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PROGRESS REPORT
ON
NATIONAL DEFENSE PROGRAM

March 31, 1941

Prepared by
Bureau of the Budget
Executive Office of the President

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) *and (E)*
OMB Letter, 11-27-72
By *SLR* NARS Date *JAN 22 1973*

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SUMMARY

Aircraft Production: Deliveries of airplanes to the Army, Navy, and British decreased from 952 in January to 880 in February. Engine deliveries increased from 2,356 to 2,802 during the same period.

Pilot Training: The naval air station at Corpus Christi was commissioned on March 12 and began training operations March 20. The Air Corps started work on 7 new training schools and put 11 additional civil contract schools into operation during the month. 2,050 cadets entered Air Corps pilot training in the March 22 class -- an entrance rate nearly sufficient to meet the 12,000 a year pilot objective.

Production Facility Contracts: 305 plant expansion projects to cost \$1,660,000,000 were under contract on March 15, an increase of \$187,000,000 over February 15.

Army Construction Programs: The program of the Quartermaster Construction Division in continental United States -- estimated to cost \$1,230,000,000 -- was 56 percent complete on March 15. The Air Corps construction program, being carried on by the Corps of Engineers at an estimated cost of \$250,000,000, was 46 percent complete.

Troop Housing: All except 2 major camps and cantonments were ready to receive troops in March. As a whole, the Quartermaster troop housing projects were 84 percent complete on March 15.

Army Inductions: The strength of the Army reached 1,000,000 on March 10. The last National Guard division was inducted early in March.

Naval Personnel: Enlisted strength of the fleet reached 98 percent of full complement in March. The total active strength of the Navy and Marine Corps on March 1 was 283,000.

Emergency Cargo Ships: Contracts were awarded in March for 200 10,000-ton cargo vessels estimated to cost \$300,000,000.

Employment: Factory and nonagricultural employment reached an all-time peak in February. Nonagricultural employment was 1,350,000 above the previous record for the month established in 1929.

I. DEFENSE FINANCES

Appropriations

Up to March 31, the 77th Congress had authorized \$9,887,450,000 in additional obligations for national defense purposes. This brought the total authorizations for F.Y. 1941 to \$29,352,000,000.

	<u>77th Congress</u>	<u>Total F.Y. 1941</u>
Appropriations and contract authorizations* (exclusive of authorizations liquidated by subsequent appropriations):		
Army	\$ 861,700,000	\$9,386,500,000
Navy	838,800,000	4,064,700,000
Lend-lease appropriations	7,000,000,000	7,000,000,000
Maritime Commission	378,500,000	378,500,000
Defense housing	5,000,000	255,000,000
President's Emergency Fund	----	200,000,000
Panama Canal	----	137,500,000
Miscellaneous defense activities	<u>650,000</u>	<u>334,000,000</u>
Total	9,084,650,000	21,756,200,000
Additional funds required to complete naval vessels started in F.Y. 1941	<u>802,800,000</u>	<u>7,595,800,000</u>
Grand total	\$9,887,450,000	\$29,352,000,000

*Amounts included for contract authorizations are subject to future adjustment based on allotment of appropriations.

Army and Navy Expenditures

Army and Navy disbursements were as follows to February 28:

	<u>Disbursements</u>	
	<u>February</u>	<u>July 1--Feb. 28</u>
Army	\$404,000,000	\$1,613,000,000
Navy	<u>172,000,000</u>	<u>1,227,000,000</u>
Total	\$576,000,000	\$2,840,000,000

Gross Debt

The gross debt rose \$213,000,000 in February to a total of \$46,090,000,000. The increase since June 30, 1940 was \$3,122,000,000.

II. AERONAUTICAL PROGRAM

Airplane Deliveries

Total airplane deliveries by manufacturers of military types were 1,047 in February as compared with 1,102 in January. Military plane deliveries for the Army, Navy, and British decreased from 952 in January to 880 in February.

Deliveries of planes by customers and types for February were:

	<u>Tactical</u>	<u>Training</u>	<u>Unclassified</u>	<u>Total</u>
Army	92	206	--	298
Navy	114	71	--	185
British	280	117	--	397
Other foreign	31	37	--	68
Commercial	<u>16</u>	<u>20</u>	<u>63</u>	<u>99</u>
Total	533	451	63	1,047

Compared with estimates made in January, February deliveries were 234 short of the number expected for the Army, Navy, and Britain.

	<u>Army</u>	<u>Navy</u>	<u>British</u>
Deliveries in February	298	185	397
Scheduled for February	403	240	471
Percentage short of schedule	26%	23%	16%

Engine Deliveries

Engine deliveries for February were 3,381 units -- an increase of 196 over January:

	<u>January</u>	<u>February</u>
Army Air Corps	641	1,225
Navy	526	236
British	1,189	1,341
Other foreign	64	41
Commercial	<u>765</u>	<u>538</u>
Total	3,185	3,381

Army Air Corps

A. Airplanes

The Air Corps had 4,329 planes on hand February 28. Of these only 733 were tactical planes classified as suitable for their intended purpose. The balance of 3,596 was made up of 2,444 training planes and 1,152 substandard tactical planes used for training in tactical units and for miscellaneous transports.

Airplane Inventory Deliveries and Losses

	<u>On Hand Feb. 28</u>		Deliveries July 1 to Feb. 28	February Deliveries	February Losses
	Total	Suitable for Purpose			
Tactical planes:					
Bombers, heavy	102	102	52	13	2
Bombers, medium	483	47	33	9	3
Bombers, light	193	44	44	31	1
Pursuit	639	238	284	28	11
Transport, observa- tion, etc.	<u>468</u>	<u>302</u>	<u>28</u>	<u>11</u>	<u>2</u>
Total tactical	1,885	733	441	92	19
Training planes	2,444	2,444	1,445	206	19
Substandard tactical*	—	<u>1,152</u>	—	—	—
Total	4,329	4,329	1,886	298	38

*Used for training in tactical operations and for miscellaneous transports.

B. Aviation Personnel

In comparison with the requirements of the 54-group (6,000 tactical planes) program and the pilot training program of 12,000 per year, the status of the Air Corps personnel on February 28 was:

	<u>Required for Present Program Objectives</u>	<u>Active Strength Feb. 28</u>
Pilots, all grades*	10,789	4,669
Other personnel	<u>154,484</u>	<u>94,771</u>
Total, exclusive of flying cadets	165,273	99,440

*Includes pilots assigned to administrative, training, and other non-tactical activities.

The following shows the progress of the pilot training program toward the objective of 12,000 graduates per year:

<u>Entering Training</u>		<u>Graduating</u>	
Required every 5½ weeks	2,383	Required every 5½ weeks	1,264
February 15	1,695	February 7	361
March 22	2,050	March 14	577

The class of May 3 will call for 2,091 more men, and it is now thought that this entrance rate will nearly provide the 12,000 graduates a year. The attrition rate has declined a little.

Eleven new civil contract schools went into operation with the class of March 22, bringing the total to 27. Construction is about to begin on 3 new basic training schools, 4 advanced training schools, and 2 gunnery schools. Three new Army schools at Stockton, Selma, and San Angelo have recently been opened.

The three Air Corps technical schools, training airplane mechanics, radio men, and other specialists, are operating two shifts. The monthly entrance rate is about 3,650, and the annual capacity approximately 45,000 trainees.

Navy and Marine Corps Aeronautical Program

A. Airplanes

The Navy and Marine Corps had 3,041 airplanes on hand on February 28. Only 2,633 were classified as useful for their indicated purpose, of which 1,566 were combat planes. There was a net increase of 174 useful planes over January.

Airplane Inventory Deliveries and Losses

	<u>On Hand Feb. 28</u>		<u>Deliveries</u>		
	Total	Useful	July 1 to Feb. 28	February Deliveries	February Losses
Combat planes:					
Bombers, scout	644	508	131	44	3
Bombers, torpedo	122	112	--	--	--
Bombers, 2-engine patrol	298	265	50	12	--
Bombers, 4-engine patrol	4	2	2	--	--
Observation scouting	501	378	107	27	4
Fighting	<u>370</u>	<u>301</u>	<u>123</u>	<u>27</u>	<u>2</u>
Total combat	1,939	1,566	413	110	9
Transport and utility	204	174	28	4	--
Training planes	<u>898</u>	<u>893</u>	<u>547</u>	<u>71</u>	<u>5</u>
Total planes	3,041	2,633	988	185	14

B. Naval Aviation Personnel

Compared with the requirements of the 15,000 plane program, the status of the aeronautical personnel, excluding aviation cadets, on February 28 was:

	<u>Requirements for 15,000 Plane Program</u>	<u>Active Strength Feb. 28</u>	<u>Increase During February</u>
Pilots, all grades*	14,091	3,859	95
Other personnel	<u>120,207</u>	<u>38,112</u>	<u>1,942</u>
Total	134,298	41,971	2,037

*Includes pilots assigned to administrative, training, and non-tactical activities.

The estimated strength of the aeronautical organization for June 30, 1941 is 60,500.

The number of aviation cadets entering and completing training to the end of February was:

	<u>Scheduled for F.Y. 1941</u>	<u>July 1 to Feb. 28</u>	<u>February</u>
Entering	3,214	1,807	509
Graduating	1,187	694	148

The entrance and graduation rate at the three naval training stations is scheduled to build up as follows:

	<u>Entering Training</u>		<u>Completing Training</u>	
	<u>Monthly Rate</u>	<u>Scheduled Date</u>	<u>Monthly Rate</u>	<u>Scheduled Date</u>
Pensacola	300	March 1941	210	Nov. 1941
Jacksonville	200	June 1941	140	Jan. 1942
Corpus Christi	<u>300</u>	July 1941	<u>210</u>	Feb. 1942
Total	800	July 1941	560	Feb. 1942

The station at Corpus Christi was commissioned on March 12 and training started on March 20.

The number of enlisted men in schools training photographers, aerographers, ordnance men, metalsmiths, machinists' mates, and radio men had increased from 440 on June 30, 1940 to 2,541 on March 1. By June 30, the number in training schools is supposed to reach 4,636. It will be necessary under present plans to train three classes of 7,476 each per year.

Civil Aeronautics Administration

A. Civilian Pilot Training

Up to March 25, 32,301 students had completed the preliminary and 2,824 the secondary course.

	<u>Preliminary Training</u>	<u>Secondary Training</u>	<u>Total</u>
Total enrolled to date	39,729	4,029	43,758
Completions recorded to date	32,301	2,824	35,125
Records incomplete	3,193	915	4,108
Schools participating	713	243	

The quota for the 1941 spring college class is 14,563 for preliminary training and 4,060 for secondary training.

Up to the first of March, 1,862 C.P.T. students had entered Air Corps training -- all but 63 at the elementary level. 1,029 were in Navy training units -- 246 at Pensacola and Jacksonville and 783 at elimination bases on the same date.

Increase in Production Facilities

Concerns manufacturing military types of airplanes and engines report an increase of 1,268,000 square feet of productive floor space since December 31, bringing the total to 17,198,000 on February 28.

	<u>Feb. 28</u>	<u>Dec. 31</u>	<u>Percent Increase</u>	<u>Estimate for Dec. 31, 1941</u>
<u>Productive Floor Space</u> (Square feet)				
Airframe plants	11,867,000	10,970,000	8	24,021,000
Engine plants	<u>5,331,000</u>	<u>4,960,000</u>	<u>7½</u>	<u>9,028,000</u>
Total	17,198,000	15,930,000	8	33,049,000

III. PRODUCTION FACILITIES
(As of March 15)

Projects Under Contract

As of March 15, the War and Navy Departments, Maritime Commission, and Defense Plant Corporation had awarded contracts for 305 production facility projects to cost \$1,660,000,000. This was an increase of \$187,000,000 over February 15.

<u>Type of Facility</u>	<u>Projects</u>	<u>Estimated Cost</u>
Aircraft	81	\$413,000,000
Ordnance	112	780,000,000
Shipbuilding	92	402,000,000
Other	<u>20</u>	<u>65,000,000</u>
Total	305	\$1,660,000,000

Including \$54,000,000 of loans authorized by RFC for plant expansion and working capital, the total amount of Government funds obligated for production facilities amounted to \$1,714,000,000.

The following projects accounted for the greater part of the increase in obligations between February 15 and March 15:

3 Bomber assembly plants: Ft. Worth, Kansas City, and Tulsa	\$24,752,000
Ammonia plant, West Henderson, Ky.	13,510,000
Bag-loading plant (powder), Childersburg, Ala.	10,776,000
New York Navy Yard (expansion)	48,461,000
Philadelphia Navy Yard (expansion)	25,958,000

Most of the other projects contracted during the month involved sums of less than \$1,000,000 and went to plants manufacturing parts needed to round out the program.

The only major project to be financed from funds authorized last fall, which was not under contract on March 15, was the addition to the Glenn Martin plant, estimated to cost \$24,000,000.

Private Investment in Defense Plants

Through March 15, 904 certificates of necessity were issued under the Second Revenue Act of 1940 authorizing tax deductions for accelerated amortization on private investments in industrial facilities needed for national defense. These certificates covered facilities estimated to cost \$658,750,000.

Defense Plant Corporation

Defense Plant Corporation had entered into contracts for 66 production facility projects up to March 15 at an estimated cost of \$362,000,000. This was an increase of 21 projects and \$34,000,000 over February 15.

<u>Type of Facility</u>	<u>Projects</u>	<u>Estimated Cost</u>
Aircraft	42	\$287,000,000
Ordnance	7	29,000,000
Shipbuilding	5	9,000,000
Other	<u>12</u>	<u>37,000,000</u>
Total	66	\$362,000,000

Defense Plant Corporation had also made commitments amounting to \$65,000,000 which had not yet been placed under contract.

War and Navy Departments

The War and Navy Departments increased their contracts and orders for plant expansion by \$176,000,000 between February 15 and March 15. This brought the total obligations to \$1,370,000,000, of which \$106,000,000 was to reimburse Defense Plant Corporation under the 40 percent reimbursement arrangement.

	Funds Allotted (millions)	Contracts Awarded (millions)	Percent of Funds Contracted
Army:			
Aircraft	\$269	\$182	68
Ordnance	626	563	90
Other	<u>33</u>	<u>27</u>	<u>82</u>
Sub-total	928	772	83
Navy:*			
Aircraft	90	46	51
Ordnance	310	189	61
Shipbuilding	<u>500</u>	<u>363</u>	<u>72</u>
Sub-total	<u>900</u>	<u>598</u>	<u>66</u>
Grand total	\$1,828	\$1,370	75

*Navy funds have been adjusted to include additional funds authorized by the Fourth Supplemental National Defense Appropriation Act, approved March 17.

The Fourth Supplemental National Defense Appropriation Act provided \$510,000,000 additional funds for the Navy for production facilities.

Construction Status

Except for Army ordnance plants, reports do not yet adequately reflect the status of the production facility projects being financed by the War and Navy Departments or the Defense Plant Corporation. Consequently, only a partial picture of the movement of the program can be presented.

A. Army Ordnance Plants

For 30 projects including all the major ordnance plants, construction was 17 percent complete on March 15, based on value of construction in place.

Estimated cost of construction	\$404,500,000
Value of construction in place	69,600,000

The table on page 13 shows the status of construction for each of the principal plants. In general, however, equipment deliveries rather than plant construction will be the controlling factor in determining when operation can begin.

The first powder production line began operation at the Radford plant on March 17.

Manufacturing began February 15 in the addition to the Springfield arsenal erected to expand production of Garand rifles.

The Chrysler tank plant was 76 percent complete in the middle of March and was expected to be in usable condition in April, but only 55 percent of the equipment had been delivered.

CONSTRUCTION STATUS OF ARMY ORDNANCE PLANTS AS OF MARCH 15
(Exclusive of Equipment)

Plant	Estimated Cost of Construction	Percent of Completion	Estimated Completion Date
Smokeless Powder:			
Charlestown, Ind.	\$56,074,765	38	12-28-41
Childersburg, Ala.	34,302,000	0	7-15-42
Radford, Va.	25,280,810	49	8-25-41
TNT, DNT, and Tetryl:			
Joliet, Ill.	31,821,700	14	12- 1-41
Sandusky, Ohio	6,090,100	0	11-14-41
Weldon Spring, Mo.	9,415,700	9	9- 1-41
Ammonia:			
Morgantown, W. Va.	7,161,600	6	5-28-42
West Henderson, Ky.	11,635,100*	0	----
Toluol:			
Baytown, Tex.	2,966,581	16	9- 1-41
Bag Loading:			
Charlestown, Ind.	15,923,826	4	10-10-41
Childersburg, Ala.	10,126,500	0	----
Pulaski, Va.	10,838,690	2	9-21-41
Shell Loading:			
Burlington, Ia.	18,007,103	9	11- 3-41
Joliet, Ill.	18,644,000	13	9-19-41
La Porte, Ind.	11,500,000	20	11- 1-41
Milan, Tenn.	9,200,908	6	12-27-41
Ogden, Utah	2,604,650	15	6- 1-41
Ravenna, Ohio	24,068,934	23	9- 3-41
Shell Forging and Machining:			
Gadsden, Ala.	1,880,000	25	7-23-41
Small Arms Ammunition:			
Denver, Colo.	14,249,694	1	2-25-42
Lake City, Mo.	18,982,540	7	11-27-41
St. Louis, Mo.	23,722,860	2	4- 1-42
Armor Piercing Cores:			
St. Louis, Mo.	1,500,000	0	----
Armor Plate:			
Philadelphia, Pa.	400,118	100	3-16-41
Tanks:			
Detroit, Mich.	4,650,000	76	4- 3-41
Garand Rifles:			
Springfield, Mass.	866,681	95	5-17-41

*Includes cost of construction and equipment.

B. Aircraft Plants

Reliable information is not yet available on the status of many of the aircraft plant projects. Reports received from the field up to the middle of March indicated the following for several of the more advanced projects:

<u>Plant</u>	<u>Estimated Cost of Construction and Equipment</u>	<u>Date Construc- tion Started</u>	<u>Percent of Construc- tion Completed</u>	<u>Date Operation Expected to Start</u>
<u>Airframe plants:</u>				
Beech, Wichita	\$1,635,000	Oct. 25	75	Apr. 15, '41
Bell, Buffalo	1,225,000	Oct. 4	65	April, 1941
Boeing, Seattle	7,750,000	Oct. 15	81	April, 1941
Martin, Middle River, Md.*	24,275,000	Nov. 4		June 1, '41
North American, Dallas	3,100,000	Nov. 13	75	Apr. 15, '41
Vultee, Downey, Calif.	4,295,000	June 10	97	June 1, '41
<u>Engine plants:</u>				
Ford, Detroit	21,965,000	Sept. 1	71	July 1, 1941

*Construction well advanced, but contract between company and War Department not yet signed.

IV. ARMYProcurement of Equipment and Facilities

As of March 15, the War Department reported contracts and orders amounting to 93 percent of the estimated total of \$6,620,000,000 made available up to that date for the procurement of equipment and facilities.

Deliveries of Selected Critical Materiel to February 28

	Current Procurement Program	Deliveries to Feb. 28	Deliveries Scheduled	
			Mar. 1 to May 31	June 1 to Aug. 31
<u>Antiaircraft</u>				
Guns, 3 inch and 90 mm.	1,355	35	40	117
Guns, 37 mm., antiaircraft	3,195	210	105	108
Searchlights	2,159	354	523	497
Ground radio, SCR 268	436	1	92	92
Ground radio, SCR 270 and 271	138	2	61	45
<u>Combat Vehicles</u>				
Tanks, light	3,488	388	369	650
Tanks, medium	2,496	19	51	84
Personnel carriers, half-track	9,347	0	723	1,442
Scout cars	2,733	1,576	900	408
<u>Artillery</u>				
Howitzers, 155 mm. (high-speeding)	1,436	430	180	238
Guns, 155 mm. (high-speeding)	654	62	--	--
Howitzers, 105 mm.	2,728	0	12	98
Howitzers, 75 mm.	958	59	32	29
<u>Small Arms</u>				
Garand rifles	453,260	113,156	46,000	81,500
Guns, 37 mm. antitank	4,646	380	490	1,010
Mortars, 81 mm.	3,419	551	640	923
Mortars, 60 mm.	10,162	1,310	1,438	3,042

Construction ProgramA. Construction Division, Quartermaster Corps

As of March 15, the Construction Division of the Quartermaster Corps had charge of 274 projects within continental United States, estimated to cost \$1,230,000,000. This program consisted of the following principal types of projects:

	<u>Estimated Cost</u>
Troop housing	\$705,000,000
General hospitals	20,000,000
Ordnance and chemical warfare plants	409,000,000
Ammunition storage depots	40,000,000
Other storage depots	41,000,000
Other	<u>15,000,000</u>
Total	\$1,230,000,000

Based on value of construction in place, the program as a whole was 56 percent complete on March 15.

Information available for 255 projects representing all but \$15,000,000 of the program showed the program moving as follows:

	<u>Projects</u>		<u>Projects</u>
Completed	28	Behind schedule	31
Ahead of schedule	28	Not started	<u>16</u>
On schedule	152	Total	255

The number of projects behind schedule has dropped very sharply since the middle of January. Between February 21 and March 15, it fell from 55 to 31.

B. Troop Housing1. Quartermaster Corps Projects

Construction was 84 percent complete for the Quartermaster troop-housing program as a whole on March 15.

Number of projects	190
Troop capacity	1,174,872
Estimated cost of construction	\$705,000,000
Value of construction in place	\$593,000,000

The following table shows the status of the program by types of projects:

	Troop Capacity	Number of Projects	Number of Projects by Percent of Completion			
			Com-plete	76-99 Per-cent	51-75 Per-cent	0-50 Per-cent
Camps and cantonments	835,185	46	1	37	4	4
Reception centers	34,413	28	15	12	1	-
Replacement centers	224,380	19	--	14	3	2
Harbor defenses	47,732	51	2	40	6	3
Other	<u>33,162</u>	<u>46</u>	<u>8</u>	<u>29</u>	<u>4</u>	<u>5</u>
Total	1,174,872	190	26	132	18	14

New housing available for occupancy on or before March 15 had a capacity of about 887,000 troops. All the reception centers, camps, cantonments, and replacement centers were ready to receive troops in March except Ft. Leonard Wood at Rolla, Missouri, and Camp Davis, Wilmington, North Carolina. Ft. Wood has been seriously delayed because the original site proved unsuitable. Camp Davis has been delayed by a strike and difficult ground water conditions.

The capacity of the new housing available by April 15 is estimated at 1,046,000. The capacity of the reception centers rather than that of the camps and cantonments has now become the controlling factor in determining the rate at which new troops can be provided for.

2. Corps of Engineers Housing Projects

As of February 28, the Corps of Engineers was building Air Corps facilities which included new housing for about 152,000 troops.

The housing part of these projects was expected to be completed as follows:

<u>Month of Completion</u>	<u>Troop Capacity of Projects to be Completed</u>
February or earlier	10,861
March	6,779
April	29,661
May	19,276
June	26,924
July	11,838
August	7,333
Date not assigned	<u>39,714</u>
Total	152,386

C. Air Corps Stations

Including housing, the Air Corps facilities being constructed by the Corps of Engineers consist of 78 projects estimated to cost \$249,000,000. Construction was about 46 percent complete on March 15.

	<u>Estimated Cost</u>	<u>Value of Construction in Place</u>	<u>Percent of Completion</u>
Pilot training schools	\$26,612,000	\$8,594,000	32
Technical schools	28,577,000	24,420,000	85
Tactical stations, including bases	155,913,000	67,961,000	44
Depots	<u>38,372,000</u>	<u>14,407,000</u>	<u>38</u>
Total	\$249,474,000	\$115,382,000	46

D. General Hospitals

The Quartermaster Corps is building 9 general hospitals having a bed capacity of 9,500. These projects were 65 percent complete on March 15.

Estimated cost	\$20,000,000
Value of construction in place	13,000,000

Military Personnel

The active duty strength of the Army increased 183,103 in February to a total of 937,181.

	<u>Officers</u>	<u>Enlisted Men*</u>	<u>Total</u>
Regular Army	14,316	453,974	468,290
Reserve	32,022	12,213	44,235
National Guard	17,424	232,336	249,760
Selectees	---	174,896	174,896
Total February 28	63,762	873,419	937,181
Total January 31	57,891	696,187	754,078

*Includes warrant officers and nurses.

On March 10, the active strength of the Army passed 1,000,000.

The last National Guard division was brought into Federal service March 5. Only a few artillery regiments and observation squadrons, totaling about 6,000 men, remain to be inducted. Most of them are to report early in April.

The Regular Army Reserve -- former Regular Army enlisted men -- reported for duty in February. The number reporting was 12,179.

Selective Service

Of 16,458,000 men registered, the local boards had classified 4,004,000 to March 1.

Examination records show that 34 percent of the men coming before local examining boards are rejected for physical, mental, or moral reasons. A sample study of 26,013 rejections shows the following principal causes of rejection by local examining boards:

	<u>Percent of Total Rejections</u>
Teeth	18.9
Eyes	10.7
Cardiovascular	8.0
Musculo-skeletal	7.8
Nervous and mental	6.9
Ears, nose, and throat	6.3
Feet	6.0
Genitalia	3.3
Syphilis and gonorrhoea	1.6
Lungs	2.7
All other	<u>27.8</u>
Total	100.0

The most recent information shows that 13 percent of the selectees reporting at induction stations are being rejected by the Army. The principal causes are substantially the same as the reasons for rejection by local examining boards.

V. NAVYShipbuilding ProgramA. Combat Vessels

During February, keels were laid for one 10,000 ton light cruiser, three submarines, and three destroyers. One destroyer was commissioned during the month.

The following table shows the number of vessels in various stages of construction:

	Vessels Under Construction	No Construction Progress Yet Reported	Percentage of Completion				
			0-5	5-25	25-50	50-75	75-100
Battleships	17	6	3	2	4	-	2
Aircraft carriers	12	-	11	-	-	1	-
Large cruisers	6	6	-	-	-	-	-
Heavy cruisers	8	-	8	-	-	-	-
Light cruisers (6,000 ton)	8	-	4	-	3	1	-
Light cruisers (10,000 ton)	32	9	19	4	-	-	-
Submarines	80	7	48	13	3	1	8
Destroyers (1,620 ton)	83	30	24	12	6	1	10
Destroyers (2,100 ton)	121	40	81	-	-	-	-
Total	367	98	198	31	16	4	20
Last month	367	104	201	26	13	6	17

(See charts in Appendix for detailed progress on battleships, aircraft carriers, and cruisers.)

B. Auxiliaries

One transport and 15 high-speed mine sweepers were placed in service during February, bringing the total number of auxiliary vessels in service to 193.

C. Ordnance

The status on March 1 of the procurement of some of the principal items of ordnance for the F.Y. 1941 program was:

Item	Number to be Procured	Number on Order	Delivered on Program	Months Until Deliveries Begin
Guns:				
16-inch	117	99	--	12
12-inch	67	67	--	18
8-inch	90	90	--	12
6-inch	450	450	--	6
3-inch	378	91	--	6
5-inch antiaircraft	2,533	2,013	--	3
1.1-inch A.A. quadruple	771	771	--	3
50 cal. machine gun, A.A.	4,007	3,221	814	--
Fire control:				
Major caliber (8-inch and above)	20	6	--	3
Secondary	52	13	--	3
Antiaircraft	252	63	--	3
Nets (in miles)	50.1	40.0	3.5	--

Navy and Marine Corps Personnel

The active duty strength of the Navy increased 11,479 during February, bringing the total number to 234,137. There was an increase of 1,385 in the Marine Corps, making a total of 49,016 at the end of the month.

	<u>Active Duty Strength Feb. 28</u>	<u>Reserves Not on Active Duty Feb. 28</u>	<u>Total Active and Inactive</u>
<u>Navy</u>			
Commissioned officers	18,171	10,215	28,386
Enlisted men and others	<u>215,966</u>	<u>26,138</u>	<u>242,104</u>
Total Navy	234,137	36,353	270,490
<u>Marine Corps</u>			
Commissioned officers	2,723	344	3,067
Enlisted men and others	<u>46,293</u>	<u>4,579</u>	<u>50,872</u>
Total Marine Corps	49,016	4,923	53,939

The fleet now has about 98 percent of its full complement of enlisted men. The shortage — about 3,000 men -- will be met about May 1.

About 68 percent of the total active strength of the Navy was at sea on the first of March:

	<u>Ashore</u>	<u>At Sea</u>	<u>Total</u>
Commissioned officers	8,375	9,796	18,171
Enlisted men and others	<u>67,251</u>	<u>148,715</u>	<u>215,966</u>
Total	75,626	158,511	234,137

VI. ATLANTIC BASES ON BRITISH POSSESSIONS

The following table indicates the financial status of the outlying Atlantic bases:

	<u>A r m y</u>		<u>N a v y</u>	
	<u>Estimated Cost from Existing and Pending Funds</u>	<u>Obligated Feb. 28</u>	<u>Estimated Cost</u>	<u>Obligated March 22</u>
Newfoundland	\$30,617,500	\$4,602,800	\$17,050,000	\$14,285,000
Bermuda	18,715,500	3,177,004	11,250,000	9,150,000
Trinidad	47,842,500	6,813,820	17,855,000)	11,487,000
British Guiana	3,255,500	1,048,980	1,800,000)	
Jamaica	6,612,500	640,730	2,750,000	2,300,000
Antigua	3,760,500	1,059,350	2,920,000	2,525,000
St. Lucia	3,760,500	1,059,350	1,625,000	1,285,000
Bahamas	1,345,500	94,270	2,550,000	---
Total	\$115,910,000	\$18,496,304	\$57,800,000	\$41,032,000

Status of Work at Bases

Newfoundland

Army: Boundary surveys are nearing completion and construction of temporary buildings is under way. The contractor is procuring equipment and personnel for shipment to site.

Navy: The construction camp is about completed and a construction wharf is being built. Land clearing and foundation excavation are under way. 100 Marines are at the site.

Bermuda

Army: The topographic survey is almost completed and boundary surveys are in process. A dredge has arrived for reclamation of land for the air field.

Navy: Excavation and ground clearing started with 60 laborers working on March 3. 100 Marines are at site.

Trinidad

Army: Topographic surveys are in process and preliminary plans are being made. The contractor is procuring equipment and personnel.

Navy: The moving of 20,000 cubic yards of fill on the Marine detachment site started February 1. Clearing and excavation on the remainder of the site started February 24.

British Guiana

Army: Topographic surveys are in process and preliminary plans are being made. The contractor is procuring equipment and personnel.

Navy: There had been no work done as of March 22.

Jamaica

Army: Topographic and boundary surveys are in process. No construction contracts have been awarded.

Navy: Land clearing is under way and a temporary landing pier is being constructed. 50 Marines are at the site.

Antigua

Army: Topographic surveys are in process and preliminary plans are being developed. The contractor is procuring equipment and personnel.

Navy: 300 local laborers started work on February 1. Temporary buildings are being erected; grading, road construction, and excavation are well along.

St. Lucia

Army: Topographic surveys are in process and preliminary plans are being prepared. The contractor is procuring equipment and personnel.

Navy: 400 local laborers started construction on February 1. Work is being done on clearing the site and building foundations, temporary buildings, tender pier, roads and drainage. 50 Marines are at the site.

Bahamas

Army: Plans have been temporarily deferred, pending further consideration by the Army.

Navy: This station has been temporarily deferred.

VII. MARITIME COMMISSION

Vessels Sold to the British

Through March 31, 49 vessels of 444,696 tons had been sold to Great Britain. There was no change during March in this figure.

Vessels Delivered to Army and Navy

Between January 1 and March 31, eight vessels of 77,532 tons were delivered to the Army and Navy, bringing the total delivered since the beginning of the present emergency to 48 vessels of 552,532 tons.

Emergency Ship Construction Program

During March, contracts were signed with seven shipbuilding companies for the construction of the 200 emergency cargo ships. These are estimated to cost \$300,000,000.

The Maritime Commission reports that very good progress is being made on the construction of the 51 ways to be used in building the 200 emergency cargo vessels.

The keel for the pilot ship was not laid at Newport News on March 15, as previously scheduled, due to need of the facilities there by the Navy. This ship will probably be built at Wilmington, North Carolina, and the

Regular Ship Construction Program

Up to March 1, the Maritime Commission had contracted for a total of 196 vessels under its regular ship construction program, and 69 of these vessels had been delivered.

	<u>Total</u> <u>March 1</u>	<u>Increase</u> <u>Since Jan. 1</u>
Number of vessels:		
Contracted for	196	17
Keels laid	130	6
Launched	95	5
Delivered	69	7

In addition, the Maritime Commission has let contracts and is constructing two transports of 2,359 tons each for the Navy.

Laid-up Fleet

The size of the laid-up fleet has been reduced to 9 vessels of 80,498 tons. On January 1, it consisted of 54 vessels of 480,000 tons.

VIII. DEFENSE HOUSING
(March 22, 1941)

An additional \$5,000,000 was appropriated on March 1 for defense housing, bringing the total available for that purpose under the supervision of the Division of Defense Housing Coordination to \$327,334,000. Of this total, \$285,027,000 has been allotted for 72,803 family dwelling units, 5,345 units for single persons, and 2,035 trailer units.

	<u>Number of Units</u>		
	<u>Family</u>	<u>Single</u>	<u>Trailer</u>
Allotted	72,803	5,345	2,035
Under contract	43,357	1,400	1,184
Completed	3,879	—	—

IX. PRIORITIES AND PRICE-FIXINGPriorities

The Director of Priorities has established general preference ratings for six commodities:

	<u>Date of Priority Order</u>
Aluminum	February 24 (revised March 21)
Machine tools	February 24 (revised March 26)
Nickel	March 7
Neoprene	March 7
Magnesium	March 24
Tungsten	March 26

These orders establish a basic priority rating for all orders directly or indirectly entering into the manufacture of material for the Army or Navy or for the defense of Great Britain, and not bearing a higher preference rating. Several of these orders require producers to submit to the Division of Priorities each month copies of their order books for the succeeding month for its review and determination of relative preferences. The order of March 21 on aluminum sets up a complete scale of priorities for non-defense orders and a set of automatic limits on the quantities to be delivered to consumers for non-defense uses.

Arrangements were made with zinc producers early in March to set aside part of their production each month as a pool for allocation by the Division of Priorities to meet defense needs. For April, 5 percent is being set aside.

Price-fixing

The Director of Price Stabilization has issued orders fixing definite price limitations for two commodities. On February 17, a schedule of maximum prices was established for second-hand machine tools. On March 24, price limitations were prescribed for aluminum scrap and secondary aluminum.

X. STRATEGIC AND CRITICAL MATERIALS

Strategic Materials

The stockpiles of strategic materials increased but little between February 15 and March 15.

	Percent of <u>Recommended Stockpile</u>	
	<u>March 15</u>	<u>Feb. 15</u>
Purchased	64	61
Delivered	25	24

No additional purchases of tin were made and relatively small purchases of rubber. These two commodities constitute about three-fourths of the stockpile program in point of cost.

Critical Materials

The Reconstruction Finance Corporation had made the following purchases of critical materials up to February 22:

Graphite	411 metric tons
Copper	215,500 short tons
Nitrate of soda	300,000 tons
Diamond dies	6,000 unset diamonds

These quantities covered the entire program as then laid out. RFC is also financing the shipment and storage in this country of 840,000 bales of Australian wool.

Tin Smelter

Reconstruction Finance Corporation has contracted with a Dutch company for the erection of a tin smelter to be located near Galveston, Texas. The cost is estimated at \$3,500,000. The plant will use the Bolivian ore already purchased by RFC.

XI. EMPLOYMENT AND LABOR DISPUTES

Employment

Nonagricultural employment rose 265,000 in February to 36,584,000. This was 1,350,000 above the previous February peak recorded in 1929. An increase of 176,000 factory workers in February also set an all-time record for manufacturing employment.

	<u>February 1941</u>	<u>Change from</u>	
		<u>Jan. '41</u>	<u>Feb. 1940</u>
Nonagricultural employment	36,584,000	+265,000	+2,218,000
Manufacturing employees	10,671,000	+176,000	+ 972,000
Federal Government, executive service	1,181,000	+ 30,000	+ 242,000
WPA employment	1,837,000	- 4,000	- 413,000
NYA out-of-school work program	488,000	+ 63,000	+ 152,000

For several leading defense industries employment increased as follows in February:

	<u>February</u>	<u>Increase from January</u>
Aircraft	150,900	10,000
Shipbuilding	138,700	7,900
Machine tools and accessories	129,900	6,800
Engines	74,700	3,500

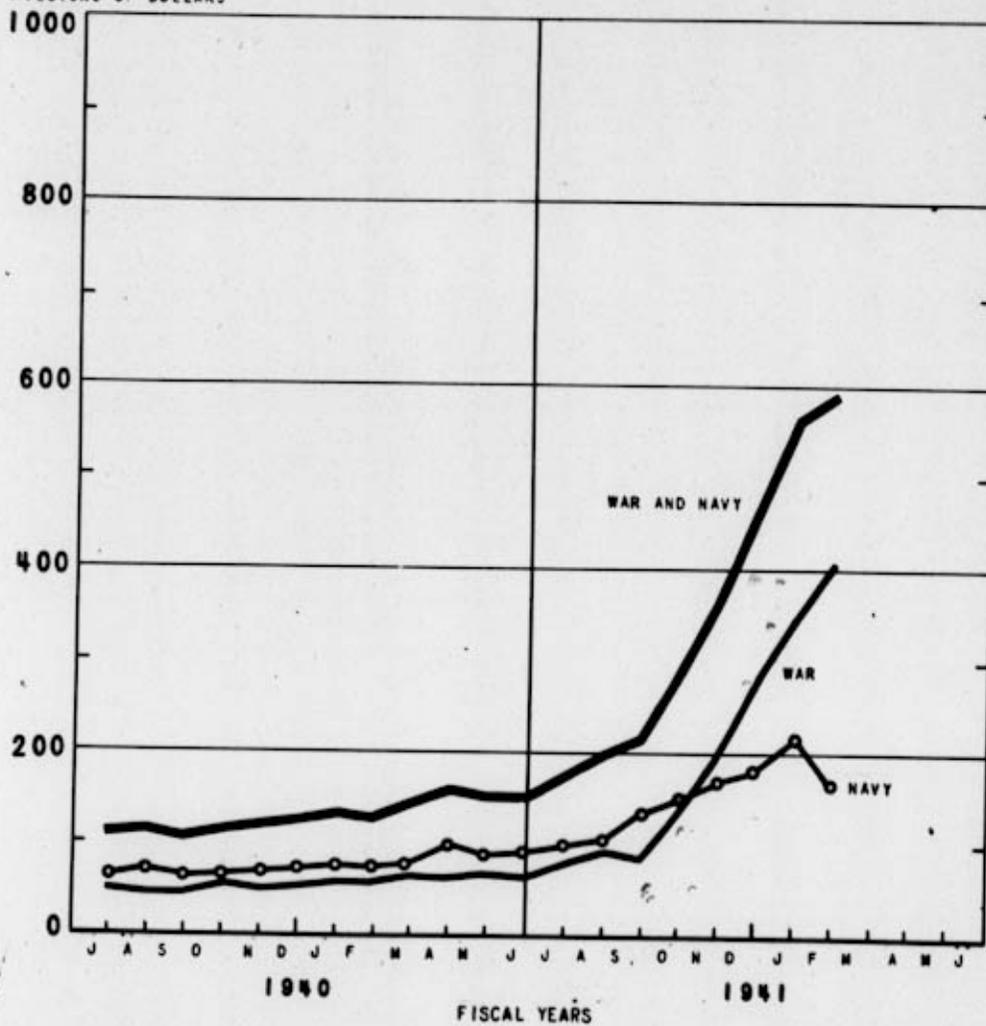
Labor Disputes

In January, the most recent month for which data are available, 220 strikes were started as compared with a five-year average of 170. The number of man-days of idleness due to strikes was 625,000 as against a five-year average of 1,013,000. However, the number of man-days lost was 56 percent greater than in December.

XII. PROGRESS CHARTS

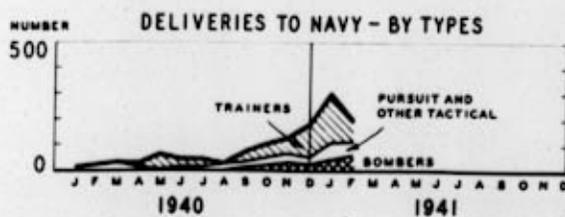
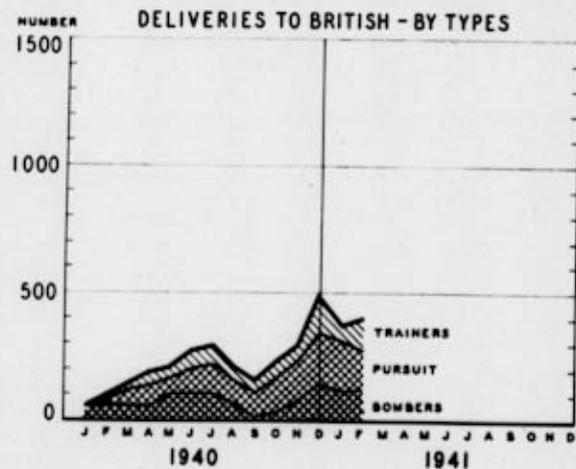
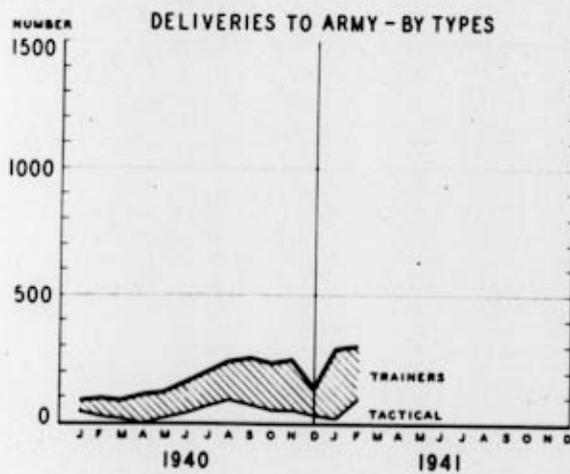
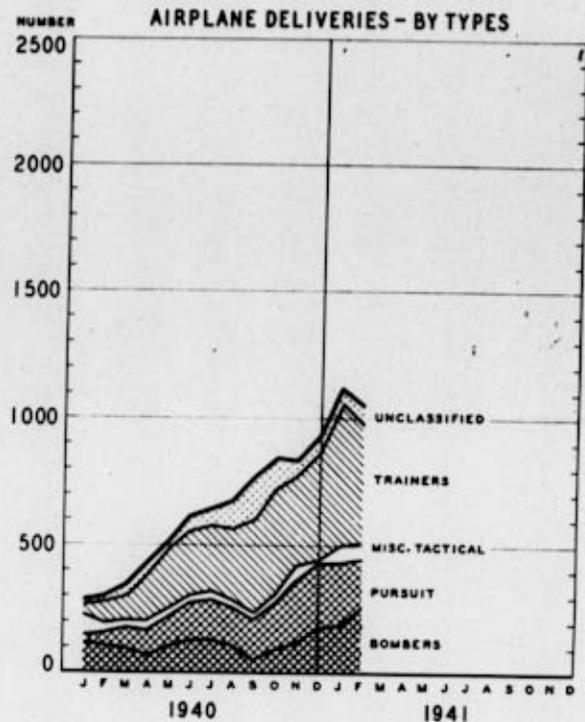
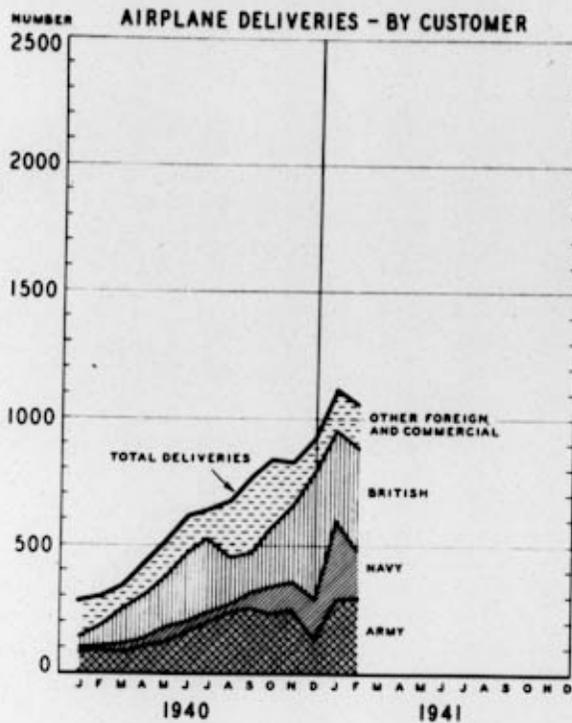
MONTHLY CASH DISBURSEMENTS WAR AND NAVY DEPARTMENTS

MILLIONS OF DOLLARS



NOTE: Only Disbursement For Military Activities Included For the War Department

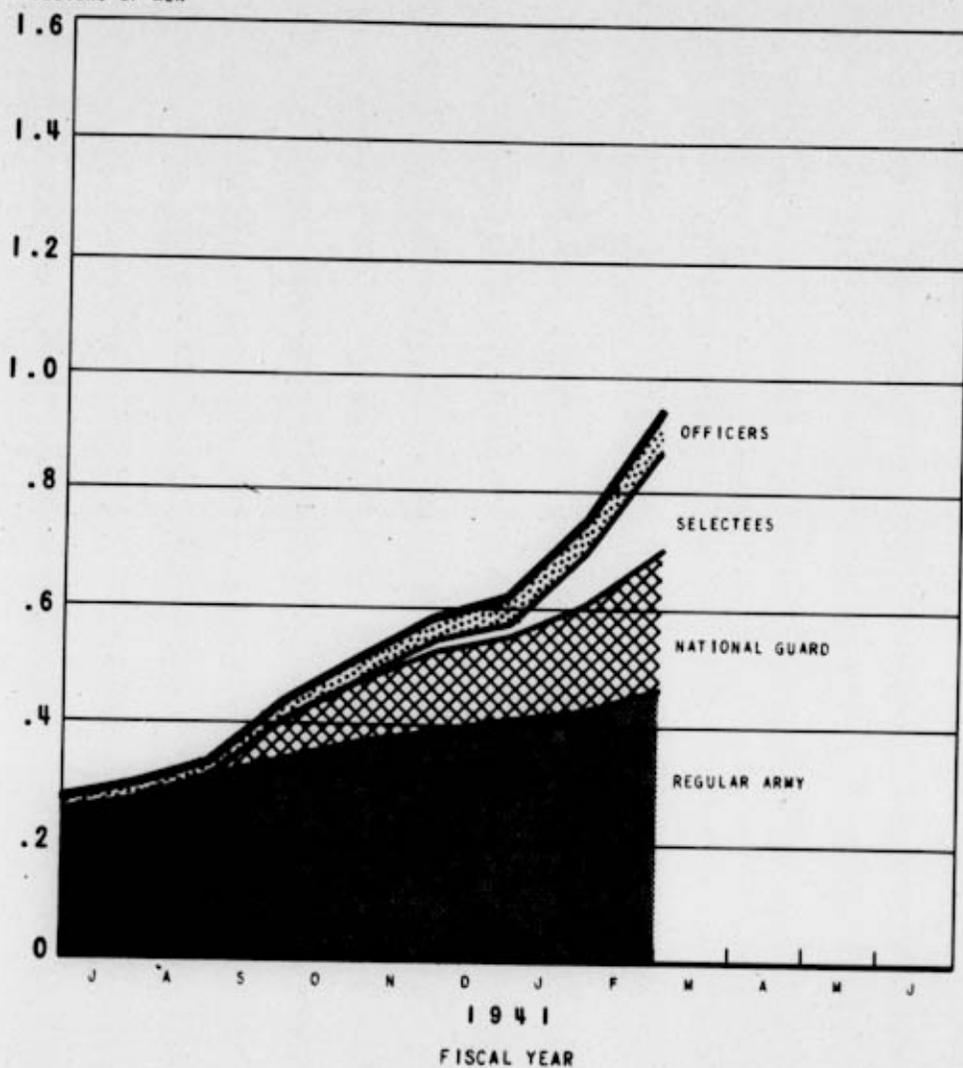
MONTHLY AIRPLANE DELIVERIES BY PRINCIPAL MILITARY AIRPLANE MANUFACTURERS



NOTE: PLANE DELIVERIES BY MAKER OF COMMERCIAL PLANES ONLY, NOT INCLUDED

ARMY ACTIVE DUTY PERSONNEL

MILLIONS OF MEN



NAVY AND MARINE CORPS ACTIVE DUTY PERSONNEL

