promotion of American steels now in use to bolster U.S. producers against the day when the Swedes will be back in the market.

The War Production Board isn't giving much attention to collection of old blades for scrap because there are other sources of much greater tonnage and because razor blades are so thin that they are apt to burn up in smelting unless tightly packed. But drug stores are collecting them along with tin from used collapsible tubes (BW—Feb. 14 '42, p17). Magazine Repeating Razor Co. is paying Boy Scouts 5¢ each for used clips which hold the Schick "injector" blades. The clips are made of brass, a vital war material.

• **Competition Gone**—There's a foreign angle too. Formerly Britain exported great quantities of Gillette-type and Gem-type single-edge blades all over the world. Germany produced some cheap competition and France made a few. War forced England to close some of her blade plants, the rest were cut to 25% of previous production. Nazi victories blocked off the European market and London's restrictions on exchange hinders Empire units in the sterling group from buying here.

Much of the world now looks to the U.S. for its safety razor blades. Foreign demand has played its part in raising American output of this type steel. Latin American sales are heavy. One of Gillette's foreign plants is in Rio de Janeiro and Pal Blade Co. opened a plant at Buenos Aires in December, 1940. Several South American companies have established small blade-making plants with local capital.

ICC Rebuffs OPA

Henderson's price-fixing agency is thwarted in attempt to control freight rates as basic factor in retail costs.

The Office of Price Administration this week lost a major attempt to extend its price-fixing powers to embrace factors which influence or determine the prices of raw or finished products. Leon Henderson's OPA had asked the Interstate Commerce Commission to withdraw recent approval of higher railroad freight rate schedules. The Commission, however, refused to change its mind.

• **To Balance Wages**—Since the end of October, the railroads have been paying higher wages. To compensate, the roads were granted a 10% boost in passenger fares. But, instead of a 10% freight rate boost, the ICC approved increases ranging from 3% to 6%.

Thankful that prompt action had been taken, carriers prepared new rate schedules. Then, just a few days before the rates were to become effective the roads were shocked when the OPA objected to the new tariffs on many of these commodities and asked the ICC to order the carriers to delay action until Apr. 15.

• **Permanent Stay Proposed**—Moreover, the OPA warned that during the extra month it would attempt to exempt these goods permanently from any freight rate increase, charging that the action would be inflationary and would force a general lifting of price ceilings. The commodities included cement; copper and lead ores and concentrates; iron,

steel, copper, lead, and rubber scrap; lumber; pig iron; crude sulphur, petroleum and petroleum products, including gasoline, and asphalt products.

A committee of executives from 21 railroads met in New York City last weekend to consider the OPA request. Result of their findings was summarized in a statement filed Monday with the ICC. The railroads submitted that the OPA "has not made and could not make a showing which would justify the Commission in depriving these railroads even for 30 days of any increases heretofore authorized by it."

• **Roads Want Earnings**—Recognizing that the OPA might justifiably be concerned over prices, the railroads observed that Congress has charged the OPA with no duty to maintain an adequate transportation system for efficient service to the country in time of war. The statement pointed out that it was the duty of the ICC to see to it that the railroads earn sufficient revenue to enable them to provide adequate and efficient transportation service.

Railroad heads believe that the ICC approved the rate increases partly to compensate for the higher wage levels and partly in recognition of the need for comparatively high earnings now, during the period of heavy traffic, to act as buffers against the inadequate income that is almost certain to accompany the post-war slump in "business." These executives pointed out that the OPA petition was filed too tardily to afford time for adequate reply.

• **OPA's Point of View**—In a talk Sunday before the committee, Dexter M. Keezer, Assistant Price Administrator of the OPA, warned that the price-fixing agency would closely scrutinize first-quarter earnings statements of the carriers. If these show that the railroads can absorb the wage increase "which the freight increase was designed to offset" the OPA would contemplate asking the ICC to revoke the rate increase as a whole. Mr. Keezer declared that the OPA might suggest direct subsidies out of the United States Treasury to sustain weak roads.

Net operating income of 136 Class I railroads in January rose to \$68,966,000, as compared with \$62,017,000 in January, 1941. Gross revenue in January was \$480,691,000, against \$377,374,000 in January, 1941.

Joseph B. Eastman, Director of the Office of Defense Transportation, at first declined to take sides in the OPA-ICC dispute. On Tuesday, however, he requested that the ICC-authorized rate-boosts be waived on iron and steel scrap and be postponed on sulphur, lumber, and cement pending a request for adjustment in these rates on certain routes. The ODT also asked that the roads refrain from increasing the transcontinental west-bound rates on iron and steel articles.