

Report 12

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PROGRESS REPORT  
ON  
NATIONAL DEFENSE PROGRAM

September 30, 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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## I. SUMMARY

Financing: Approximately \$54,000,000,000 has been authorized by Congress for national defense purposes.

Aircraft Production: 1,824 airplanes and 4,804 engines were delivered to the Army, Navy, and British during August. 937 were tactical and 887 training planes.

Army Air Corps Planes: On September 1, the Army had a total of 8,160 planes on hand, of which 3,202 were combat planes. 1,153 of the latter were equipped with protected gas tanks and armor.

Navy Planes: The Navy and Marine Corps had 4,101 useful planes on hand September 1. 2,017 were combat types. The number of useful planes on hand July 1, 1940 was 1,712.

Production Facilities: Contracts had been awarded through the middle of September for plant expansion of 586 projects estimated to cost \$3,787,000,000 -- an increase of \$380,000,000 since July 31, 1941.

Army Personnel: The total active strength of the Army increased from 268,000 on July 1, 1940 to 1,587,764 on September 1, 1941.

Navy Personnel: The active duty strength of Navy and Marine Corps personnel increased from 179,000 to 357,000 between July 1, 1940 and September 1, 1941.

Merchant Ship Construction: Three standard cargo ships and one tanker were delivered during August.

## II. DEFENSE FINANCES

### Appropriations

Through September 30, Congress had made appropriations and other authorizations for national defense amounting to 54 billion dollars for F.Y. 1941 and 1942. This increase of 1.6 billion dollars over August 30 is due to the addition of the long-range Maritime Commission program and to an increase of 1.3 billion dollars in the estimated amount required to be appropriated to complete the expanded Navy.

	<u>F.Y. 1941</u>	<u>F.Y. 1942</u>	<u>Total</u>
	(Billions of dollars)		
Appropriations and contract authorizations:*			
Army	\$13.284	\$11.471	\$24.755
Navy	4.466	5.110	9.576
Defense Aid	7.000	—	7.000
Maritime Commission	.613	1.924	2.537
Defense Housing	.420	—	.420
Other Defense Activities	<u>.563</u>	<u>.768</u>	<u>1.331</u>
Total	\$26.346	\$19.273	\$45.619
Additional funds required to complete the expanded Navy (estimated)			<u>8.413</u>
Grand total			\$54.032

\*The parts of appropriations intended to liquidate prior contract authorizations are estimated and have been excluded. Amounts are subject to future adjustments based on actual allocations of appropriations for the liquidation of contract authorizations.

Army, Navy, and Defense Aid Expenditures

Army, Navy, and Defense Aid disbursements were as follows to August 31:

	<u>Disbursements</u>	
	<u>August</u>	<u>July 1, 1940 to August 31, 1941</u>
Army	\$579,378,000	\$4,722,642,000
Navy	415,683,000	2,971,519,000
Defense Aid	<u>69,475,000</u>	<u>124,655,000</u>
Total	\$1,064,536,000	\$7,818,816,000

Gross Debt

The gross debt increased \$1,408,000,000 during August to a total of \$50,921,000,000 on August 30.

### III. AERONAUTICAL PROGRAM

#### Airplane Deliveries, by Types

During August 1,957 airplanes of all types were delivered by manufacturers of military types of planes in the United States. This represented an increase of 415 over July and an all-time high. The Army Air Corps has classified the August production as follows:

#### Deliveries of Airplanes by Manufacturers of Military Types (As Reported by the Army Air Corps)

<u>Type</u>	<u>August 1941</u>	<u>June 30, 1940 to Aug. 31, 1941</u>
Tactical:		
Bomber, heavy	19	150
Bomber, medium	103	835
Bomber, light, 2-engine	195	1,497
Bomber, light, 1-engine	39	581
Pursuit, 2-engine	26	73
Pursuit, 1-engine	<u>411</u>	<u>3,190</u>
Total combat	793	6,326
Transport and observation	<u>177</u>	<u>894</u>
Total tactical	970	7,220
Training	<u>915</u>	<u>7,695</u>
Total tactical and training	1,885	14,915
Unclassified	<u>72</u>	<u>1,173</u>
Grand total	1,957	16,088

Chart 2 at the end of this report shows the distribution of airplanes, by customer and type.

Airplane Deliveries, by Customer and Purpose

The Army received 50 percent or 953 of the military airplanes delivered in August. The British, with 514 deliveries, received 27 percent, while the Navy deliveries amounted to 357 airplanes or 19 percent of August production.

	<u>Army*</u>	<u>Navy*</u>	<u>British</u>	<u>Other</u>	<u>Total</u>
<u>August Deliveries</u>					
Tactical	447	173	317	33	970
Training	<u>506</u>	<u>184</u>	<u>197</u>	<u>28</u>	<u>915</u>
Total	953	357	514	61	1,885
<u>Deliveries—June 30, 1940 to Aug. 31, 1941</u>					
Tactical	1,933	1,221	3,529	538	7,221
Training	<u>4,156</u>	<u>1,500</u>	<u>1,341</u>	<u>694</u>	<u>7,691</u>
Total	6,089	2,721	4,870	1,232	14,912

\*Includes deliveries on Defense Aid orders.

The August deliveries to the Army, Navy, and British were 196 airplanes or 9 percent short of manufacturers' estimates made in July.

	<u>Army</u>	<u>Navy</u>	<u>British</u>
Deliveries in August	953	357	514
Estimated for August	1,032	445	543
Percentage of schedule delivered	93	80	95

Airplane Engine Deliveries

5,402 airplane engines were delivered during August. This is  $2\frac{1}{2}$  as many as were delivered during the same month a year ago. Deliveries during August were substantially in line with estimates made the previous month.

	<u>Army</u>	<u>Navy*</u>	<u>British</u>	<u>Other</u>	<u>Total</u>
Delivered in August	2,327	596	1,881	598	5,402
Estimated for August	2,224	560	2,013	753	5,550
Percentage delivered	105	106	93	80	98
Deliveries 6-30-40 to 8-31-41	15,152	4,761	17,693	10,187	47,793

\*Includes deliveries on Defense Aid orders.

Airplanes for the British

The U. S. Army Air Corps reported delivery of 19 four-engine heavy bombers to the British by American manufacturers. This brings the total number delivered since June 30, 1940 to 45. The following table shows deliveries of all types of planes to the British for the periods indicated:

Deliveries of Airplanes to the British Against British Orders  
(Defense Aid deliveries not included)

	<u>August 1941</u>	<u>July 1941</u>	<u>June 30, 1940 to August 31, 1941</u>
<b>Tactical planes:</b>			
Bombers, heavy	19	0	45
Bombers, medium	8	126	382
Bombers, light, 2-engine	193	73	1,334
Bombers, light, 1-engine	<u>0</u>	<u>11</u>	<u>46</u>
Total bombers	220	210	1,807
Pursuit, 1-engine	97	76	1,675
Other tactical	<u>0</u>	<u>0</u>	<u>47</u>
Total tactical	317	286	3,529
Training planes	<u>197</u>	<u>124</u>	<u>1,341</u>
Grand total	514	410	4,870

Army Air Corps

A. Airplanes

On August 31 the Army had 1,153 combat airplanes on hand with protected gas tanks and armor. The classification, "suitable for purpose indicated", heretofore used to classify those airplanes available and suitable for use, has been discontinued. However, the following table lists by types the total number of Army airplanes on hand August 31, regardless of degree of suitability, and those with protected gas tanks and armor.

Army Airplane Inventory and Deliveries

<u>Type</u>	<u>On Hand August 31, 1941</u>		
	<u>Total</u>	<u>With Protected Gas Tanks and Armor</u>	<u>August Deliveries</u>
Tactical planes:			
Bombers, heavy	120	106	0
Bombers, medium	695	224	57
Bombers, light	337	117	21
Pursuit	1,371	706	290
Transport, observation, etc.	<u>679</u>	<u>0</u>	<u>79</u>
Total tactical	3,202	1,153	447
Training planes	<u>4,958</u>	<u>0</u>	<u>506</u>
Total planes	8,160	1,153	953

B. Army Air Stations

At the end of August the \$652,000,000 air station construction program of the Corps of Engineers was 45 percent complete. There are 129 projects in this program, including the four Government bomber assembly plants. The Table on the following page shows a breakdown of this program by type of facility.

Construction at Air Corps Stations by the Corps of Engineers  
August 31, 1941

	Estimated Cost (in millions)	Estimated Value in Place (in millions)	Percent Complete
Air force	\$203.9	\$147.0	72
Observation units	9.3	2.7	29
Pilot schools	161.1	50.0	31
Technical schools	72.2	46.0	64
Air Corps depots	107.9	20.4	19
Engineering experimental depots	11.9	3.9	33
Aircraft assembly plants	76.0	20.0	26
Replacement centers	<u>9.3</u>	<u>4.7</u>	<u>50</u>
Total August 31	\$651.6	\$294.7	45
Total July 31,	<u>623.1</u>	<u>243.7</u>	39
August increase	\$28.5	\$51.0	

C. Personnel of the Army Air Forces

Data have not been made available for this period to show the status of personnel of the Army Air Forces, and it is not believed desirable to delay this report further awaiting this material.

Navy and Marine Corps Aeronautical Program

A. Airplanes

The number of Navy and Marine Corps airplanes classified as "useful" was 4,101 on August 31. This represents an increase of 2,389 since June 30, 1940. The Navy had 432 planes delivered in August. 75 of these were transferred from the Army.

Airplane Inventory and Deliveries

Type	Useful Planes		
	On Hand 9-1-41	Increase 6-30-40 to 8-31-41	August Deliveries
Combat planes:			
Bombing, 4-engine patrol	5	5	0
Bombing, 2-engine patrol	395	178	31
Bombing, torpedo	101	- 13	0
Bombing, scout	665	266	20
Fighting	426	237	53
Observation scouting	425	147	55
Total combat	2,017	820	159
Transport and utility	197	46	14
Training planes	1,887	1,523	259*
Total planes	4,101	2,389	432*

\*75 advanced trainers transferred from Army to Navy.

In addition to the above airplanes, the Navy has 523 others which are not classified as useful.

### B. Naval Aviation Personnel

On August 31 the Navy and Marine Corps had about 72,000 men and officers on active duty in their aeronautical organizations. This was about 34 percent of the 210,000 estimated as being required for the 15,000 plane program.

	<u>Active Duty Requirements for 15,000 Plane Program</u>	<u>Active Strength 8-31-41</u>	<u>Increase in Active Strength During 6-30-40 to August 8-31-41</u>	
Pilots, all grades*	20,400	5,040	276	1,955
Other personnel	<u>189,600</u>	<u>66,649</u>	<u>2,658</u>	<u>37,942</u>
Total	210,000	71,689	2,934	39,897

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

### C. Pilot Training

Between June 30, 1940 and the end of August, 6,028 students were enrolled in pilot training courses and 1,880 have graduated. The number of aviation cadets entering and completing training in August as compared with the maximum rates planned was:

	<u>August</u>	<u>Planned Monthly Rate</u>	<u>Percent of Planned Rate— August</u>
Entering	702	700	100
Graduating	320	588	55

The three pilot training schools at Jacksonville, Pensacola, and Corpus Christi are now entering students at the maximum rate planned.

#### IV. PRODUCTION FACILITIES

##### Total Contracts

Up to mid-September, contracts had been awarded by the War and Navy Departments, Defense Plant Corporation, and the Maritime Commission for 586 production facility projects at an estimated cost of \$3,787,000,000. This amount includes projects financed from Defense Aid appropriations, and it represents an increase of \$380,000,000 since mid-August.

##### Production Facilities Contracted for, September 15, 1941

<u>Type of Facility</u>	<u>Number of Projects</u>	<u>Estimated Cost (millions)</u>	<u>Increase Over Aug. 15 (millions)</u>
Aircraft	142	\$ 858	\$143
Ordnance	220	1,783	176
Shipbuilding	147	689	42
Other	<u>77</u>	<u>457</u>	<u>19</u>
Total	586	\$3,787	\$380

##### Agencies Financing

The financing of these projects is divided among the four agencies, as follows:

	<u>Projects</u>	<u>Obligations (millions)</u>
War	229	\$1,796
Navy	287	988
Defense Plant Corporation	181	1,173
Maritime Commission	<u>16</u>	<u>80</u>
Gross total	713	\$4,037
Less: War and Navy obligations to reimburse Defense Plant Corp.	<u>127</u>	<u>250</u>
Net total	586	\$3,787

War and Navy Funds and Obligations

At the middle of September the War and Navy Departments had obligated by contracts only 66 percent of the four and one-quarter billion dollars available for expansion of production facilities and plants.

	Available Funds ( <u>millions</u> )	Contracts Awarded ( <u>millions</u> )	<u>Percent Contracted</u>
<b>War:</b>			
Aircraft	\$479	\$349	73
Ordnance	1,658	1,360	82
Other	98	87	89
Unallotted funds	<u>325</u>	<u>---</u>	<u>---</u>
Subtotal	\$2,560	\$1,796	70
<b>Navy:</b>			
Aircraft	152	125	82
Ordnance	503	305	61
Shipbuilding	<u>1,034</u>	<u>558</u>	<u>54</u>
Subtotal	1,689	988	58

V. ARMYProcurement of Equipment and Facilities

The War Department reports that by September 25 it had placed contracts and orders for 73 percent of about \$18,200,000,000 available to it for procurement of supplies, equipment, and facilities.

Deliveries of Selected Critical Materiel to September 1, 1941  
(Includes Defense Aid and Navy items procured by the Army)

	<u>Current Procurement Program</u>	<u>Deliveries To</u>	
		<u>Sept. 1</u>	<u>August</u>
<u>Antiaircraft</u>			
Guns, 3 inch and 90 mm.	2,466	168	19
Guns, 37 mm.	3,195	468	6
Searchlights, 60 inch	3,907	1,213	202
Ground radio, SCR 268	823	197	34
Ground radio, SCR 270 and 271	255	81	21
<u>Combat Vehicles</u>			
Tanks, light	5,919	1,493	281
Tanks, medium	9,848	200	80
Personnel carriers, half track	11,313	1,943	732
Scout cars	2,840	2,633	0
<u>Artillery</u>			
Howitzers, 155 mm. (high speeding)	1,442	1,026	80
Guns, 155 mm. (high speeding)	847	100	9
Guns, 75 mm. (high speeding)	2,680	684	158
Howitzers, 105 mm.	4,299	61	0
Howitzers, 75 mm.	958	156	33
Guns, 155 mm.	493	18	0
<u>Small Arms</u>			
Garand rifles	1,295,856	257,116	32,000
Guns, 37 mm. antitank	9,478	696	120
Mortars, 81 mm.	4,705	1,241	426
Mortars, 60 mm.	11,162	4,940	162

Requirements and Inventory

The following table shows for a few selected items the initial equipment for an army of 1,820,000 men and for one of 3,200,000 men and the stocks in the hands of the Field Ordnance Service on September 15 as reported by the Office of the Under Secretary of War.

Requirements and Inventory of Selected Materiel Items

	<u>Require- ments for 1,820,000 Men</u>	<u>Require- ments for 3,200,000 Men</u>	<u>Stocks in Hand of Field Ordnance Service September 15</u>
<u>Antiaircraft</u>			
Guns, 3 inch and 90 mm.	1,177	1,856	575
Guns, 37 mm.	2,552	3,055	444
<u>Combat Vehicles</u>			
Tanks, light	2,389	4,946	810
Tanks, medium	1,046	2,827	24
Personnel carriers, half track	7,930	16,543	1,387
Scout cars	2,083	4,299	2,539
<u>Artillery</u>			
Howitzers, 155 mm. (high speeding)	739	1,037	1,167
Guns, 155 mm.	95	283	17
Guns, 155 mm. (high speeding)	587	969	144
Howitzers, 105 mm.	2,457	3,733	54
Howitzers, 75 mm.	177	254	187
Guns, 75 mm. (high speeding)	836	1,778	655
<u>Small Arms</u>			
Garand rifles	838,601	1,539,512	262,343
Guns, 37 mm., antitank	4,892	9,523	728
Mortars, 81 mm.	2,340	4,566	1,079
Mortars, 60 mm.	4,747	7,957	3,916

Construction ProgramA. Quartermaster Corps -- Construction Division

Up to September 15, the Construction Division of the Quartermaster Corps had transmitted to the field for execution under its emergency construction program 546 projects estimated to cost \$2,314,000,000.

Summary of Construction Program  
Quartermaster Corps -- Construction Division  
September 15, 1941

<u>Type of Project</u>	<u>Estimated Cost</u>	<u>Value of Work in Place</u>	
		<u>Amount</u>	<u>Percent of Estimated Cost</u>
<b>Troop facilities:</b>			
Camps and cantonments	\$666,932,900	\$580,962,521	87.1
Reception centers	8,989,373	7,888,067	87.7
Replacement training centers	102,486,590	101,233,689	98.8
Harbor defenses	25,653,318	22,222,307	86.6
Air Corps projects	7,894,424	2,357,997	29.9
Miscellaneous	<u>154,284,779</u>	<u>80,140,020</u>	<u>51.9</u>
Total troop facilities	\$966,241,384	\$794,804,601	82.3
General hospitals	\$26,744,918	\$25,530,622	95.5
<b>Ordnance:</b>			
Manufacturing	941,912,331	412,981,476	43.8
Ammunition storage depots	96,095,574	25,791,191	26.8
Field service facilities	<u>5,303,278</u>	<u>1,625,320</u>	<u>30.6</u>
Total ordnance	\$1,043,311,183	\$440,397,987	42.2
Chemical warfare plants	\$35,496,282	\$4,970,909	14.0
Storage depots--other than ammunition and explosives	111,685,384	35,695,176	32.0
Miscellaneous projects	<u>130,697,034</u>	<u>45,217,090</u>	<u>34.6</u>
Total all projects	\$2,314,176,185	\$1,346,616,385	58.2
Total for August 15	<u>2,167,097,115</u>	<u>1,238,306,363</u>	<u>57.1</u>
August increase	\$147,079,070	\$108,310,022	1.1

### B. Corps of Engineers

The Corps of Engineers had under way on August 31 a program of 129 projects estimated to cost \$652,000,000 at air stations and is also constructing the bases on the British possessions for the Army. A breakdown of the air station work is given on page 8, and Chart 12 shows the status of work at the Atlantic bases.

### Military Personnel

During August the total active duty military personnel of the Army increased about 49,000 to a total of 1,588,000.

### Active Duty Strength of the Army

	<u>Officers</u>	<u>Enlisted Men*</u>	<u>Total</u>
Regular Army	15,009	507,610	522,619
Reserves	73,941	10,989	84,930
National Guard	21,970	255,506	277,476
Selectees	---	702,739	702,739
Total August 31	110,920	1,476,844	1,587,764
Total July 31	102,437	1,436,860	1,539,297
Total June 30, 1940	16,630	251,139	267,769

VI. NAVYCombatant Vessels

No combatant vessels were reported completed during August.

However, during the month the completion date for the battleships North Carolina and Washington was established as July 31. The addition of these vessels brought the total number of combatant ships in service to 342, with a total standard displacement of 1,350,000 tons, as follows:

	<u>Number</u>	<u>Tonnage</u>
Battleships	17	534,300
Aircraft carriers	6	134,800
Large and heavy cruisers	18	171,200
Light cruisers	19	157,775
Destroyers	170	235,390
Submarines	<u>112</u>	<u>117,130</u>
Total	342	1,350,595

The following tables show the present estimates for delivery, by periods, of combatant vessels yet to be completed:

Number of Combatant Vessels to be Delivered, by Periods

<u>Period</u>	<u>Battle-</u> <u>ships</u>	<u>Aircraft</u> <u>Carriers</u>	<u>Cruisers</u>	<u>Destroyers</u>	<u>Sub-</u> <u>marines</u>	<u>Total</u>
1941						
Sept. to Dec.	-	1	1	6	2	10
1942						
Jan. to June	-	-	3	20	12	35
July to Dec.	3	-	4	43	15	65
1943						
Jan. to June	-	-	8	41	15	64
July to Dec.	3	-	10	44	9	66
1944						
Jan. to June	1	4	4	25	10	44
July to Dec.	1	2	10	15	9	37
1945						
Jan. to June	1	1	8	-	2	12
July to Dec.	2	4	6	-	-	12
1946						
Jan. to June	3	-	-	-	-	3
July to Dec.	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Totals	15	12	54	194	74	349

Tonnage of Vessels to be Delivered, by Periods  
(Thousands of Standard Displacement Tons)

<u>Period</u>	<u>Battle-</u> <u>ships</u>	<u>Aircraft</u> <u>Carriers</u>	<u>Cruisers</u>	<u>Destroyers</u>	<u>Sub-</u> <u>marines</u>	<u>Total</u>
1941						
Sept. to Dec.	—	19.8	6.0	9.9	2.3	38.0
1942						
Jan. to June	—	—	18.0	35.7	18.2	71.9
July to Dec.	105.0	—	40.0	74.8	22.7	242.5
1943						
Jan. to June	—	—	82.8	78.3	22.7	183.8
July to Dec.	125.0	—	102.8	91.0	13.5	332.3
1944						
Jan. to June	45.0	109.2	40.0	52.0	15.0	261.2
July to Dec.	45.0	54.6	95.4	31.5	13.5	240.0
1945						
Jan. to June	45.0	27.3	141.2	—	3.0	216.5
July to Dec.	103.0	109.2	111.0	—	—	323.2
1946						
Jan. to June	174.0	—	—	—	—	174.0
July to Dec.	<u>58.0</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>58.0</u>
Total	700.0	320.1	637.2	373.2	110.9	2,141.4

Charts 7, 8, and 9 show the progress of individual combatant vessels, and Chart 10 shows the cumulative delivery schedule for destroyers and submarines.

Navy and Marine Corps Personnel

On August 31, the combined active duty strength of the Navy and Marine Corps was 357,000, which was twice their combined strength on July 1, 1940.

	<u>Active Duty Strength</u>		
	<u>August 31,</u> <u>1941</u>	<u>July 1,</u> <u>1940</u>	<u>Increase</u>
<u>Navy</u>			
Commissioned and warrant officers	31,321	10,823	20,498
Enlisted men and others	<u>265,865</u>	<u>140,529</u>	<u>125,336</u>
Total Navy	297,186	151,352	145,834
<u>Marine Corps</u>			
Commissioned and warrant officers	3,252	1,801	1,451
Enlisted men and others	<u>56,877</u>	<u>26,479</u>	<u>30,398</u>
Total Marine Corps	60,129	28,280	31,849
<u>Navy and Marine Corps</u>			
Commissioned and warrant officers	34,573	12,624	21,949
Enlisted men and others	<u>322,742</u>	<u>167,008</u>	<u>155,734</u>
Grand total	357,315	179,632	177,683

Chart 11 shows the active duty strength of the Navy and Marine Corps by months from January 1941 to date.

## VII. MARITIME COMMISSION

### Ship Construction Program

The Maritime Commission reports that on August 31 it had awarded contracts for 788 vessels of all types, out of a total program of about 1,276. Of the total program, 566 vessels were provided for in the First Supplemental Appropriation Act, 1942, which was only recently approved. Delivery of 104 vessels of the long-range type had been made by the end of August, with three cargo ships and one tanker having been delivered during that month. Chart 13 shows the status of vessels of this type under construction.

Some progress has been reported on all of the 312 Liberty ships (emergency cargo) authorized prior to the passage of the First Supplemental Appropriation Act, 1942,—ten of them being over 25 percent complete and 36 between 5 and 25 percent on August 31.

Status of Ship Construction  
As of August 31, 1941

Type of Vessel	Number of Vessels							Completed
	Total Under Contract	No Construction Progress Reported	Percentage of Completion					
			0-5	5-25	25-50	50-75	75-100	
Standard cargo	313	168	20	4	13	10	17	81
Emergency cargo	312	—	266	36	10	—	—	—
Tanker	110	5	83	4	3	1	1	13
Passenger, and passenger-cargo	31	2	—	10	—	5	4	10
Tug	22	22	—	—	—	—	—	—
<b>Total</b>	<b>788</b>	<b>197</b>	<b>369</b>	<b>54</b>	<b>26</b>	<b>16</b>	<b>22</b>	<b>104</b>

Shipyard Construction

The shipyard construction which is required for the defense aid and emergency ship programs authorized prior to the passage of the First Supplemental Appropriation Act, 1942 was 62 percent complete on September 15, compared with 52 percent complete on August 15. The 16 construction projects were in the following stages of completion on September 15:

<u>Number of Construction Projects</u>	<u>Stage of Completion</u>
4	75-100%
5	50- 75%
6	25- 50%
<u>1</u>	0- 25%

VIII. PRIORITIES, ALLOCATIONS, AND PRICE CONTROL

Priorities

Two general priorities regulations, which have been issued during the past thirty days, make all priority orders mandatory even for civilian contracts and require all producers to accept defense orders if tendered except in unusual cases.

As of September 22, the following 36 items were under mandatory, industry-wide priority control to direct their distribution:

Aluminum	Silk waste, etc.
Magnesium	Vanadium
Machine tools	Cotton linters
Nickel	Formaldehyde
Cork	Chlorinated hydrocarbon refrigerants
Borax and boric acid	Tungsten
Polyvinyl chloride	Tricresyl and triphenyl phosphates*
Synthetic rubber	Alloy steel and iron*
Zinc	Phenols*
High-speed steel	Ethyl alcohol, etc.*
Rubber	Methyl alcohol*
Chromium	Potassium perchlorate*
Cutting tools	Potassium permanganate*
Chlorine	Toluene*
Silk	Phosphorous oxychloride*
Calcium-silicon	Manila fiber and cordage*
Copper and copper-base alloys	Rayon yarn*
Pig iron	
Steel	

\*Added since August 22.

Limited blanket rating orders are issued to certain producers of defense items and to operators of certain indispensable services, such as mines, railroads, and municipal fire departments, to facilitate their

procurement of essential materials, parts, etc. As of September 22, such orders had been issued to selected producers of the following 36 items:

Cranes	Cutting tools
Metal-working equipment	Experimental research work
Airframes	Tanks
Airplane engines and propellers	Farm machinery and repair parts
"Off-the-shelf" supplies	Various essential goods and services (repair parts for)*
Merchant ships	Health supplies*
Freight cars	Foundry equipment and parts*
Conversion of ships to aircraft carriers	Radio-sondes*
Aluminum scrap products	Arc and resistance welding machines*
Heavy bomber parts	Research laboratory service (supplies and equipment)*
Canning machinery	Public utilities service*
Electrical relays and solenoids	Air transportation service*
Radio equipment	Aircraft accessories*
Maritime Commission shipyards	Textile machinery repair parts*
Defense construction projects	Busses, trucks, and parts*
Locomotives	Mine products (repair parts)*
Civil aircraft	Privately financed defense housing*
Mining machinery and equipment	Auto and light-truck replacement parts*

\*Added since August 22.

Limitation orders have recently been issued to restrict the production for civilian use of the following:

Medium trucks, busses, and replacement parts	Light motor trucks
Passenger automobiles	Auto and light truck replacement parts

December production of passenger automobiles will be curtailed 48.4 percent below last December's output.

Allocations

Civilian allocation plans were in effect on September 22 for the following 28 commodities:

Copper	Farm machinery materials and equipment
Cork and cork products	Hearing aid materials
Pig iron, etc.	Scientific apparatus materials
Freight car materials	Food can materials and supplies
Rubber and rubber products	Hospital supplies and equipment
Maintenance and repair material and equipment	Chlorine
Car and bus material and equipment	REA materials
Locomotive material and equipment	Cotton linters
Materials and equipment for maintenance and repair of durable consumers' goods	Rayon yarn
Hospital apparatus and surgical instruments	Formaldehyde, etc.
Eye glass frame materials and parts	Canned salmon
Thermostatic bi-metal materials	Steel for license tags
	Motor fuel (Atlantic Coast)
	Chlorinated hydrocarbon refrigerants
	Radio tube and condenser replacement materials
	Tungsten chemical compounds*

\*Added since August 22.

Price Control

Price schedules were in effect on September 22 for the following 26 commodities:

Second-hand machine tools	Raw sugar
Aluminum, scrap and secondary	Pig tin
Zinc, scrap and secondary	Burlap
Scrap steel and iron	Southern pine lumber
Iron and steel products	Formaldehyde
Combed cotton yarn	Pennsylvania grade crude oil*
Scrap and secondary nickel	Rayon grey goods*
Hides, kips, and calfskins	Domestic animal hair*
Pig iron	Douglas fir lumber*
Cotton grey goods	Ethyl alcohol*
Brass mill scrap	By-product foundry and furnace coke*
Douglas fir plywood and peeler logs	Waste paper—east of the Rocky Mountains*
Raw silk and silk waste	
Copper and copper scrap	

\*Added since August 22.

In addition to the foregoing, a new type of schedule was issued, ordering the elimination of speculative practices with respect to fats and oils and their products.

#### IX. DEFENSE HOUSING

The approval on September 2 of an amendment to Title VI of the National Housing Act is expected to make available for the defense housing program an additional \$200,000,000 of private capital in the form of FHA insured mortgages. Chart 15, which traces the progress of the defense housing program from July 1940 to date, shows a grand total of \$802,500,000 as available for this program — \$502,500,000 in Federal funds and \$300,000,000 in authorizations for FHA insurance of mortgages placed by private financial institutions. On August 30, funds had been allocated for 149,294 housing units, contracts had been let for 107,266, and 39,038 had been completed.

## X. STRATEGIC AND CRITICAL MATERIALS

### Strategic Materials

Preliminary figures indicate that strategic materials valued at \$197,000,000 were delivered between June 11, 1940 and September 15, 1941. This amount represents 45 percent of the total purchases through September 15th and 33 percent of the recommended two-year stockpile program, estimated to cost \$564,000,000. This program has recently been revised, and Chart 14 shows for each material the latest recommendations together with the percentage of quantities which have been purchased, delivered, and released.

### Critical Materials

On August 30, the status of the procurement program of RFC for selected critical materials was:

<u>Critical Material</u>	<u>Unit</u>	<u>Q u a n t i t i e s</u>			
		<u>Program</u>	<u>Purchased</u>	<u>Delivered</u>	<u>Released</u>
Aluminum	Metric tons	340,100	340,100	—	—
Bauxite	Metric tons	13,650	13,650	—	—
Copper	Tons	500,500	304,700	248,105	200,159
Nitrate	Tons	300,000	300,000	211,703 <sup>a/</sup>	11,703
Zinc	Tons	86,000	86,000	—	—
Zinc concentrates	Long tons	209,512	209,512	—	—
Wool, Australian	Bales <sup>b/</sup>	840,000	840,000	295,993	—
Wool, South Amer.	Bales	7,794	7,794	7,794	—
Diamond dies	Number	9,000	9,000	6,780	2,775

<sup>a/</sup> Includes 200,000 tons stored in Chile.

<sup>b/</sup> British-owned wool delivered for storage in U. S.

## XI. EMPLOYMENT AND LABOR DISPUTES

### Employment

According to the Bureau of Labor Statistics, August was the fifth consecutive month in which total civil non-agricultural employment exceeded all previous records. Further expansion in defense production, together with a greater-than-usual rise in the canning industry, more than offset seasonal lay-offs in automobile plants and employment decreases in industries affected by material shortages. Automobile employment in August was 24 percent above that in August 1940. The situation may be summarized statistically, as follows:

	August 1941	Change from	
		August 1940	July 1941
Civil non-agricultural employment	39,542,000	3,640,000	261,000
Manufacturing employees	12,146,000	1,983,000	151,000
Federal Government, executive service	1,409,000	369,000	17,000
WPA employment	1,043,000	-675,000	-13,000

### Industrial Disputes

Preliminary BLS estimates indicate that the number of strikes in progress during August was approximately 5 percent greater than in July. The number of workers involved in these August strikes was 20 percent greater, and the number of man-days idle 40 percent greater, than during July. The August record was well above the five-year average for that month, as is shown by the following table:

	Aug. 1941*	July 1941*	Average for Aug. 1935-39
Total number of strikes in progress during month	740	700	491
Total number of workers involved in these strikes	290,000	235,000	260,290
Total number of man-days idle during these strikes	1,825,000	1,300,000	1,261,133

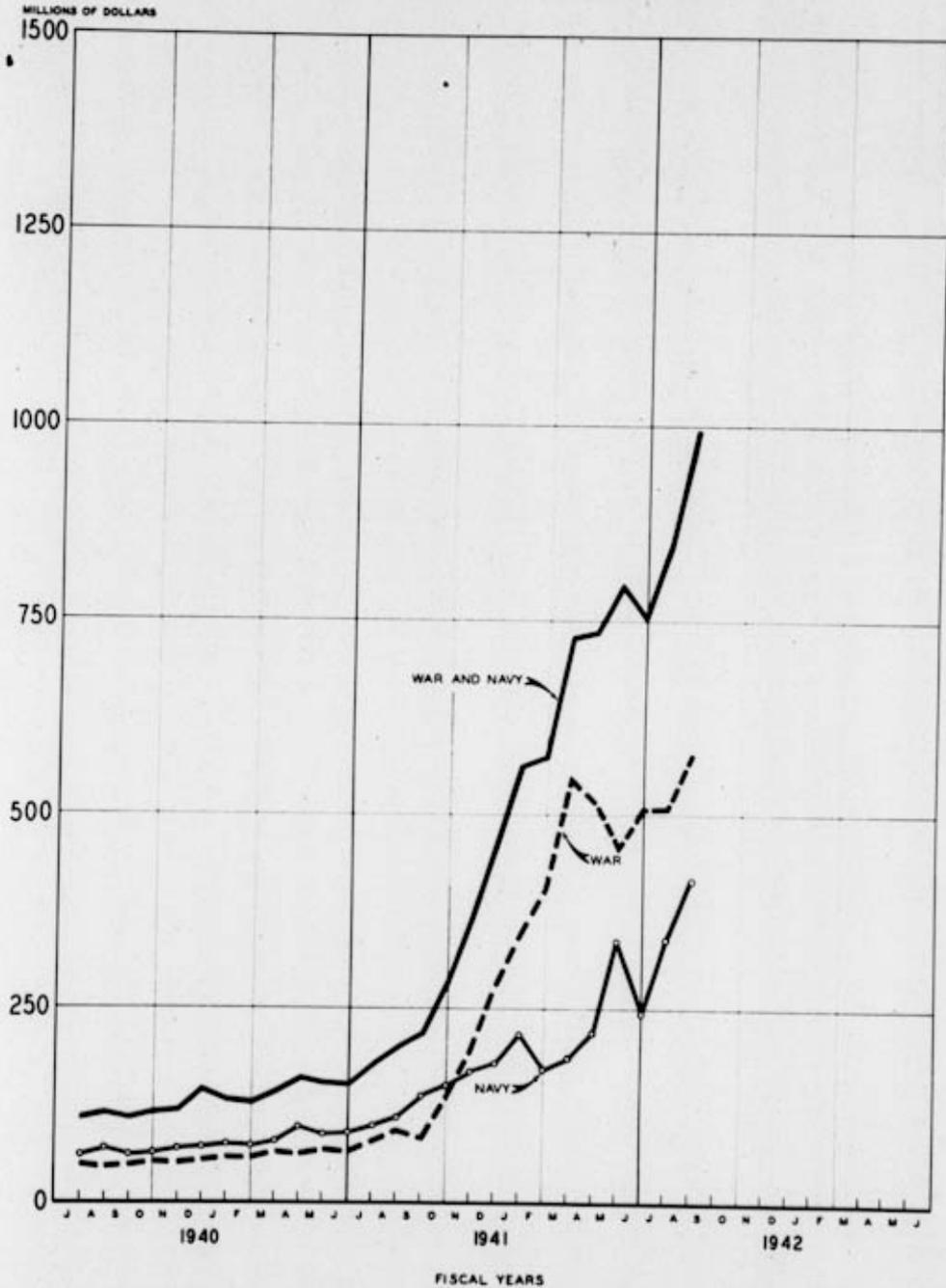
\*Preliminary estimates.

## XII. PROGRESS CHARTS

1. Monthly Cash Disbursements -- War and Navy Departments
2. Monthly Airplane Deliveries
3. Army, Navy and Marine Corps Aeronautical Personnel
4. Status of Major Aircraft Plant Expansion Projects
5. Status of Major Army Ordnance Plant Expansion Projects
6. Army Active Duty Personnel
7. Construction Status of Battleships, Aircraft Carriers,  
Large and Heavy Cruisers
8. Construction Status of Light Cruisers
9. Percent of Completion of Destroyers and Submarines
10. Deliveries of Destroyers and Submarines
11. Navy and Marine Corps Active Duty Personnel
12. Status of Atlantic Bases in British Possessions
13. Long-Range Ship Construction Program -- Maritime Commission

CHART I

# MONTHLY CASH DISBURSEMENTS WAR AND NAVY DEPARTMENTS

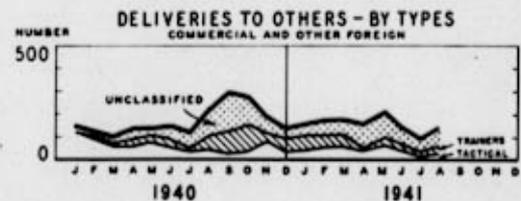
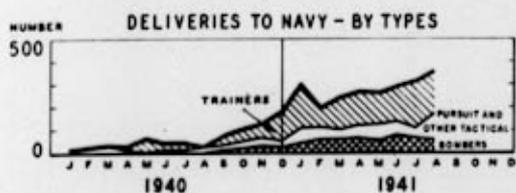
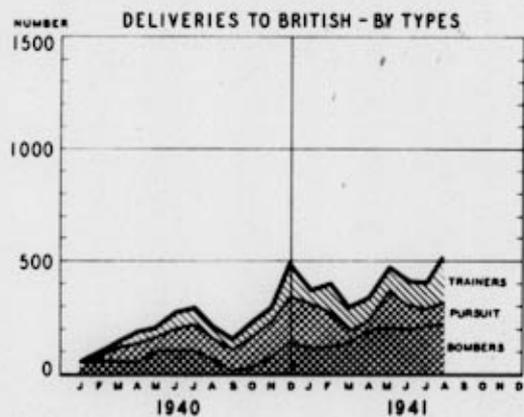
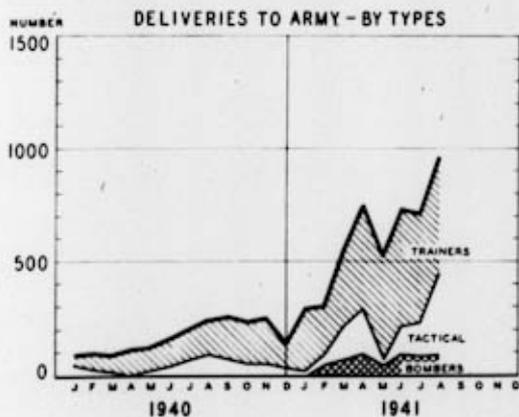
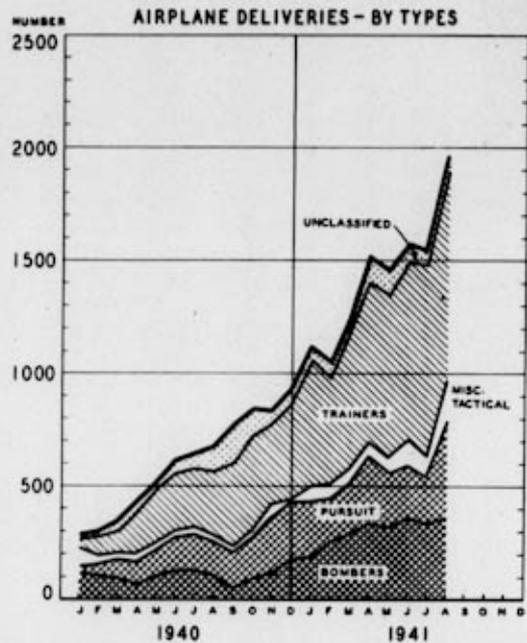
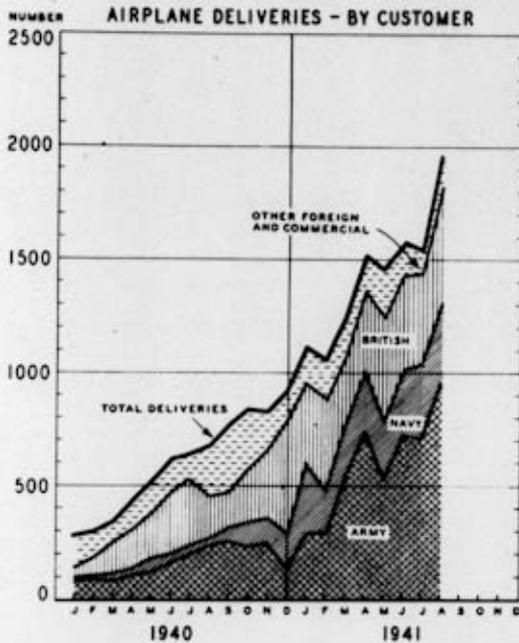


NOTE: ONLY DISBURSEMENT FOR MILITARY ACTIVITIES INCLUDED FOR THE WAR DEPARTMENT

SOURCE: DAILY TREASURY STATEMENTS

CHART 2

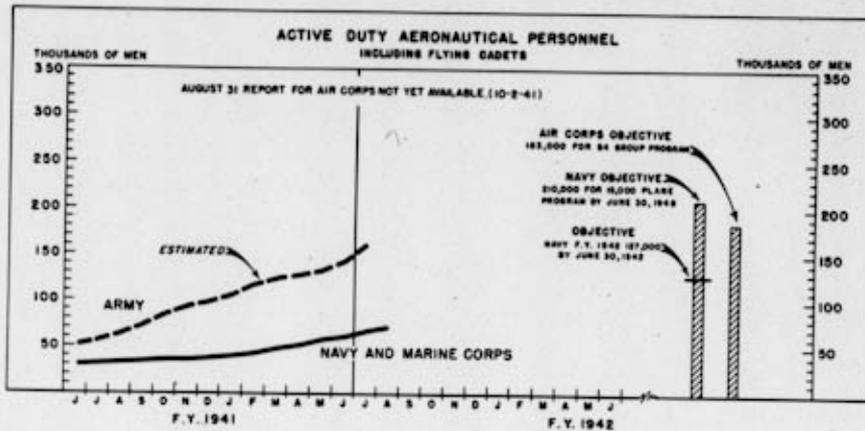
# MONTHLY AIRPLANE DELIVERIES BY MANUFACTURERS OF MILITARY AIRPLANES



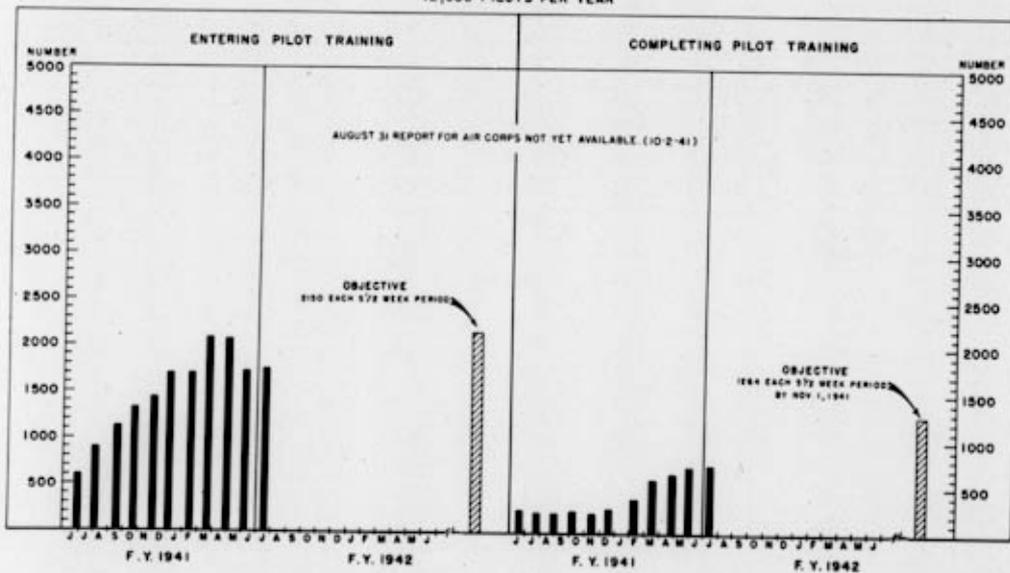
NOTE: PLANE DELIVERIES BY MAKER OF COMMERCIAL PLANES ONLY, NOT INCLUDED

CHART 3

ARMY, NAVY AND MARINE CORPS AERONAUTICAL PERSONNEL  
BRITISH TRAINING PROGRAM NOT INCLUDED



U.S. ARMY AIR CORPS PILOT TRAINING  
12,000 PILOTS PER YEAR



U.S. NAVY - BUREAU OF AERONAUTICS PILOT TRAINING  
U.S. MARINE CORPS INCLUDED

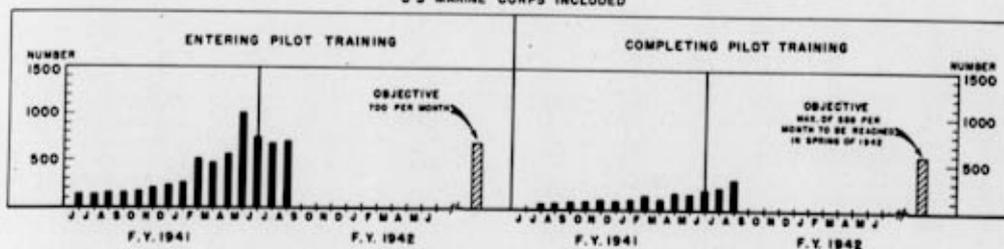
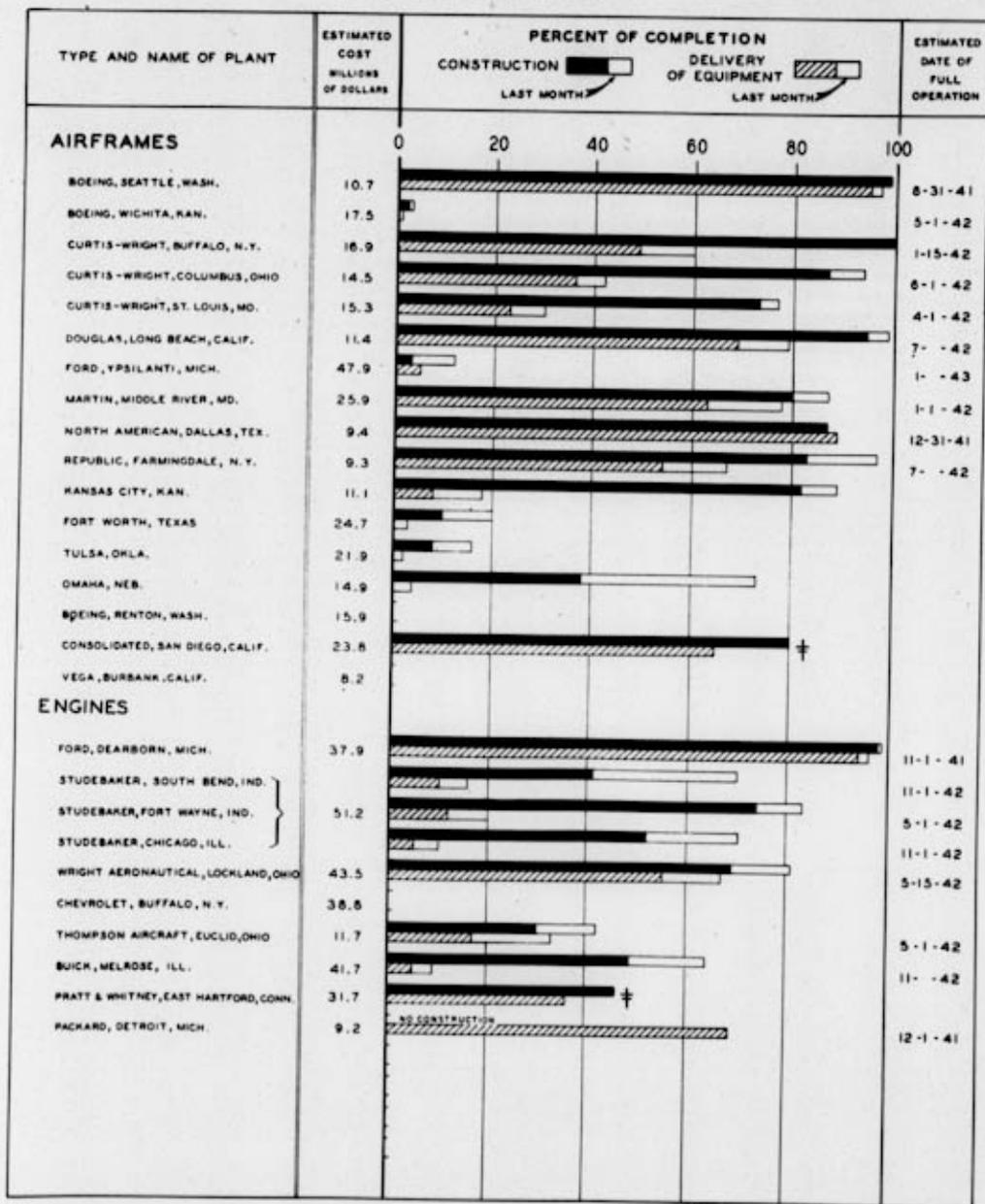


CHART 4

## STATUS OF MAJOR AIRCRAFT PLANT EXPANSION PROJECTS\*

ARMY, NAVY, AND DPC, INCLUDING DEFENSE AID PROJECTS  
AS OF SEPT. 15, 1941

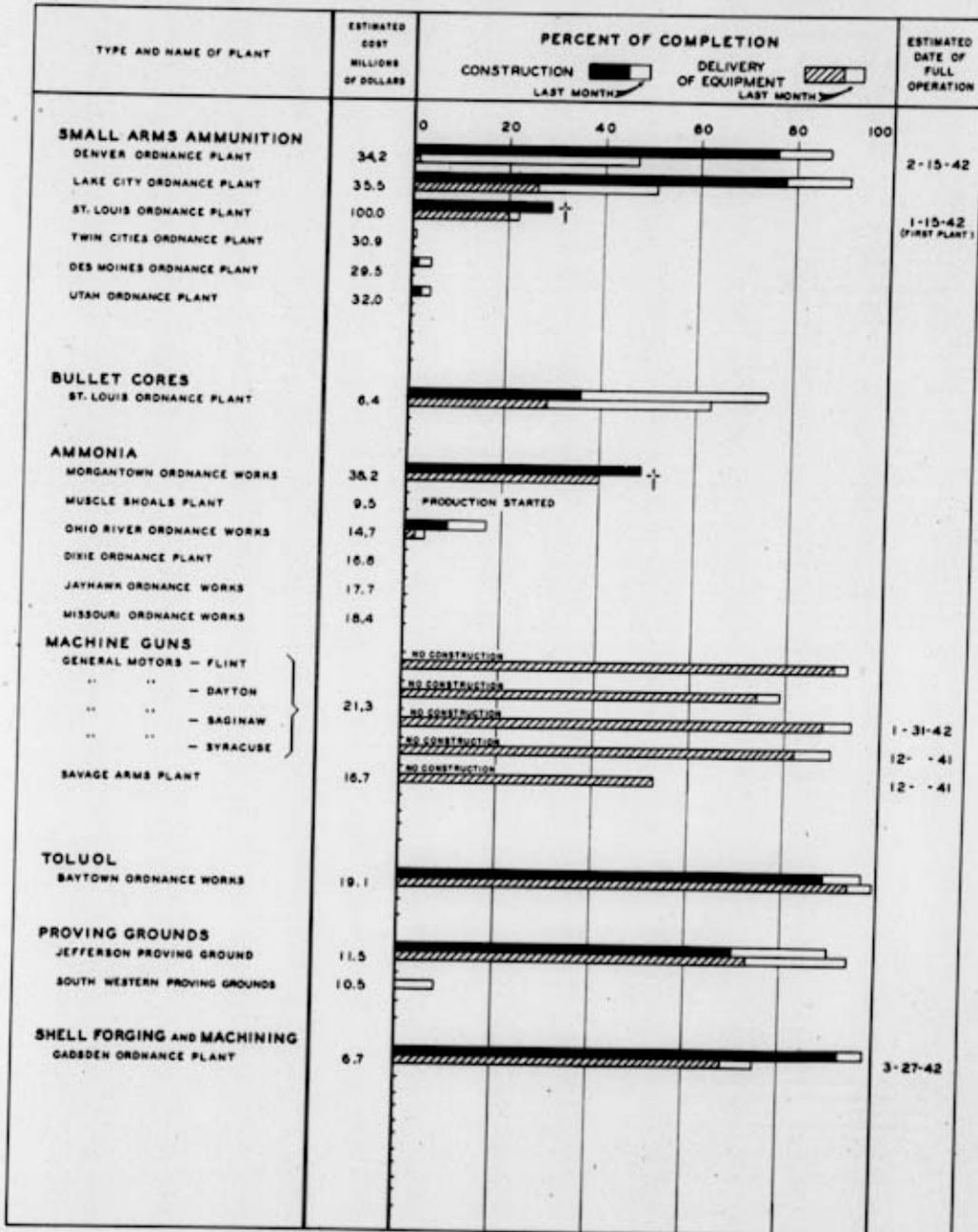


\* THIS CHART IS DESIGNED TO REFLECT THE GENERAL STATUS OF THE PROGRAM. IT IS BASED ON DATA FROM SEVERAL SOURCES AND MAY NOT AGREE IN DETAIL WITH OTHER REPORTS AS CHANGES ARE CONSTANTLY BEING MADE AND BASIS OF REPORTING MAY BE DIFFERENT - THEREFORE IT IS SUBJECT TO CORRECTION.

CHART 5

# STATUS OF MAJOR ARMY ORDNANCE PLANT EXPANSION PROJECTS\*

AS OF SEPT. 15, 1941

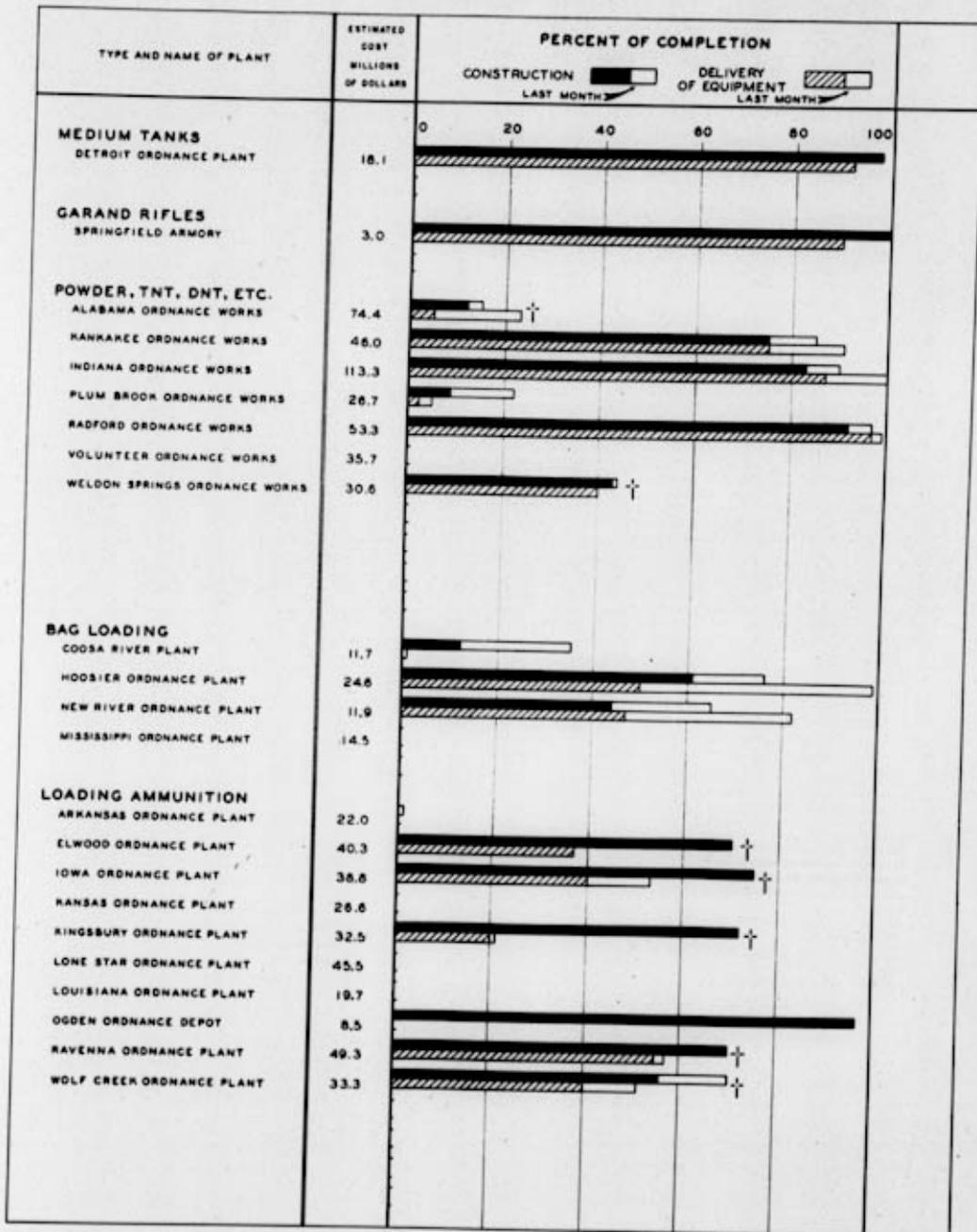


\*THIS CHART IS DESIGNED TO REFLECT THE GENERAL STATUS OF THE PROGRAM. IT IS BASED ON DATA FROM THE OFFICE OF THE UNDER SECRETARY OF WAR AND MAY NOT AGREE IN DETAIL WITH OTHER REPORTS AS CHANGES ARE BEING CONSTANTLY MADE - THEREFORE IT IS SUBJECT TO CORRECTION.

† SIZE OF PROJECT HAS BEEN INCREASED

CHART 5 CONT.

STATUS OF  
MAJOR ARMY ORDNANCE PLANT EXPANSION PROJECTS\*  
AS OF SEPT. 15, 1941



\*THIS CHART IS DESIGNED TO REFLECT THE GENERAL STATUS OF THE PROGRAM. IT IS BASED ON DATA FROM THE OFFICE OF THE UNDER SECRETARY OF WAR AND MAY NOT AGREE IN DETAIL WITH OTHER REPORTS AS CHANGES ARE BEING CONSTANTLY MADE - THEREFORE IT IS SUBJECT TO CORRECTION.

†SIZE OF PROJECT HAS BEEN INCREASED

CHART 6

### ARMY ACTIVE DUTY PERSONNEL

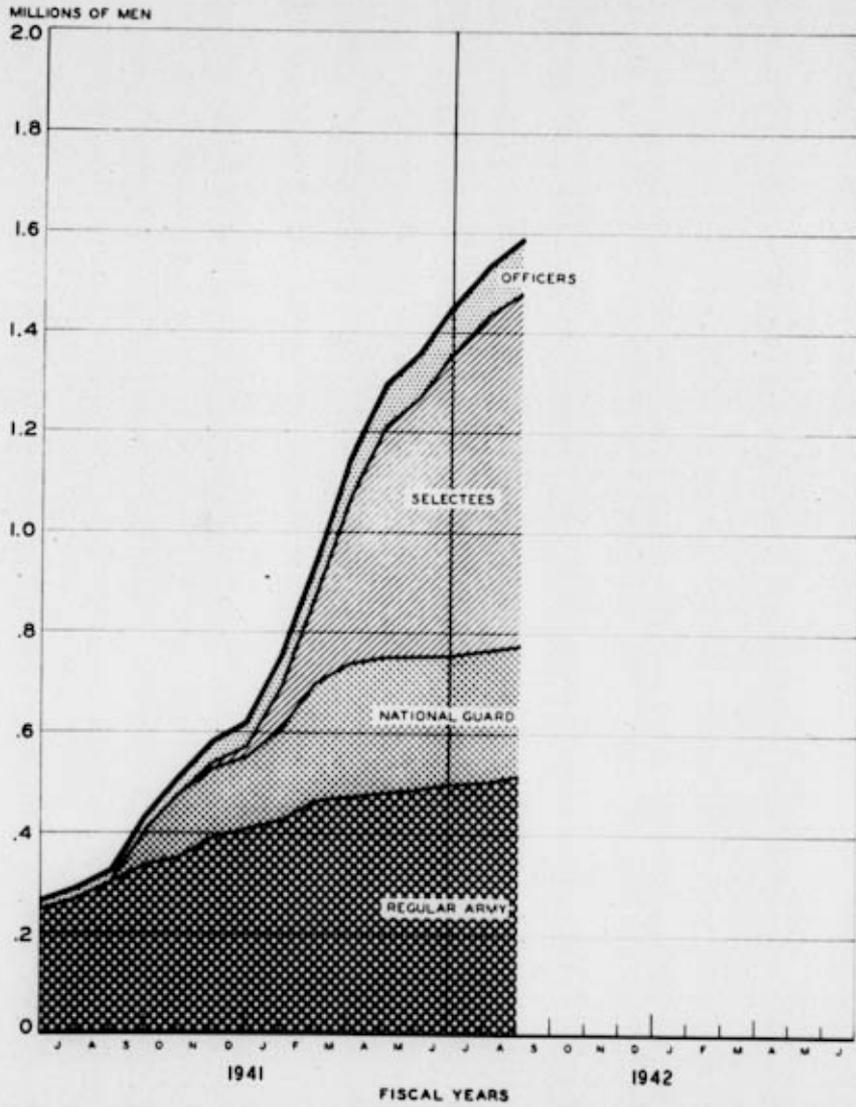




CHART 8

CONSTRUCTION STATUS OF LIGHT CRUISERS

AS OF SEPTEMBER 1, 1941

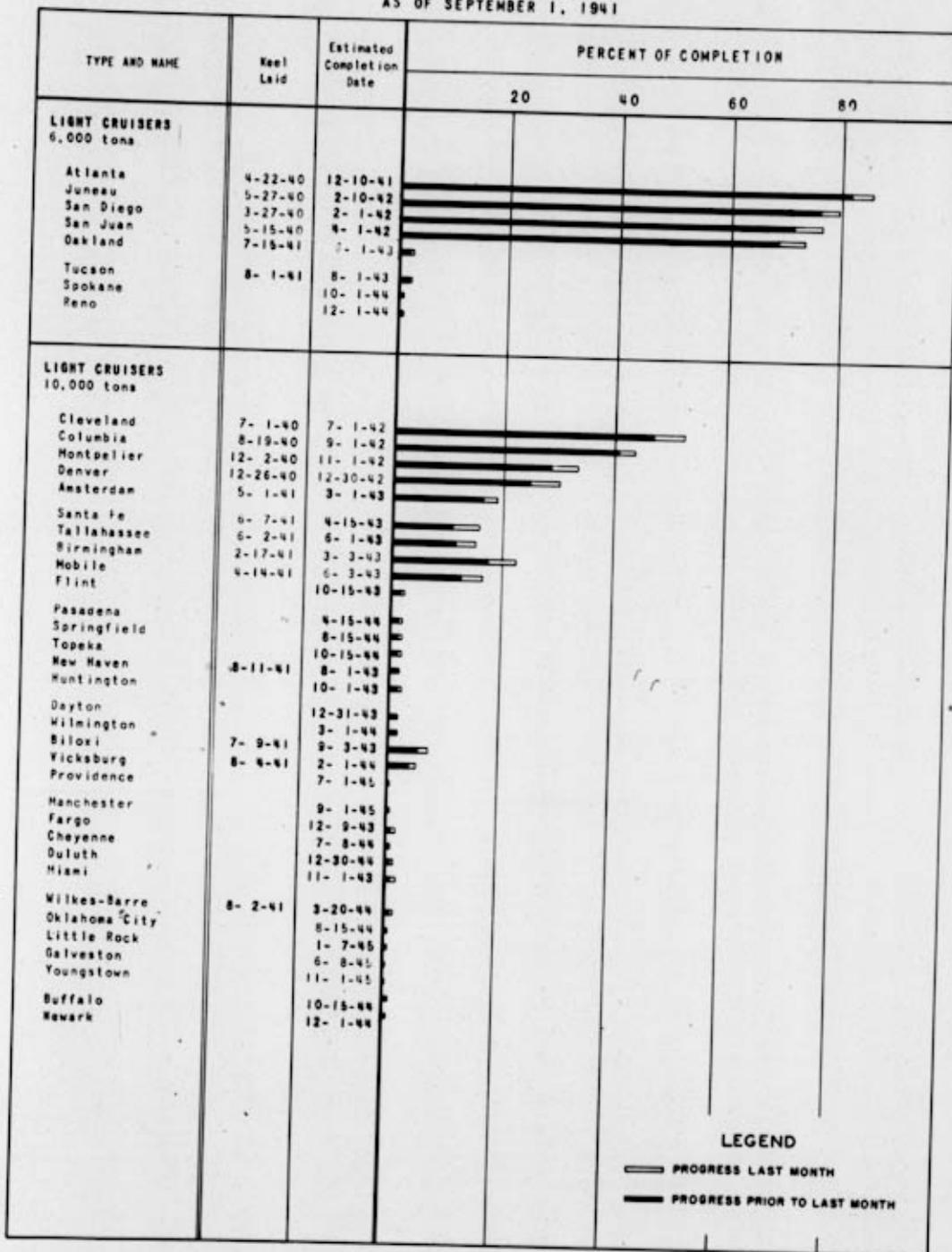
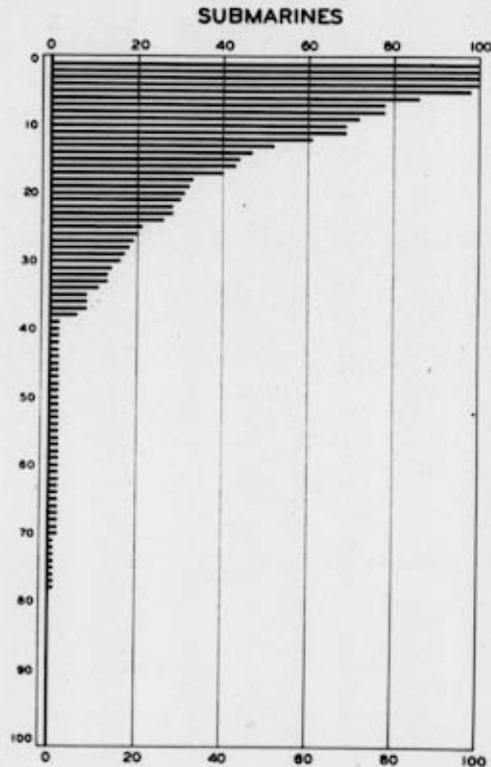
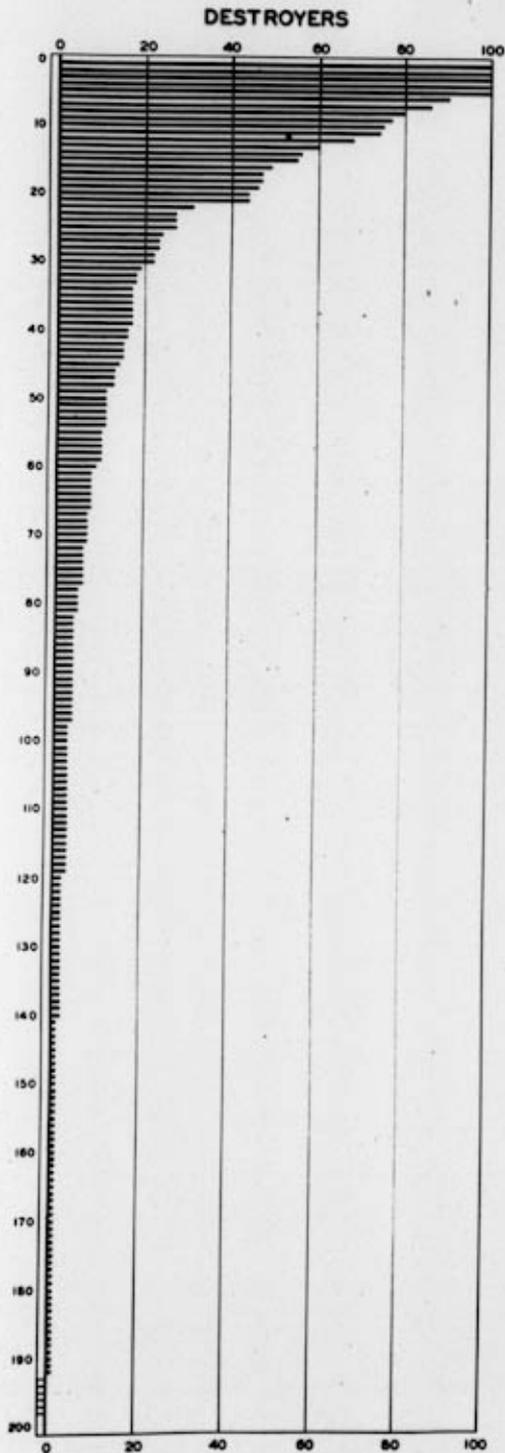


CHART 9  
**PERCENT OF COMPLETION OF DESTROYERS AND SUBMARINES**  
 UNDER CONSTRUCTION MAY 1, 1941 AND AFTER  
 AS OF SEPT. 1, 1941



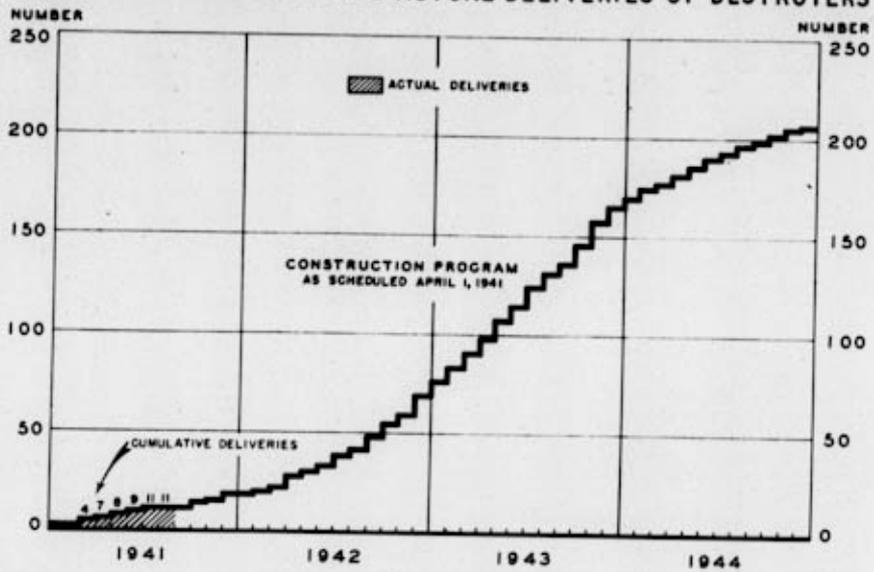
**LEGEND**


 } VESSELS CONTRACTED FOR  
 BUT NO PROGRESS  
 REPORTED

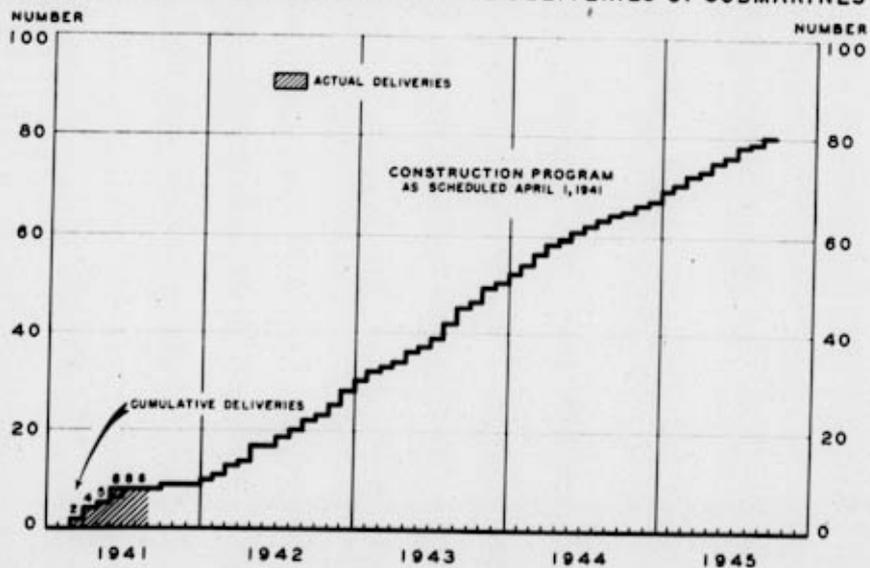
# CHART 10

## DELIVERIES OF DESTROYERS AND SUBMARINES

### CUMULATIVE SCHEDULED AND ACTUAL DELIVERIES OF DESTROYERS

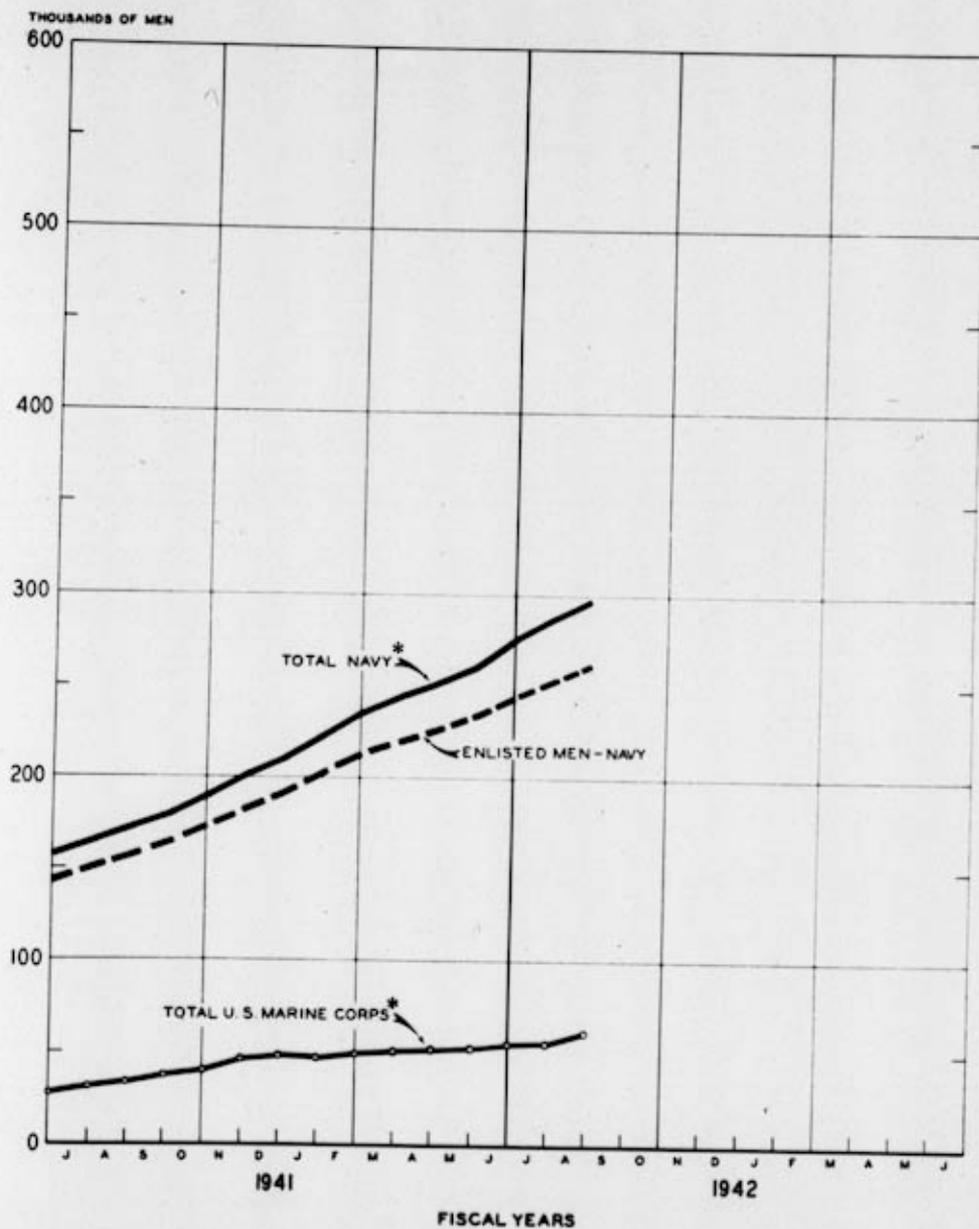


### CUMULATIVE SCHEDULED AND ACTUAL DELIVERIES OF SUBMARINES



CALENDAR YEARS

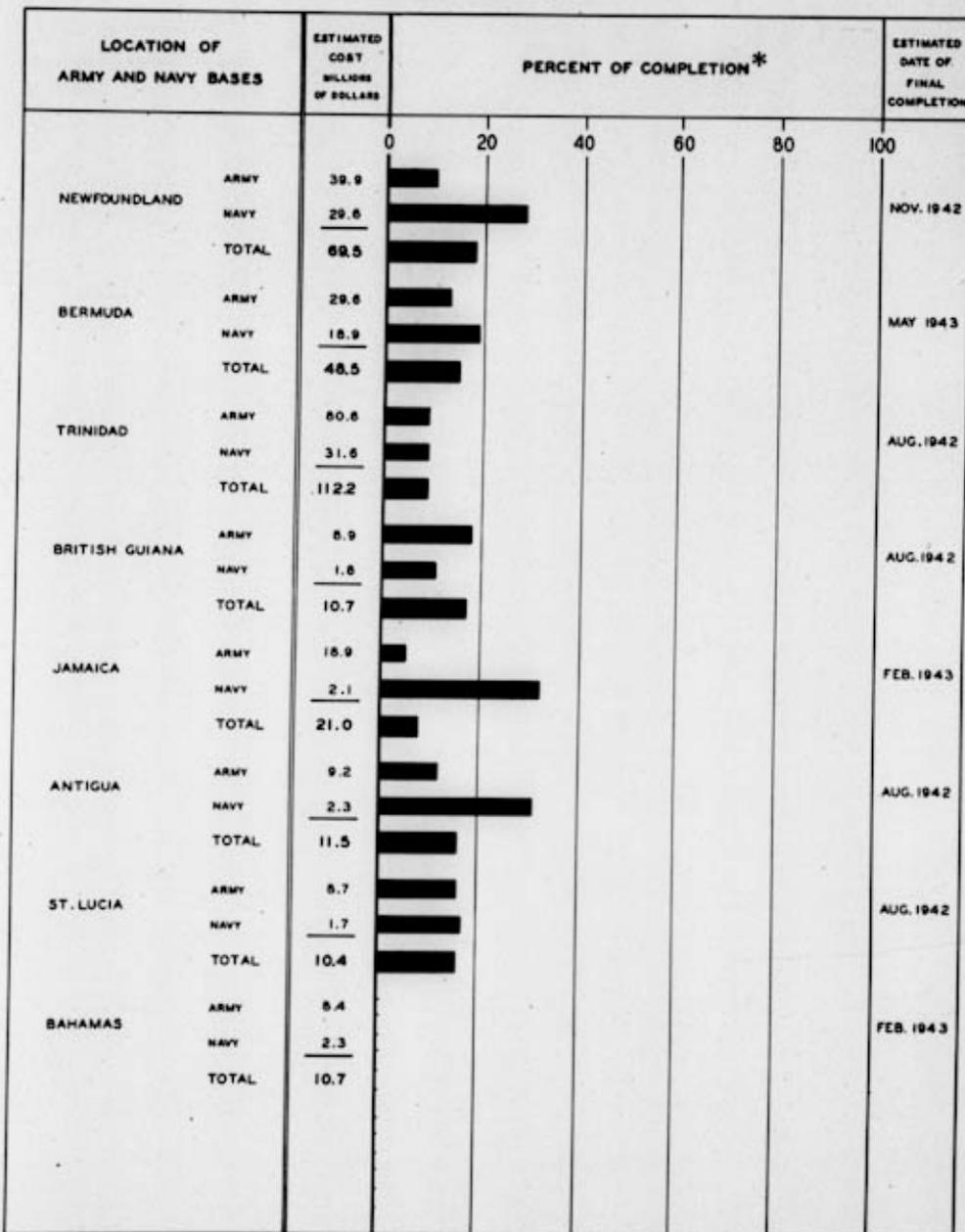
CHART II  
 NAVY AND MARINE CORPS ACTIVE DUTY PERSONNEL



\* INCLUDES COMMISSIONED OFFICERS, WARRANT OFFICERS, AVIATION CADETS, ENLISTED MEN AND NURSES ON ACTIVE DUTY IN REGULAR AND RESERVE UNITS.

CHART 12

**STATUS OF  
ATLANTIC BASES IN BRITISH POSSESSIONS  
AS OF SEPT. 1, 1941**

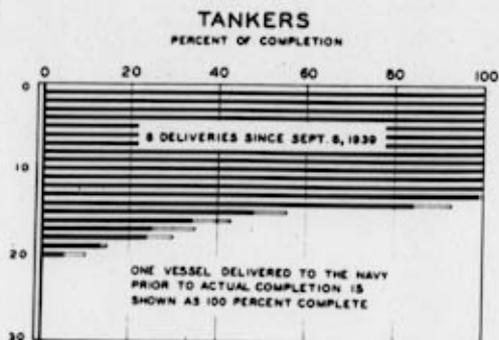
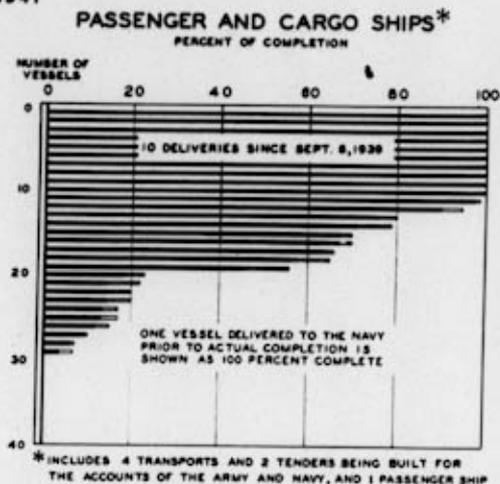
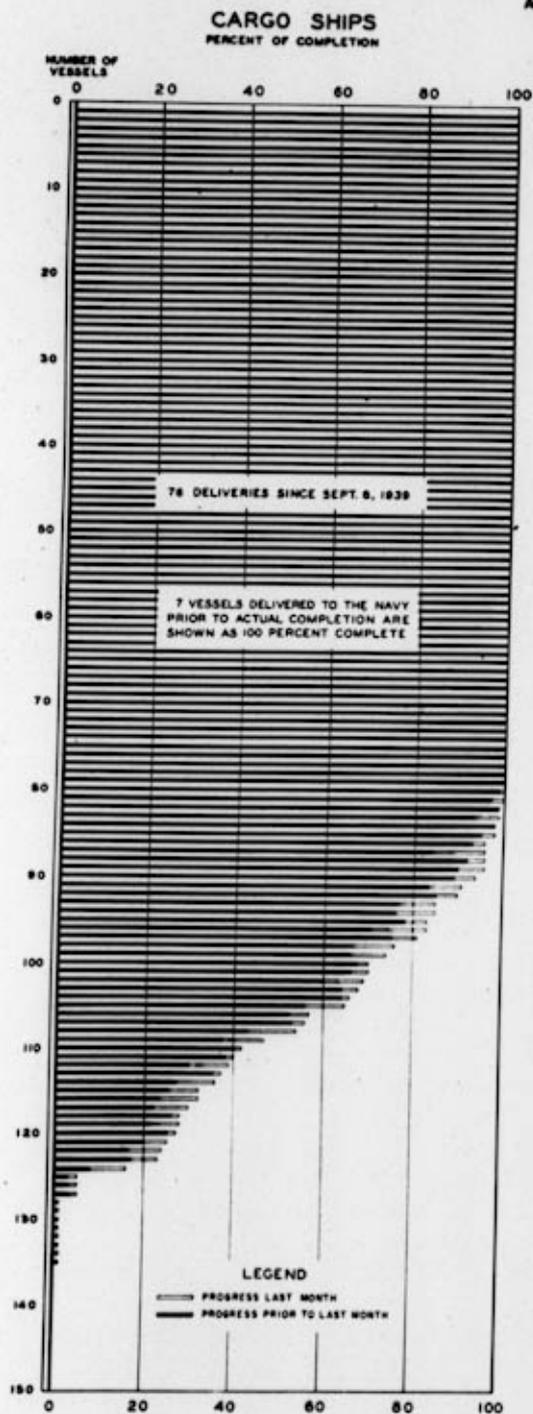


\* ARMY - BASED ON PHYSICAL COMPLETION  
NAVY - BASED ON EXPENDITURES

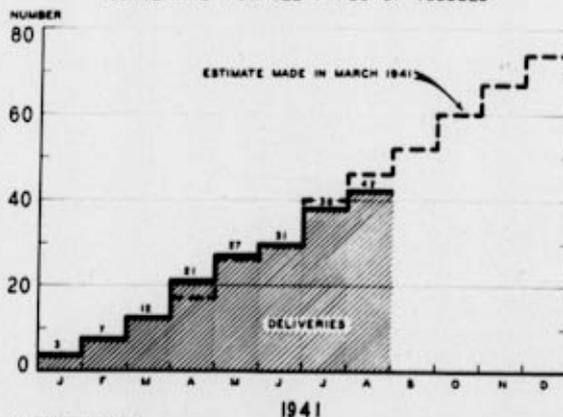
CHART 13

U S MARITIME COMMISSION  
**LONG RANGE SHIP CONSTRUCTION PROGRAM**

AS OF SEPT. 1, 1941



**ACTUAL AND SCHEDULED DELIVERIES FOR 1941**  
 CUMULATIVE FOR ALL TYPES OF VESSELS



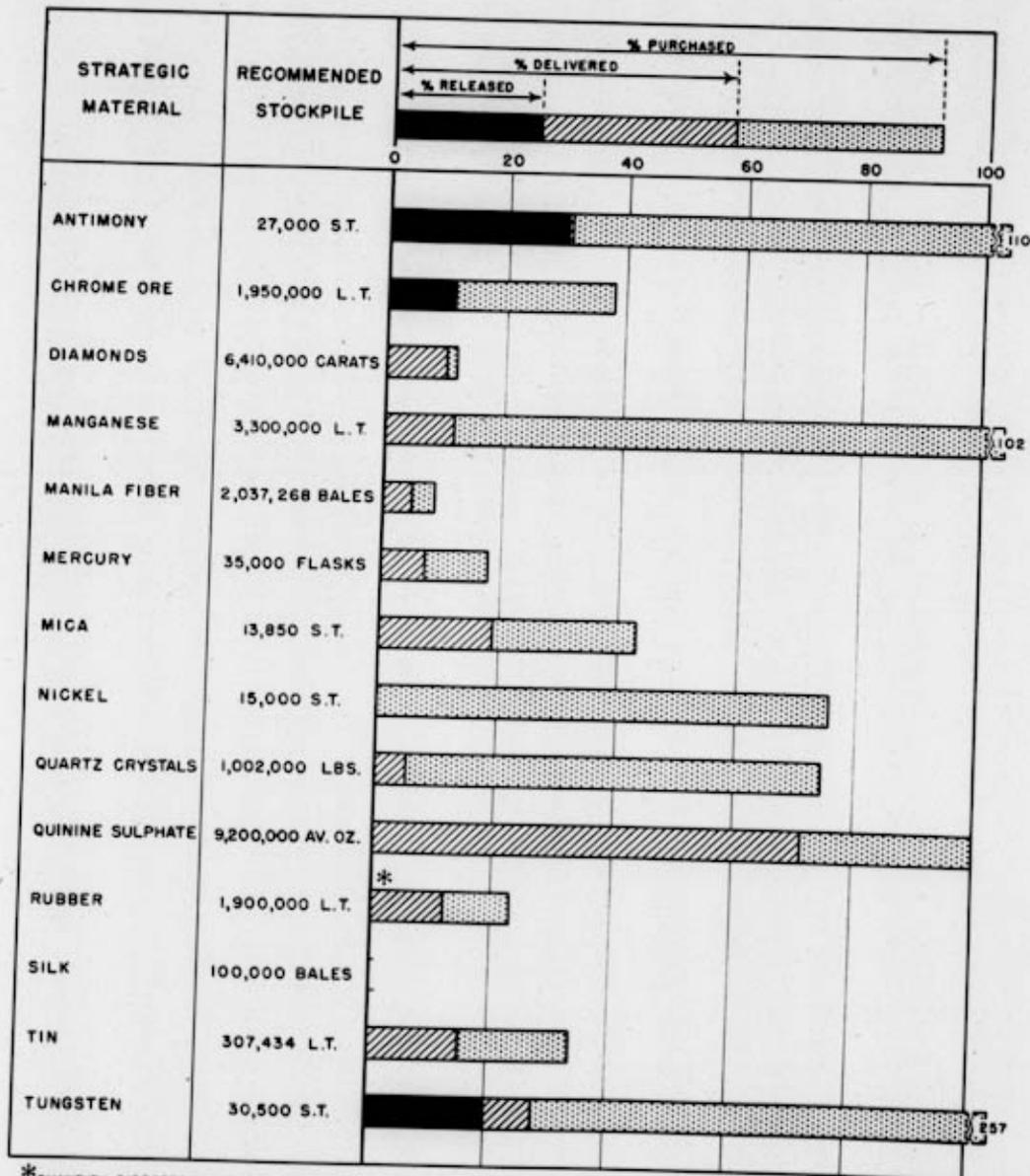
NOTE: STANDARD TYPE VESSELS FOR WHICH NO PROGRESS HAS BEEN REPORTED ARE NOT INCLUDED IN THE ABOVE CHARTS

CHART 14

# STRATEGIC MATERIALS STOCKPILE PROGRAM

(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED STOCKPILE PROGRAM)

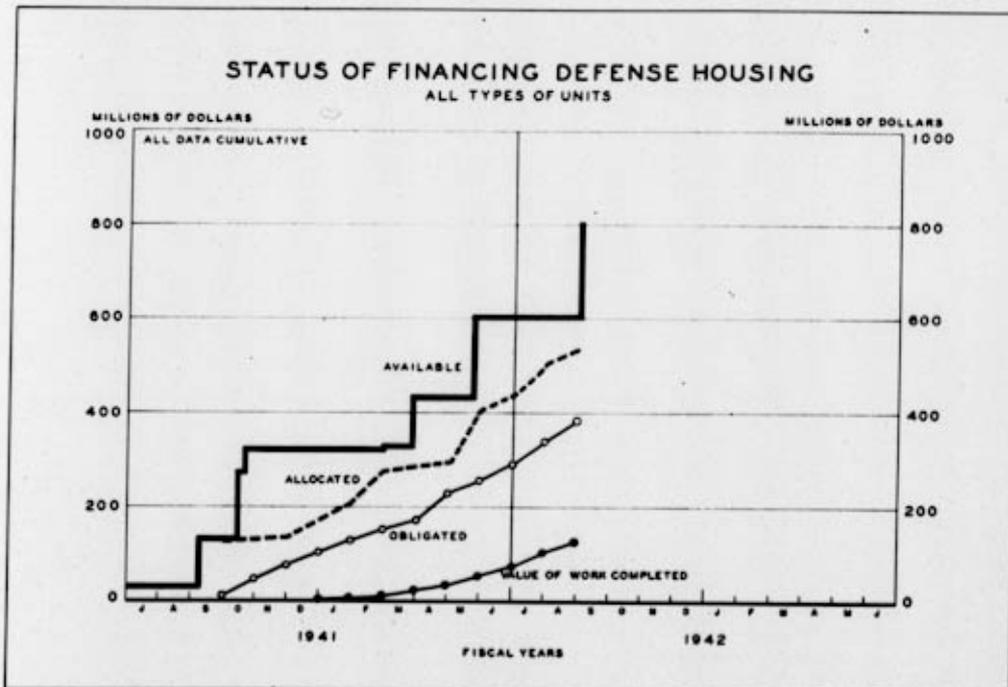
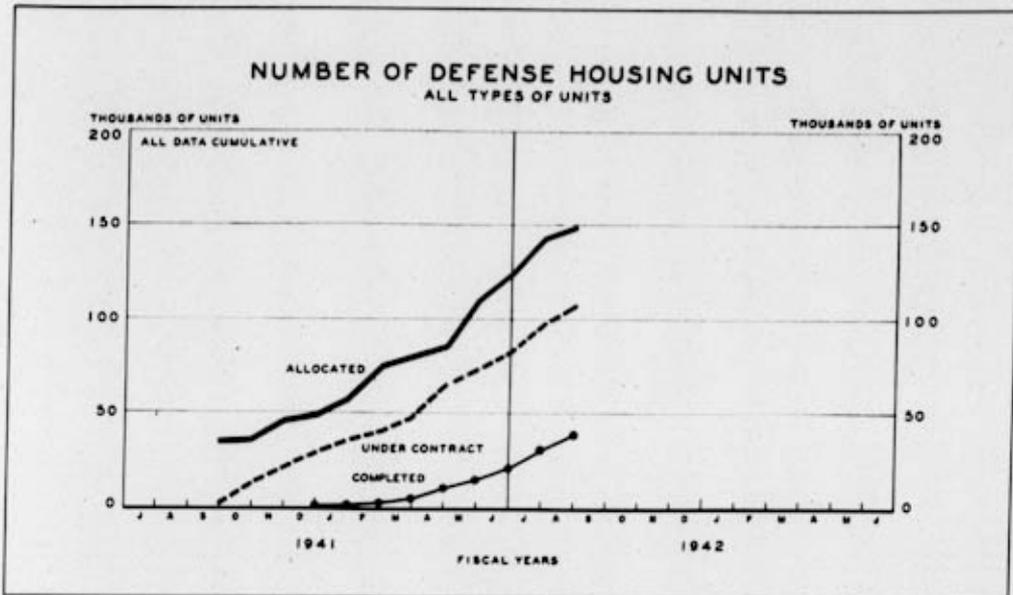
AS OF SEPT. 13, 1941



\*QUANTITY DISPOSED OF NOT AVAILABLE

CHART 15

DEFENSE HOUSING PROGRAM



PRESIDENT'S SECRETARY'S FILE  
Subject File  
Bureau of the Budget:Progress  
Rpts.Natl.Def.:Oct.-Dec.1941  
Box 95