

Report 23

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

August 31, 1942

Prepared by
Bureau of the Budget
Executive Office of the President

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

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D. C.

file

FOR THE PERSONAL ATTENTION OF THE PRESIDENT.

W. C.

9-7-42

Report 23
Copy 1

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

August 31, 1942

Prepared by
Bureau of the Budget
Executive Office of the President

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 501 and (F)

OMB Letter, 11-27-73

By SLR, NARS Date JAN 22 1973

CONTENTS

	Page
I. Summary	1
II. Aeronautical Program	2
III. Army	8
IV. Navy	16
V. Merchant Shipping	19
VI. War Production Facilities	21
VII. Stockpile and Public Purchases of Basic War Commodities	23
VIII. Civilian War Housing	24
IX. War Finances	25
X. Seven-Point Program for Stabilization of the Cost of Living	27
XI. Priorities, Allocations, Rationing, and Price Control	28
XII. Labor and Manpower	30
XIII. Progress Charts	32

I. SUMMARY

Aircraft Production

Acceptances: July — 4,109; August — 4,284
Scheduled: August — 4,688
(Page 2 and Chart 1)

Army Ordnance Production

July deliveries: 292 - 90mm antiaircraft guns
150,000 rifles
2,200 tanks
(Page 8)

Navy Ship Construction

August deliveries: One 10,000-ton cruiser
Nine destroyers
Four submarines
(Page 18 and charts 3-6)

Merchant Shipping

United Nation losses from December 1, 1942
through August 23 totaled 8.5 million dwt.
New construction was 5 million dwt.

Merchant ship construction in U. S. during August:
68 vessels — 753,000 dwt.
9 Liberty vessels averaged 50 days from
keel laying to delivery.
(Pages 19-20; charts 7, 8)

Military Personnel

3,600,000 men were in the Army at the end of
August.

(Page 13 and chart 2)

II. AERONAUTICAL PROGRAM

August Aircraft Production

Military aircraft accepted in August totaled 4,284, as compared with 4,095 in July and 4,688 scheduled. Airframe weight production increased 5 percent over July to 23.5 million pounds, but acceptances of tactical types decreased 3 percent -- from 2,750 in July to 2,667 in August.

Aircraft Acceptances for August

Type	Acceptances			
	July	August	Increase or Decrease	Percent of Aug. Schedule
Bomber, 4-engine	213	234	21	100
Bomber, 2-engine	556	642	86	78
Bomber, 1-engine	282	274	-8	74
Fighter	1,008	895	-113	90
Total combat	2,059	2,045	-14	84
Observation, etc.	498	465	-33	86
Transport, 4-engine	1	5	4	100
Transport, 2-engine	192	152	-40	70
Total tactical	2,750	2,667	-83	83
Trainers	1,359	1,617	258	109
Grand total	4,109	4,284	175	91

The "pool" of accepted but undelivered aircraft increased 19 percent from 953 at the end of July to 1,131 on August 31. Sixty-six percent of these were tactical types.

Aircraft Production Schedules

The following table compares for tactical aircraft the WPB aircraft production schedule 8-K, issued during August, with the President's Program for 1942 and 1943 production. Only 115,000 of the 145,000 tactical aircraft requested for the two years have been assigned to specific production facilities, and to date it has been impossible to assign to specific facilities the additional production required to fulfill the objective.

President's Program Vs. W.P.B. Schedules for Tactical Airplanes

	President's Program 1-3-42	Schedule 8-K	
		Assigned Production	Unassigned Production
<u>1942</u>			
Long-range, heavy, medium, and patrol bombers	10,786	7,464	3,322
Light, dive, torpedo, and scout bombers	10,110	7,738	2,372
Fighters	14,337	11,942	2,395
Observation and transports	8,353	7,348	1,005
Total	43,586 (45,000)	34,492	9,094
<u>1943</u>			
Long-range, heavy, medium, and patrol bombers	28,058	22,525	5,533
Light, dive, torpedo, and scout bombers	20,445	19,382	1,063
Fighters	38,798	27,985	10,813
Observation and transports	14,113	10,660	3,453
Total	101,414 (100,000)	80,552	20,862
Grand total	145,000	115,044	29,956

For 1942, Schedule 8-K calls for 663 bombers and 724 fighters less than were contemplated in Schedule 8-J of April 15, 1942.

Army Air ForcesA. Airplanes

The Army reported 22,717 modern-type, delivered airplanes on hand July 31 — an increase of 2,260 during the month. Reports are not available to indicate physical losses or condemnations during the month or over-all requirements for the 224-group program.

Army Airplanes, July 31, 1942
(Suitable Types Only)

	<u>On Hand</u> <u>July 31, 1942*</u>	<u>Change</u> <u>During</u> <u>July</u>
Tactical:		
Combat:		
Bombers, heavy	1,044	205
Bombers, medium	1,064	330
Bombers, light	721	115
Fighter	<u>3,352</u>	<u>634</u>
Total combat	6,181	1,284
Service combat:		
Transport:		
Heavy	13	9
Medium	776	189
Light	35	5
Communications	<u>2,663</u>	<u>324</u>
Total tactical	9,668	1,811
Trainers	<u>13,049</u>	<u>449</u>
Total planes	22,717	2,260

*Without reference to condition.

B. Personnel of the Army Air Forces

The active duty strength of the Army Air Forces, including personnel assigned from other services, totaled 840,000 at the end of July, an increase of 90,000 during the month. Personnel requirements for the 224-group program are not available. The 115-group program called for 1,078,000 men.

Active Duty Strength of Army Air Forces, July 31, 1942

	<u>Officers</u>	<u>Enlisted Men</u>	<u>Total</u>
Pilots	21,520	2,747	24,267
Bombardiers	1,357	819	2,176
Navigators	1,986	—	1,986
Observers	640	—	640
Engineers	1,290	—	1,290
Armament and gunners	882	4,926	5,808
Weather	312	—	312
Communications	707	—	707
Photographic	341	—	341
Student officers	4,806	—	4,806
Aviation cadets	—	51,965	51,965
Other AAF	23,335	558,258	581,593
Assigned Arms and Services	<u>11,718</u>	<u>153,028</u>	<u>164,746</u>
Total	68,994	771,743	840,637

Civil Aeronautics Administration

A. Development of Landing Areas

The program undertaken by the CAA in the fall of 1940 to build aircraft landing areas has thus far involved 688 sites in the U.S. and Alaska and five direct appropriations, totaling \$400 million. Of this amount, \$200 million was appropriated on July 25, 1942. Contributions to this program by the WPA amount to an additional \$34 million.

The actual construction and development work is being carried out mostly by contract under the supervision of the Corps of Engineers, the WPA, the Bureau of Yards and Docks, and the CAA itself.

Data on the status of this program follows:

Status of Landing Area Projects as of July 31, 1942

	<u>Number of Projects</u>	<u>Amount</u>
Allotted program:		
CAA supervision	60	\$ 31,119,723
Corps of Engineers' supervision	293	130,681,790
Bureau of Yards and Docks'		
supervision	5	3,816,230
WPA supervision	129	23,387,469
Total allotted	487	189,005,212
Unallotted balance		185,995,888
Total available for construction	688	\$375,001,100
Completed projects	106	36,763,814
Construction not started	100	46,319,803
Projects under construction (exclu- sive of WPA and Navy):		
0 - 25% complete	58	28,397,023
25 - 50% complete	44	22,716,191
50 - 75% complete	44	25,806,260
75 - 100% complete	76	31,673,380
Total	222	\$108,592,854

Civilian Pilot Training

The Civilian Pilot Training Program of the CAA was started in 1939 in cooperation with 13 colleges. By July 1942 it had expanded to over 600 educational institutions and 700 airports, utilizing some 3,500 instructors and 3,800 aircraft. During this period nearly 125,000 courses have been given to approximately 90,000 enrollees. Over 2,000 graduates of the CPT instructor schools have been supplied the Army Air Forces during the past six months. All trainees are now required to be enlisted in either the Army Air Forces Enlisted Reserve Corps or the Naval Reserve.

Summary of Civilian Pilot Training Program From Beginning to July 1, 1942

	Enrolled	Completed	Eliminated	In Training	Records in Process
Elementary college	76,137	59,458	12,276	---	4,403
Elementary noncollege	8,334	6,206	755	---	1,373
Secondary	18,181	13,475	3,016	563	1,127
Cross country	4,367	3,551	131	658	27
Link instrument	250	10	1	239	—
Instructor courses	7,749	3,846	713	3,096	94
Flight officer	152	62	43	47	—
Refresher courses	9,082	6,548	2,472	---	62
Total	124,252	93,156	19,407	4,603	7,086
<u>Pan-American 1941-42</u>					
All courses (flight)	46	23	15	—	8
<u>Inter-American 1942</u>					
All flight courses	388	195	32	31	130
Administrative engineer	16	—	3	13	—
Instructive mechanic	96	—	4	92	—
Airplane service mechanic	121	38	17	66	—

III. ARMYProcurement of Equipment

The following represents the status of the procurement of selected ordnance materiel on August 1, 1942.

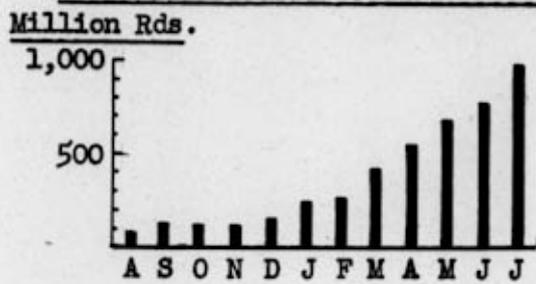
Procurement Program of Selected Critical Ordnance Materiel, August 1, 1942*
(Includes Defense Aid and Navy Items Procured by the Army)

	Army Supply Program to 12-31-42	Deliveries			
		Anticipated 7-1-40 to 12-31-42#	Actual		
			7-1-40 to 7-31-42	June	July
<u>Aircraft</u>					
Gun, 20mm	44,179	53,859	33,859	6,282	6,006
Gun, 37mm	5,811	6,741	3,041	463	496
<u>Antiaircraft</u>					
Gun, 90mm	2,882	3,729	1,190	178	292
Gun, 40mm	11,100	9,223	2,026	589	879
Gun, 37mm	4,022	3,311	1,253	203	174
<u>Combat Vehicles</u>					
Tank, light (less armament)	13,504	14,432	6,927	771	889
Tank, medium (less armament)	15,373	20,118	7,236	965	1,300
Personnel carrier, half track	14,608	14,683	10,079	433	550
<u>Artillery</u>					
Howitzer, 155mm (H.S.)	1,960	1,734	1,584	0	0
Gun, 155mm (H.S. and new)	1,347	1,359	948	109	76
Gun, 75mm (A.T.)	50	2,116	1,872	178	191
Howitzer, 105mm (S.P. and field)	6,366	6,884	3,738	184	622
Howitzer, 75mm (S.P., field, and pack)	3,487	2,558	1,014	48	94
Gun, 37mm (A.T. and S.P.)	19,358	16,928	9,378	1,384	1,849
Mortar, 81mm	6,254	7,851	5,351	652	680
Mortar, 60mm	10,549	14,027	9,827	854	302
<u>Small Arms</u>					
Garand rifle	1,365,151	1,187,586	748,586	58,980	66,300
Other rifles (cal .30 & .303)	2,974,537	1,199,274	356,319	71,724	83,495
Machine gun, cal. .30	321,878	385,895	207,512	25,261	24,449
Machine gun, cal. .50	375,447	398,062	206,809	29,425	28,952

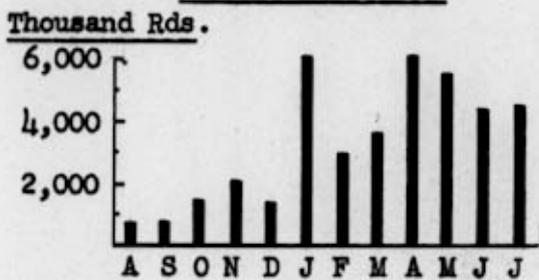
*Proof firing may not be complete, and self-propelled guns lack motor carriage.
#Based on assignment to available facilities.

MONTHLY PRODUCTION OF SELECTED ORDNANCE ITEMS
FOR 12 MONTHS TO AUGUST 1, 1942

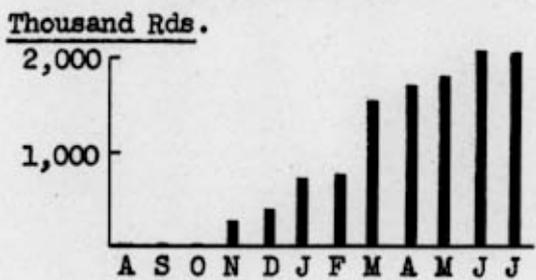
CAL. .30 AND CAL. .50 AMMUNITION



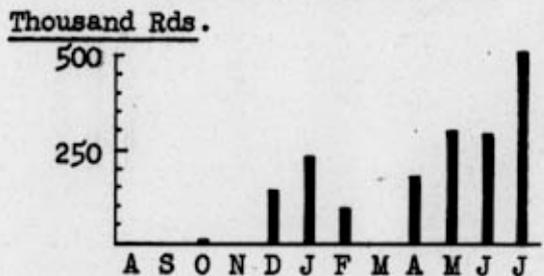
20 MM. AMMUNITION



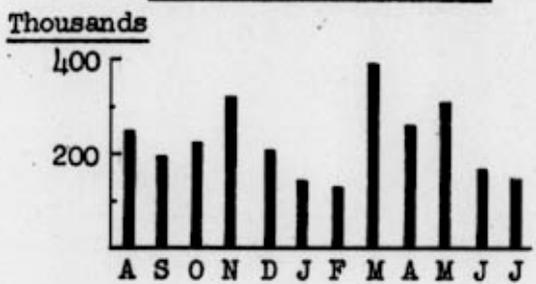
75 MM. AMMUNITION



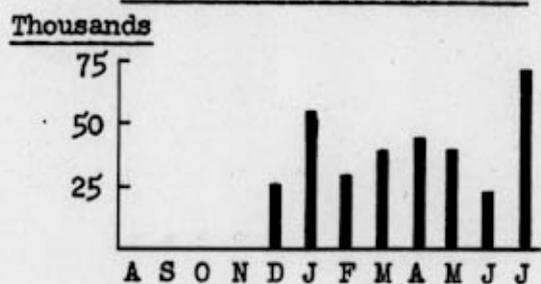
90 MM. A.A. AMMUNITION



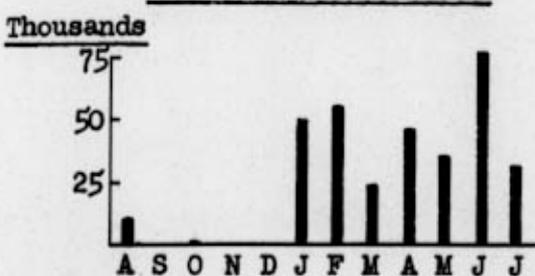
100 LB. AIRCRAFT BOMBS



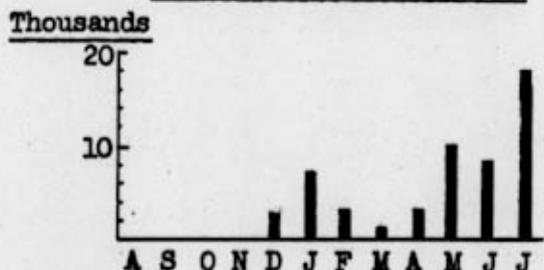
250-300 LB. AIRCRAFT BOMBS



500 LB. AIRCRAFT BOMBS



1,000 LB. AIRCRAFT BOMBS



Distribution of Stocks

The following represents the distribution of deliveries of selected ordnance items as reported by the Services of Supply on August 1, 1942.

Distribution of Deliveries of Selected Ordnance Items July 1, 1940 to August 1, 1942

	Issued to U. S. Troops	In Storage in U.S.	Transfers*	Total
<u>Aircraft</u>				
Gun, 20mm	3,438	19,967	7,714	31,119
Gun, 37mm	1,088	1,632	24	2,744
<u>Antiaircraft</u>				
Gun, 90mm	888	68	109	1,065
Gun, 40mm	1,362	424	104	1,890
Gun, 37mm	1,060	2	62	1,124
<u>Combat Vehicles</u>				
Tank, light (less armament)	2,163	45	3,337	5,545
Tank, medium (less armament)	1,656	14	4,576	6,246
Personnel carrier, half track	8,547	200	331	9,078
<u>Artillery</u>				
Howitzer, 155mm (H.S.)	1,599	123	278	2,000
Gun, 155mm (H.S. and new)	782	8	80	870
Gun, 75mm (A.T.)	1,592	94	20	1,706
Howitzer, 105mm (S.P. and field)	2,838	210	285	3,333
Howitzer, 75mm (S.P., field, and pack)	588	73	385	1,046
Gun, 37mm (A.T. and S.P.)	6,805	694	312	7,811
Mortar, 81mm	3,470	460	880	4,810
Mortar, 60mm	7,207	722	1,796	9,725
<u>Small Arms</u>				
Garand rifle	661,000	18,000	75,000	754,000
Other rifles (cal. .30 and .303)	1,577,000	173,000	1,603,000	3,353,000
Machine gun, cal. .30	90,000	57,000	49,000	196,000
Machine gun, cal. .50	78,000	80,000	41,000	199,000

*Includes transfers to Navy, Defense Aid, and others.

War Construction Program by the Corps of Engineers

On July 31, the Chief of Engineers had authorized 1,802 emergency construction projects estimated to cost \$7.6 billion — only a small increase since June 30. This program is limited to work within the Continental United States and does not in general include equipment for ordnance or other manufacturing plants.

<u>Number of Projects</u>	<u>Status</u>	<u>Estimated Cost</u>	<u>Percent of Total Cost</u>
943	Completed	\$3,434,000,000	45
766	Under construction	4,109,000,000	54
93	Not started	90,000,000	1
1,802		\$7,633,000,000	100

Construction in Place, by Types — July 31, 1942

Type	Estimated Cost		Construction in Place						
	Million Dollars	% of Total	Million Dollars	Percent of Estimated Cost					
				0	25	50	75	100	
Troop facilities	\$2,031	26	\$1,686	83					
Port facilities	80	1	55	69					
General storage	356	5	215	61					
Ammunition storage	279	4	190	68					
Ordnance plants & facil.	2,403	31	1,543	64					
Chemical warfare plants	204	3	118	58					
Air Corps facilities	2,083	27	1,143	55					
Miscellaneous	197	3	116	59					
Total, July 31	\$7,633	100	\$5,066	66					
Total, June 30	7,560		4,316	57					
Increase	\$ 73		\$ 750						

Civilian employment on the foregoing program reached 978,000 persons on July 31, an increase of 107,000 during July.

In addition, other C. of E. programs of construction, maintenance, and real estate acquisition total \$1,273,000,000.

Military Personnel

The estimated net increase in the strength of the Army during August was 301,000, bringing the total at the end of the month to 3,600,000.

There were 45,000 enlistments added to active duty and 310,000 selectees inducted during the month.

Estimated Active Duty Strength of the Army, Aug. 31, 1942
(Figures Subject to Correction)

	<u>Officers</u>	<u>Enlisted Men</u>	<u>Total</u>
Regular Army	15,500	525,500	541,000
Reserves	138,000	85,000	223,000
National Guard	13,900	199,500	213,400
Selectees	—	2,100,000	2,100,000
Army of the United States	81,000	384,000	465,000
Army (aviation cadets)	—	58,000	58,000
Total, August 31, 1942	248,400	3,352,000	3,600,400
Warrant officers	3,650	—	3,650
Army Nurse Corps	14,765	—	14,765
Women's Army Auxiliary Corps	437	1,050	1,487
Army Specialist Corps	290	10	300

Estimated Disposition of Army of United States, Aug. 31, 1942

	<u>Officers</u>	<u>Enlisted Men</u>	<u>Total</u>
Eastern Defense Command	7,500	124,900	132,400
Western Defense Command	7,000	125,700	132,700
Central Defense Command	250	6,100	6,350
Southern Defense Command	200	5,400	5,600
Overseas	45,000	674,000	719,000
In staging areas	3,800	63,500	67,300
In ships en route to overseas bases	1,400	22,300	23,700
Army Ground Forces	60,500	1,090,700	1,151,200
Army Air Forces	49,500	648,700	698,200
Services of Supply	73,250	590,700	663,950
Grand total	248,400	3,352,000	3,600,400

The overseas strength at the end of August was 719,000, as compared with 580,000 at the close of July — an increase of 139,000.

Selective Service

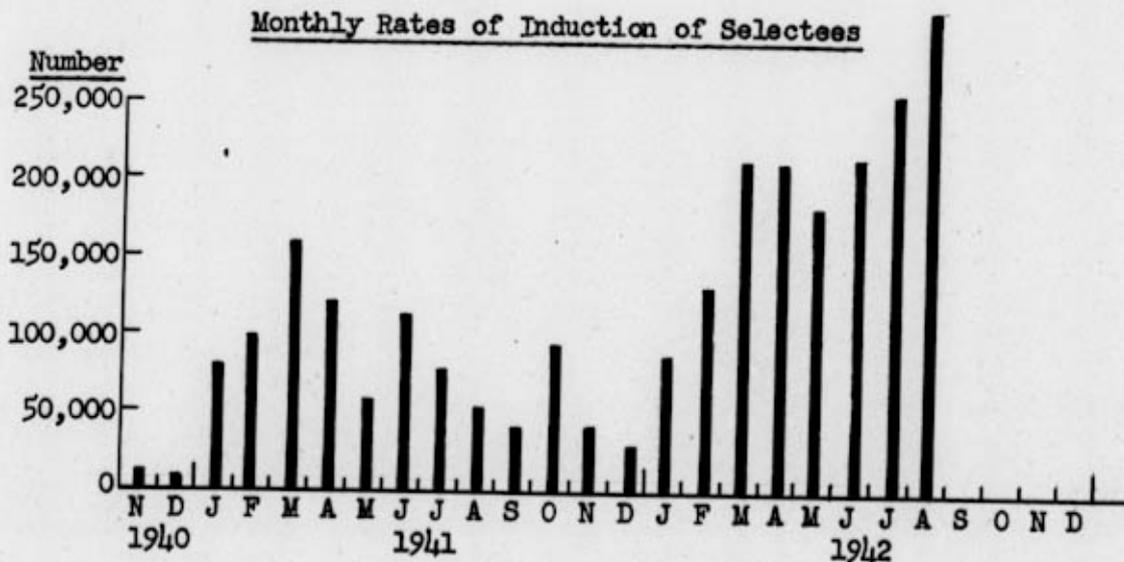
A. Registration and Classification

Through June 30, 1942, a little over 26 million men had registered with Selective Service, and 20 million of these had been classified as follows:

<u>Description of Class</u>	<u>Number</u>	<u>Percent Classified</u>
Inducted or enlisted (I-C)	2,735,031	13.7
Available for general service (I-A and I-A-0)..	894,297	4.5
Available for limited service (I-B and I-B-0)..	598,842	3.0
Physical examination pending (I)	714,383	3.6
Essential civilian worker (II-A)	349,307	1.8
Essential war worker (II-B)	424,523	2.1
Dependency (III-A)	12,290,844	61.6
Dependency and activity (III-B)	316,165	1.6
Unfit (IV-F)	1,425,899	7.1
Other	196,339	1.0
Total	19,945,630	100.0

B. Induction

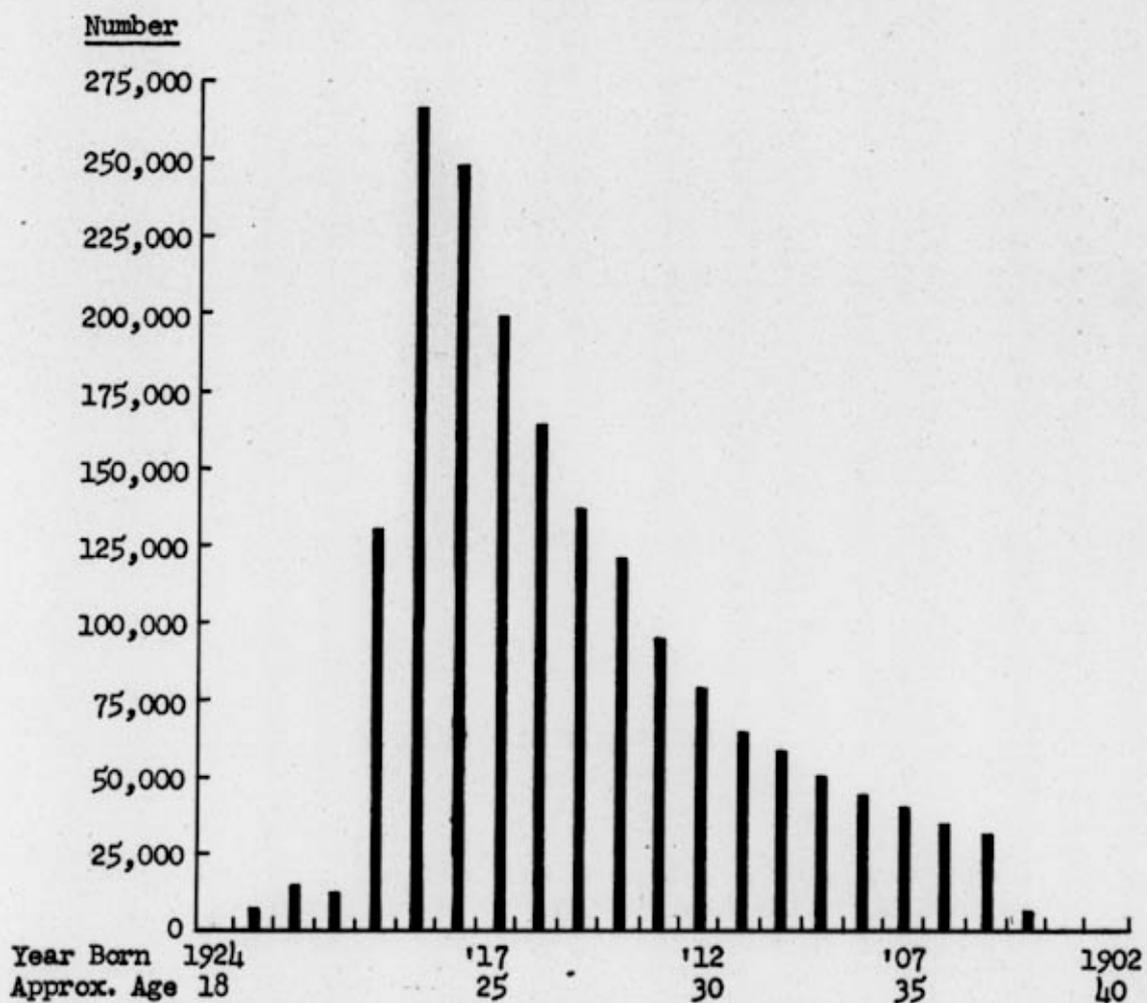
Around 2,250,000 men had been inducted into the Army by the selective service process through July 1942. The following chart shows the monthly rates of these inductions:



C. Age of Selectees

Of 1,806,000 men inducted up to June 1, 1942, 70 percent are 22 to 28 years of age. The following chart shows the approximate age distribution of these selectees:

Distribution of Selectees by Age



IV. NAVYJuly Vessel Completions

During July, one 10,000-ton cruiser, nine destroyers, and four submarines were completed. In addition, 888 other types of naval vessels were completed.

Deliveries of Naval Vessels During July

<u>Type of Vessel</u>	<u>July Deliveries</u>
<u>Combatant Vessels</u>	
10,000 ton cruisers	1
Destroyers	9
Submarines	<u>4</u> 14
<u>Patrol Craft</u>	
Sub-chasers (110 and 173 ft.)	32
Motor torpedo boats	14
District patrol craft	<u>3</u> 49
<u>Landing Craft</u>	
Large, wood personnel craft	53
Personnel landing craft with ramp	242
Vehicle landing craft	173
Mechanized landing craft	34
Tracked landing vehicle (unarmored)	84
Rubber landing craft	<u>111</u> 697
<u>Mine Sweepers</u>	
	22
<u>Lend-Lease Program</u>	
Ocean-going rescue tugs	2
Motor-driven mine sweepers	7
Cruiser hulls	2
Tank landing boats	60
Aircraft rescue boats	<u>2</u> 73
<u>District Craft</u>	
	13
<u>Special Small Boats</u>	
	<u>34</u>
Total	902

New Combatant Vessel Program

It is understood that the Navy is proceeding with the construction of 570 combatant vessels (1,900,000 tons) recently authorized by Public Law 666, under verbal clearance by the President to the Secretary of the Navy on August 7, 1942. Appropriations have not yet been made available for such construction, but these vessels are included in the 591 shown below as added during July.

Expansion of Combatant Vessel Program During July

Type of Vessel	Program July 1	Completed During July	Added During July	Program Aug. 1
Battleship	12	0	0	12
Aircraft carrier	22	0	14	36
Large cruiser	6	0	0	6
Heavy cruiser	8	0	17	25
10,000-ton cruiser	24	1	16	39
6,000-ton cruiser	4	0	3	7
2,200-ton destroyer	0	0	104	104
2,100-ton destroyer	157	3	17	171
1,620-ton destroyer	47	6	0	41
Escort vessel	250	0	420	670
Submarine	205	4	0	201
Total	735	14	591	1,312

Status of Combatant Vessel Program

The following table shows the general status of construction of the combatant vessel program on August 1, 1942. It includes those vessels which have been added under Public Law 666:

Status of Completion of Combatant Vessels
August 1, 1942

Type of Vessel	Number of Vessels							Completed in July
	Programmed or Under Construction	Percentage of Completion						
		0	0-5	5-25	25-50	50-75			75-100
Battleship	12	5*	1	3	0	2	1	0
Aircraft carrier	36	16	2	7	6	5	0	0
Large cruiser	6	4*	0	2	0	0	0	0
Heavy cruiser	25	17	0	4	2	2	0	0
Light cruiser (10,000-ton)	39	20	0	9	4	3	3	1
Light cruiser (6,000-ton)	7	3	0	2	2	0	0	0
Destroyer (2,200-ton)	104	104	0	0	0	0	0	0
Destroyer (2,100-ton)	171	41	17	50	38	19	6	3
Destroyer (1,620-30 ton)	41	0	0	2	7	14	18	6
Submarine	201	122	19	30	11	10	9	4
Escort vessel	670	550	117	3	0	0	0	0
Total	1,312	882	156	112	70	55	37	14

*Work suspended.

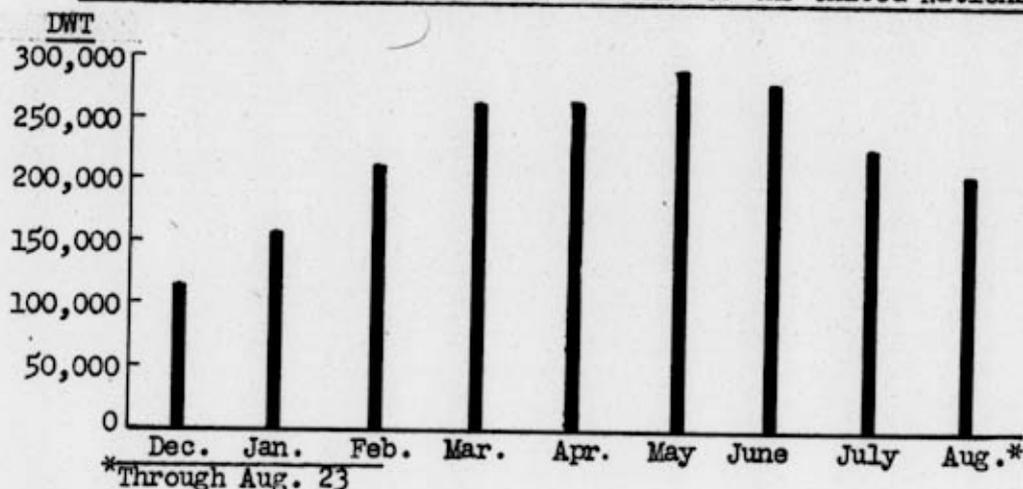
V. MERCHANT SHIPPING

Gains and Losses — United Nations

Ocean-going vessels lost by the United Nations since December 1, 1941 totaled 8,566,000 dwt. through August 23. Gains from new construction during the same period were 5,065,000 dwt. or 60 percent of the loss.

The average loss per week has been decreasing for the past three months, as shown in the following chart.

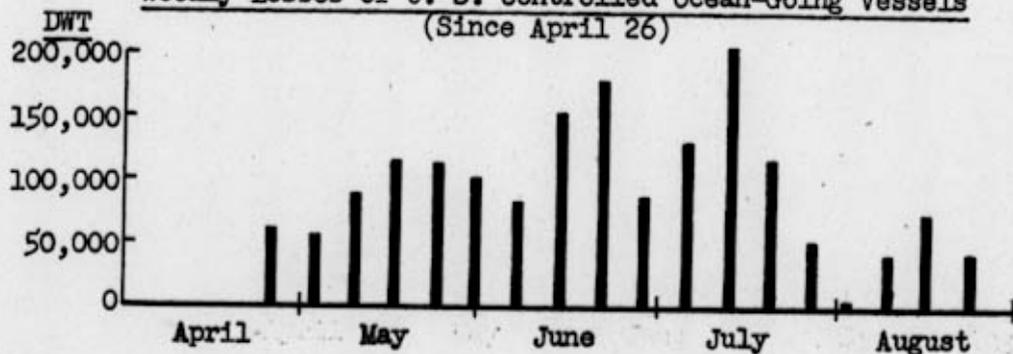
Average Weekly Loss of Merchant Vessels of the United Nations



Losses of U. S. Controlled Vessels

For the five weeks preceding August 23, the average loss of 45,000 dwt. of ocean-going vessels per week was about one-third the loss of the preceding five-week period.

Weekly Losses of U. S. Controlled Ocean-Going Vessels
(Since April 26)



Merchant Ship Construction in the U. S.

The delivery of major types of merchant vessels decreased in August to 68 vessels of 753,000 dwt., from 71 vessels in July aggregating 792,000 dwt.

August Ship Deliveries

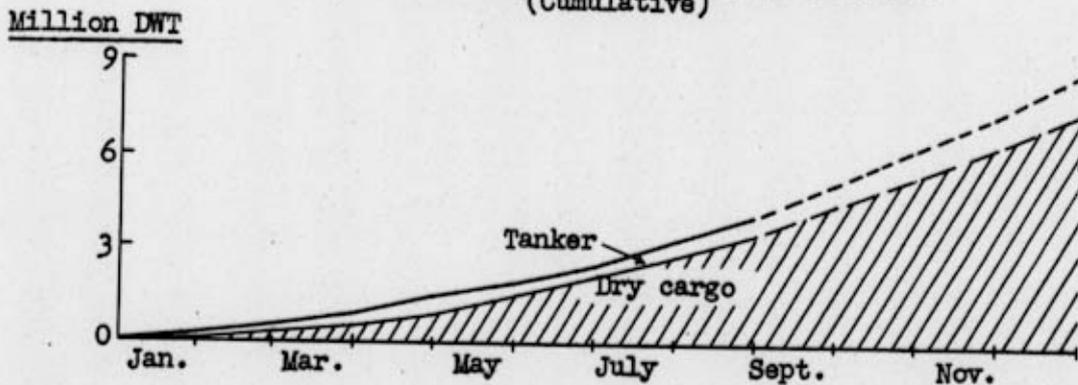
Account of	Number and Deadweight Tonnage					
	Tankers		Dry Cargo		Total	
	No.	DWT.	No.	DWT.	No.	DWT.
Maritime Commission	2	33,200	61	653,300	63	686,500
British	-	-	2	20,200	2	20,200
Private	2	29,300	1*	16,650	3	45,950
Total	4	62,500	64	690,150	68	752,650

*Ore carrier

262 Liberty-type vessels have been completed since the start of the program, with an average time of 135 days from keel laying to launching. The August average for 57 Liberty ships was 80 days, and one contractor built nine vessels with an average of 50 days.

Present schedules call for the delivery of 899 vessels of 8,900,000 dwt. during 1942. Deliveries scheduled for December total 1,370,000 dwt., which is equal to a rate of 16,500,000 per year.

U. S. Merchant Ship Construction for 1942 (Cumulative)



VI. WAR PRODUCTION FACILITIES

Total Contracts

Up to August 1, the War and Navy Departments, the Defense Plant Corporation, and the Maritime Commission had made obligations by actual contracts for over 1,920 production facility projects at an estimated cost of approximately \$13.7 billion. This includes projects financed from Defense Aid appropriations, and it represents an increase of around \$600 million for the month of July.

Production Facilities Under Contract on August 1, 1942

<u>Type of Facility</u>	<u>Number of Projects</u>	<u>Estimated Cost (millions)</u>
Aircraft	360	\$2,587
Ordnance	580	5,244
Shipbuilding	448	2,034
Other	532	3,794*
Total	1,920	\$13,659

*Includes machine tool purchases by the Defense Plant Corporation at \$1.3 billion.

Agencies Financing

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

	<u>Number of Projects</u>	<u>Obligations</u>	
		<u>August 1 (millions)</u>	<u>Increase Since July 1 (millions)</u>
War*	648	\$5,509	\$131
Navy	752	2,595	94
Defense Plant Corporation	979	6,289	362
Maritime Commission	35	395	31
Gross total	2,414	\$14,788	\$618
Less: Overlap with DPC	494	1,129	19
Net total	1,920	\$13,659	\$599

*Does not include projects with conditional or contingent liability to Defense Plant Corporation.

War and Navy Funds and Obligations

At the first of August, the War and Navy Departments had obligated by contracts 71 percent of the \$11 billion available for expansion of production facilities and plants.

	<u>Available Funds (millions)</u>	<u>Contracts* Awarded (millions)</u>	<u>Percent Contracted</u>
<u>War</u>			
Aircraft	\$1,256	\$ 960	76
Ordnance	5,232	4,336	83
Other	683	212	31
Unallotted funds	<u>262</u>	<u>—</u>	<u>—</u>
Subtotal	\$7,433	\$5,508	74
<u>Navy</u>			
Aircraft	662	510	77
Ordnance	785	563	72
Shipbuilding	<u>2,482</u>	<u>1,522</u>	<u>61</u>
Subtotal	<u>\$3,929</u>	<u>\$2,595</u>	<u>66</u>
Grand total	\$11,362	\$8,103	71

*Includes amounts obligated on Defense Plant Corporation projects.

Privately Financed War Facilities

Privately financed expansions, as measured by Necessity Certificates approved, numbered 8,686 on June 30 and were estimated to cost \$3 billion.

VII. STOCKPILE AND PUBLIC PURCHASES OF BASIC WAR COMMODITIES

Strategic and critical materials are purchased by the Government;

(1) for stockpiles to be used only in case of an emergency with respect to the specific items concerned; (2) for stockpiles to be released only by WPB; and (3) for resale to industry currently upon receipt. The following table shows the status of selected items as of August 15:

S e l e c t e d B a s i c C o m m o d i t i e s

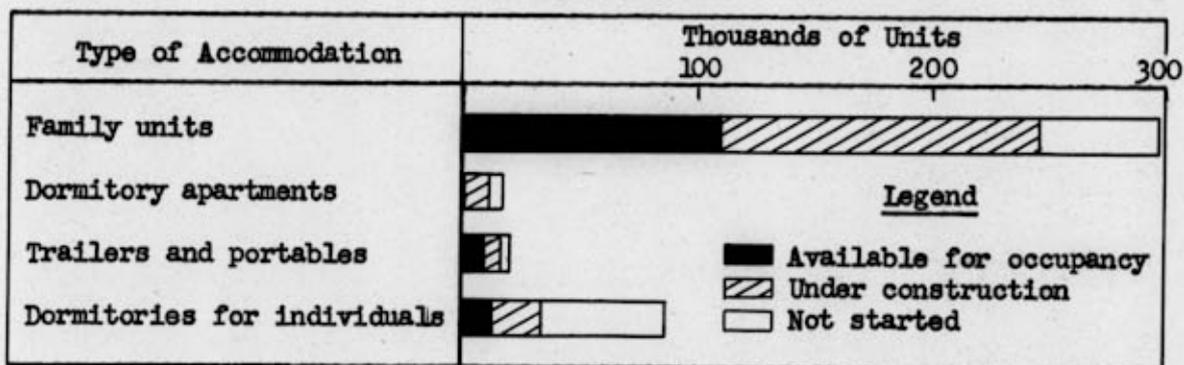
<u>Commodity</u>	<u>Unit of Measure</u>	<u>Recom- mended Purchase Program</u>	<u>Stockpile Inventory 8-15-42</u>	<u>Inventory Change Since 7-18-42</u>	<u>Inventory Change Since 12-6-41</u>
Antimony, metal	Tons	27,000	9,575	500	1,753
Aviation gasoline	1,000 barrels	0	160	160	160
Chrome ore	1,000 l.t.	1,950	513	28	236
Copper, refined	1,000 tons	600 ^{1/}	108	-10	33
Diamonds, indus.	1,000 carats	22,140	1,319	28	584
Diamond dies	Dies	23,000	9,526	-343	6,200
Manganese ore	1,000 l.t.	3,300	944	6	477
Manila fiber	1,000 bales	2,037	180	-6	27
Mercury	Flasks	85,000	27,075	-4,669	22,554
Mica	Tons	13,850	4,932	62	2,238
Nitrate of soda	1,000 tons	300	0 ^{2/}	0	-9
Opium	1,000 pounds	640	80	80	80
Quartz crystals	1,000 pounds	1,500	3,327	-72	1,837
Quinine sulphate	1,000 av. oz.	13,200	8,695	0	1,495
Rubber	1,000 l.t.	1,900 ^{1/}	415	-22	81
Silk	1,000 bales	50-100	19	-4	11
Tin, refined	1,000 l.t.	307 ^{1/}	52	4	3
Tungsten	Tons	30,500	10,369	1,465	2,687
Zinc, metal	Tons	80,000	3,408	-47	3,408
Zinc concentrates	Tons	700,000	168,953	-13,888	101,435

^{1/} Part or all of this amount consists of recommended purchases per annum.
^{2/} 178,870 tons stored in Chile.

VIII. CIVILIAN WAR HOUSING

The following chart shows the status of the \$1.4 billion public war housing program on July 31. A total of 421,000 dwelling units of all types are provided, and 133,000 of these have been completed.

Status of Public War Housing Program
July 31, 1942



In addition to the above Federal-financed program, the FHA has authority to guarantee mortgages for war housing up to \$800,000,000. This will provide for approximately 180,000 homes. Of 161,000 applications made for this type of financing, 120,000 had been accepted and 80,000 new homes had actually been started on July 31.

Federal Housing Administration Mortgage Insurance Program
July 31, 1942

	Number	Thousands	
		100	200
Homes insurable	180,000		
Applications	161,000		
Mortgages accepted	120,000		
Homes started	80,000		

IX. WAR FINANCESAppropriations

From June 30, 1940, through August 31, 1942, Congress made appropriations and other authorizations for war purposes amounting to \$206 billion. The increase during August was about \$1.0 billion.

	<u>F.Y. 1941</u>	<u>F.Y. 1942</u>	<u>F.Y. 1943</u>	<u>Total</u>
	(In b i l l i o n s)			
Appropriations and contract authorizations:*				
Army	\$13.138	\$71.335	\$42.090	\$126.563
Navy (including Coast Guard)	4.415	18.927	14.862	38.204
Defense aid	7.000	11.410	—	18.410
Maritime Commission .....	.469	5.484	.090	6.043
Defense housing .....	.420	.600	.015	1.035
Other defense activities ...	.551	2.592	2.506	5.649
Subtotal	\$25.993	\$110.348	\$59.563	\$195.904
Estimated appropriations required beyond F.Y. 1943 for completion of the expanded Navy				<u>10.592</u>
Grand total				\$206.496

*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.

War Expenditures

The total Federal expenditures for war purposes, including RFC expenditures, amounted to \$5.3 billion or \$40 per capita in August.

This represents an annual rate of \$62.6 billion.

	<u>War Disbursements During August</u>
Army	\$2,879,000,000
Navy	1,376,000,000
RFC (gross)	402,000,000
Maritime Commission	211,000,000
Other	<u>416,000,000</u>
Total	\$5,284,000,000

Gross Debt

The gross debt increased \$4.5 billion during August to a total of \$81.7 billion on August 31.

X. SEVEN-POINT PROGRAM FOR STABILIZATION OF THE COST OF LIVING

The feeling grows that the President's stabilization program is breaking down because of incomplete price controls, uncertainties with respect to wage controls, the failure of the war bond campaign to meet its objectives, and the absence of an adequate tax program. The country expects a new attack on the whole stabilization front.

Prices—Cost of Living: Living costs in large cities rose 0.4 percent from mid-June to mid-July, the second month of general price control. Unregulated goods and services advanced 1.6 and uncontrolled items 0.1 percent. Uncontrolled foods, 40 percent of the food index, advanced 2.5 percent. OPA adjustment of ceilings to protect margins may, in the case of food, raise prices $1\frac{1}{2}$ percent.

Farm Prices: Farm prices rose almost 6 percent between July 15 and August 15, while the prices of products that farmers purchase remained constant for the fourth successive month. OPA plans price ceilings for live hogs and cattle. The Secretary of Agriculture supported repeal of the 110 percent parity limitation of the Price Control Act.

Wages: Pending the Presidential announcement, the War Labor Board strengthened its stand against indiscriminate wage increases, made a strong bid for authority to review all voluntary wage changes, extended wage raises granted to "Little Steel" to employees of "Big Steel", but denied further wage increases to aluminum workers who had already received a wage offset to the rise in the cost of living since January 1, 1941.

War Bonds: August bond sales, totaling \$697 million, were \$119 million below the quota. For three consecutive months, the quotas have not been met.

Taxes: The Senate Finance Committee completed its public hearings on the House Revenue Bill and went into executive session. No over-all improvement upon the House version has been announced.

Rationing: Though machinery is being designed to meet future emergencies, rationing for most commodities is still in planning stage.

Debt Liquidation: By the end of the year, the bulk of consumer short-term debt will be paid off. Thereafter, increasing consumer incomes freed for other uses may exercise additional pressure on price ceilings.

XI. PRIORITIES, ALLOCATIONS, RATIONING, AND PRICE CONTROL

Priorities and Allocations

WPB has established a Master Urgency Rating Schedule for the assignment of AAA and AA priority ratings which are provided for by the Army and Navy Munitions Board Directive of June 8, 1942. Such a schedule is found necessary in order to maintain a balanced program.

AAA and AA ratings will not be assigned in excess of productive capacity. After a Master Urgency Rating Schedule is set up which approximates productive capacity, no new urgency ratings will be permitted without equivalent subtractions from the schedule. Urgency ratings will be assigned for a limited quantity and time.

In order to assure the maintenance of a balanced program and the assignment of ratings in accordance with the Master Urgency Rating Schedule, Chairman Nelson has advised the War Department, Navy Department, and the Army and Navy Munitions Board that, effective September 7, 1942, the authority of contracting and procurement officers of the services to issue priority orders and certificates will be terminated. Thereafter, the WPB will review all priority orders and certificates which have been prepared and recommended by the contracting and procurement officers and will issue them only when the Master Urgency Rating Schedule shows that material is available.

Price Control

Increased pressure developed during the month on OPA price ceilings on foods because of continuing advances in most farm products. Surveys

indicate that a majority of retailers are not complying with requirements for posting maximum prices and filing reports thereon. Campaigns to encourage compliance have been planned. Noncompliance may be due in part to the difficulty of interpreting OPA regulations and to the procedures for making adjustments.

Rationing

Additional rationing plans have been developed for rationing several food commodities, such as meats, canned fruits and vegetables, and coffee. Rationing of fuel oil in the East Coast region will be undertaken October 15. Rationing of occupational protective footwear will be undertaken during September. Extension of the tire rationing to include used tires may be necessary during the next few months.

Tentative reports from OPA indicate that gasoline rationing has been quite effective in reducing car mileage. Twenty control points indicate a reduction in the number of vehicles on the highway of 52 percent in the rationed area as against 11 percent in the nonrationed area.

Rent

Federal rent control was extended by September 1st to 134 areas which include a total of $45\frac{1}{2}$ million population. OPA has designated 264 additional areas as war rental areas, and local communities have been asked to stabilize rents in those areas.

XII. LABOR AND MANPOWER

Current Employment

Total employment in nonagricultural establishments* increased by 435,000 from mid-June to mid-July, according to preliminary estimates of the Bureau of Labor Statistics.

	<u>July 1942</u>	<u>Change from</u>	
		<u>June 1942</u>	<u>July 1941</u>
Employment in nonagricultural establishments	37,100,000	435,000	2,161,000
Manufacturing employment	14,559,000	257,000	1,472,000
Federal Government executive service	2,401,300	171,200	1,009,600
WPA employment	525,100	-172,700	-529,800

Training for War Jobs

Office of Education reports indicate:

	<u>Pre-Employment and Refresher Courses</u>	<u>Supple- mentary Courses</u>	<u>Engineering, Science, and Management Courses</u>
Total New Registrations:			
May	100,152	76,635	23,955
June	123,525	87,729	59,174
No. Concluding Training:			
May	99,984	80,012	47,044
June	113,468	109,200	71,190
Number in Training:			
May 31	181,841	175,316	107,990
June 30	191,898	153,845	95,974

*This excludes certain groups, such as proprietors, self-employed, domestics and casual workers, previously included in estimates of "total civil nonagricultural employment". Estimates on the latter basis are no longer made by the Bureau of Labor Statistics.

Turnover and Absenteeism

Total separations (quits, discharges, layoffs, etc.) for all manufacturing industries in June (6.46 per hundred) were slightly lower than in May but still 74 percent higher than in June 1941. Shipbuilding continues to have the highest rate (9.41) among selected war industries. Aluminum (6.34), firearms (6.10), and foundries and machine shops (6.07) follow in that order.

Absenteeism in shipyards continued in July at the same rate (8.1 percent of total time worked) as in June.

Industrial Disputes

The number of strikes affecting war production increased, but the number of workers involved and man-days lost decreased in July:

	<u>Strikes in Progress</u>	<u>Workers Involved</u>	<u>Man-Days Idle</u>
July	222	80,722	233,614
June	192	84,775	254,653

Pending labor disputes in the hands of the National War Labor Board, the U. S. Conciliation Service, and the National Mediation Board are shown below:

Number of Labor Cases Pending

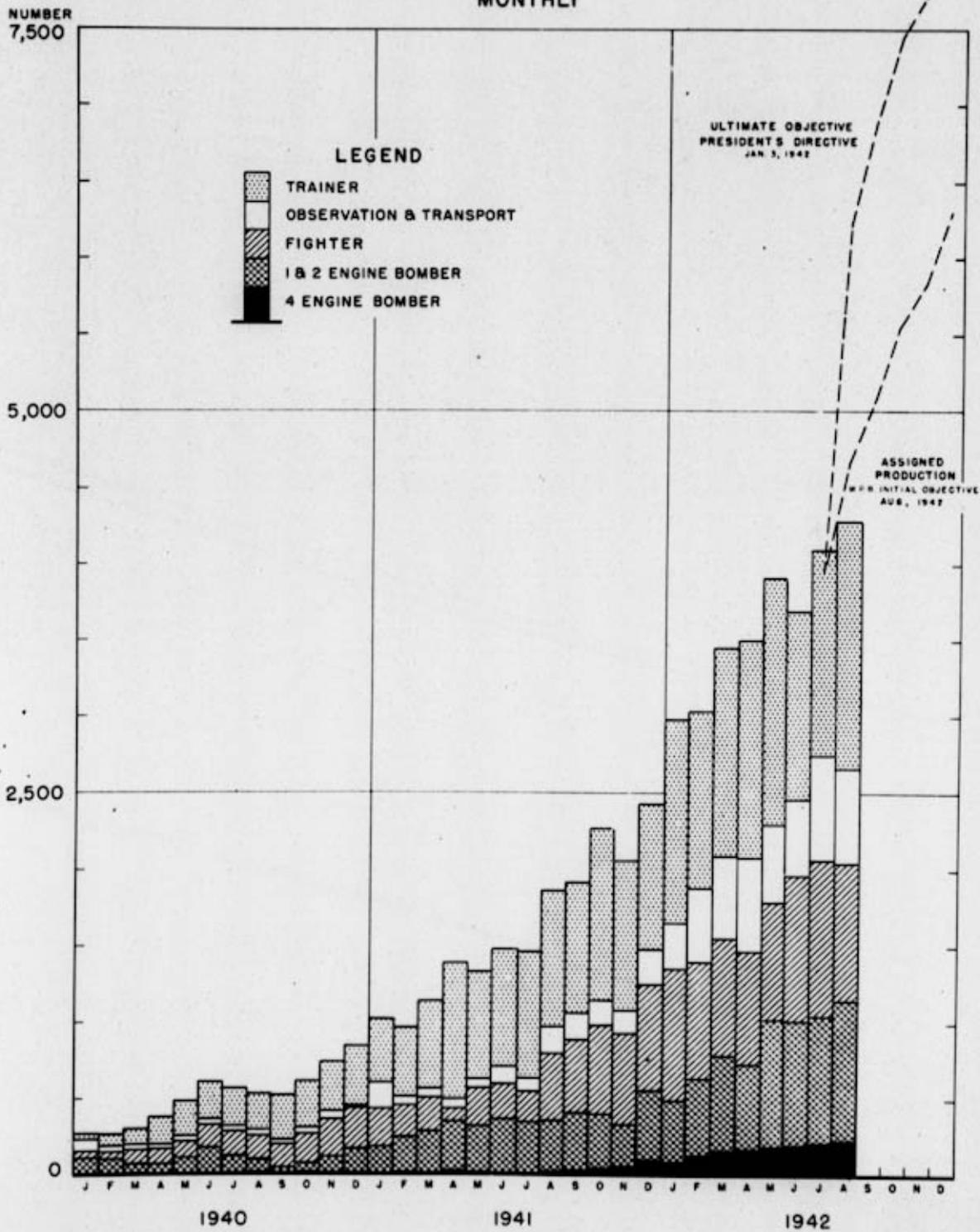
	<u>July 1</u>	<u>Aug. 1</u>	<u>Sept. 1</u>
National War Labor Board	152	199	293
U. S. Conciliation Service	1,656	1,784	1,636
National Mediation Board	153	137	144

XIII. PROGRESS CHARTS

1. Acceptances of Military Airplanes
2. Army Active Duty Personnel
3. Construction Status of Battleships, Aircraft Carriers, Large and Heavy Cruisers
4. Construction Status of Light Cruisers
5. Construction Status of Destroyers and Submarines
6. Deliveries and Schedules for Destroyers and Submarines
7. Gains and Losses of Merchant Ocean Vessels Available to the United Nations
8. Deliveries of Merchant Ships
9. Basic War Commodities
10. War Expenditures

ACCEPTANCES OF MILITARY AIRPLANES

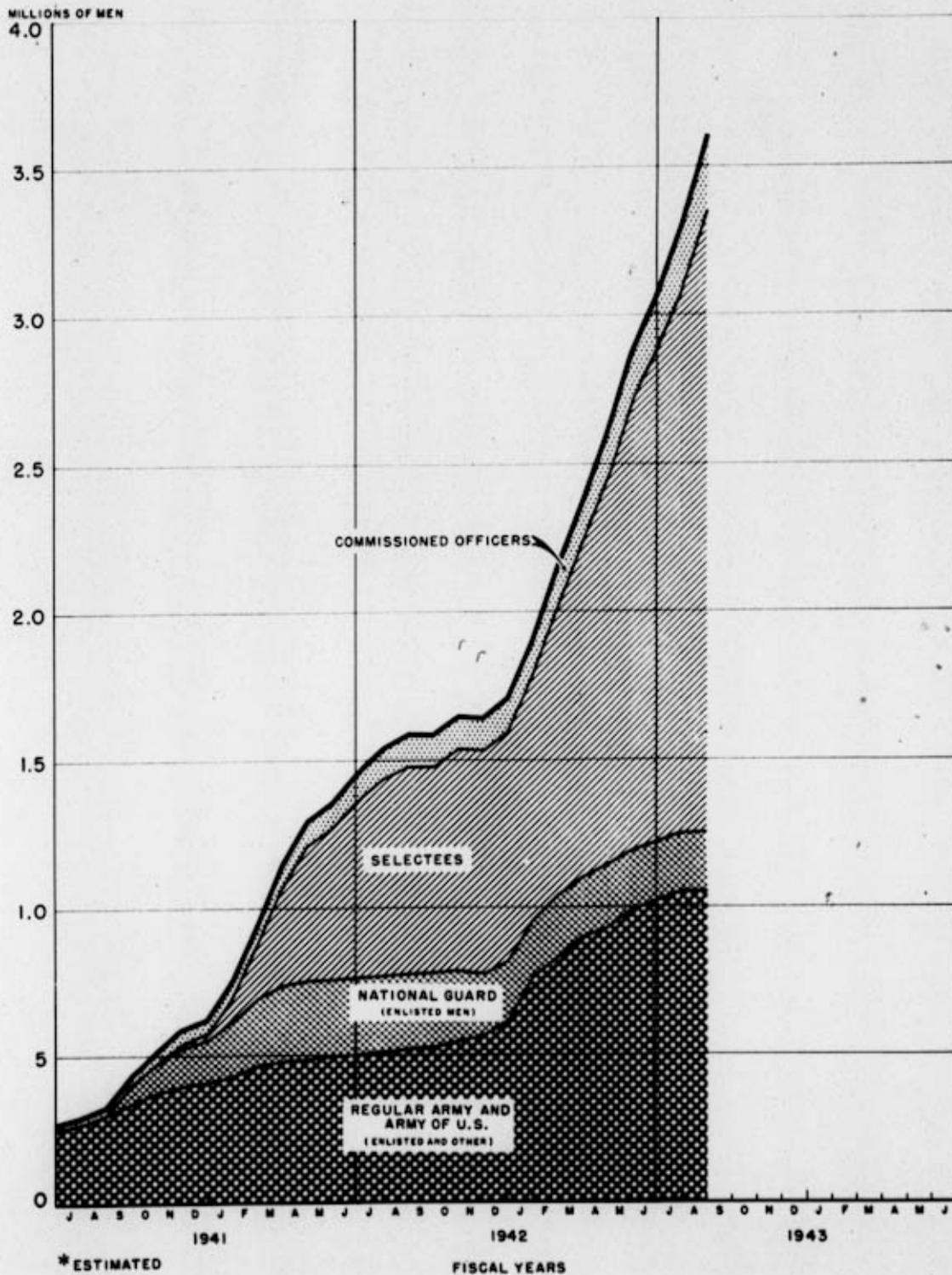
MONTHLY



SOURCE: WAA PRODUCTION BOARD

CHART 2

ARMY ACTIVE DUTY PERSONNEL*



* ESTIMATED

SOURCE: STATISTICS BRANCH - GENERAL STAFF

**CONSTRUCTION STATUS OF
BATTLESHIPS, AIRCRAFT CARRIERS, LARGE AND HEAVY CRUISERS**

AS OF AUGUST 1, 1942

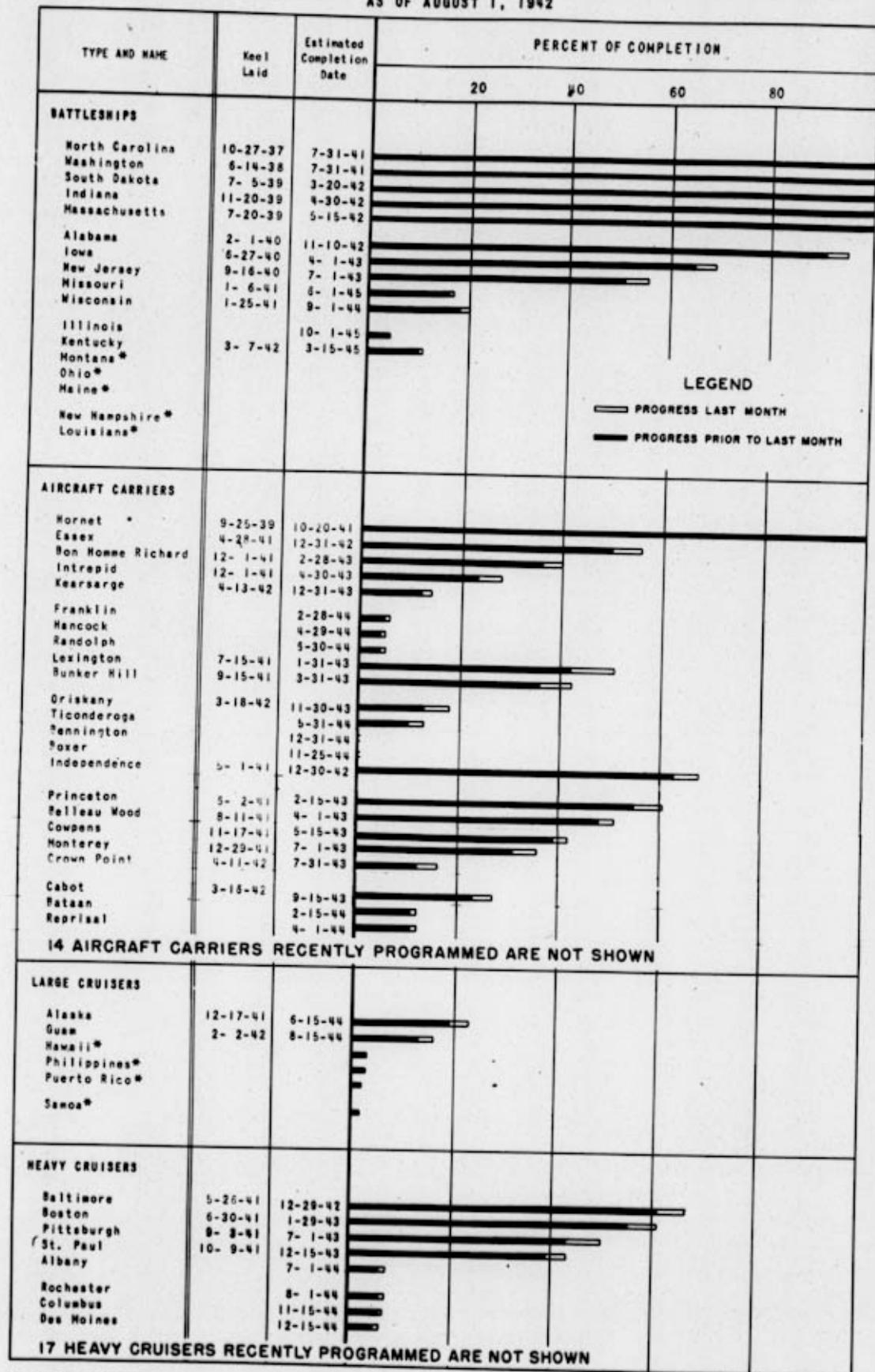
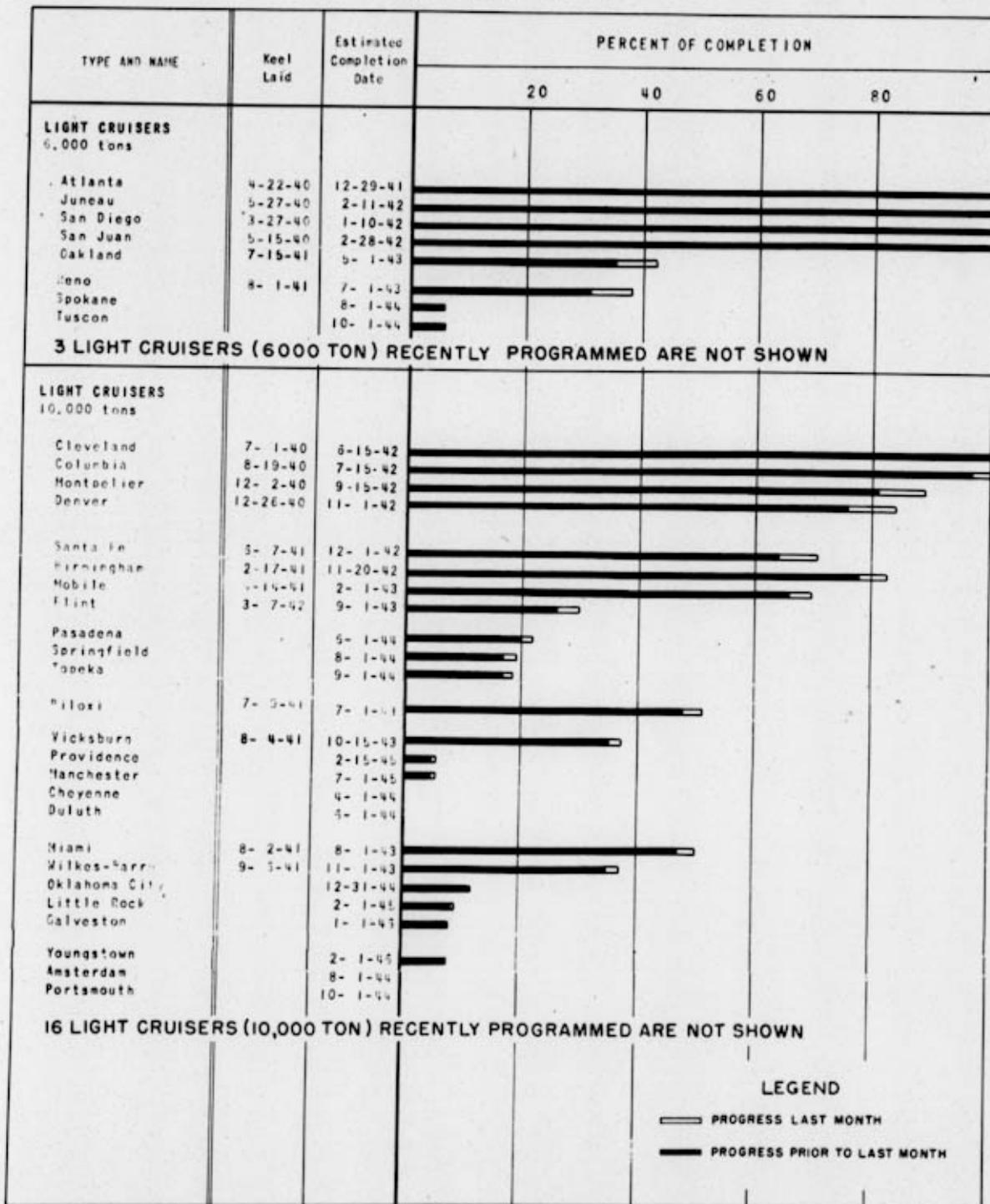


CHART 4

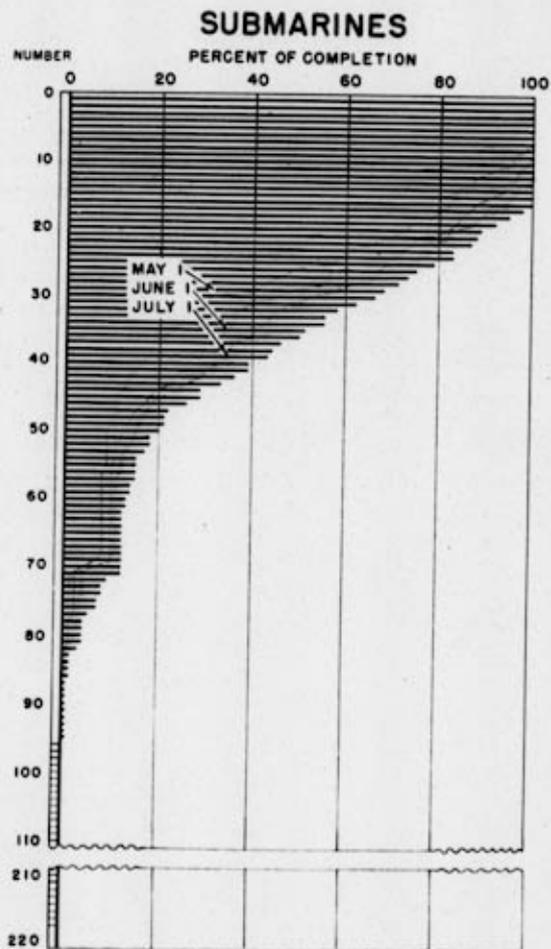
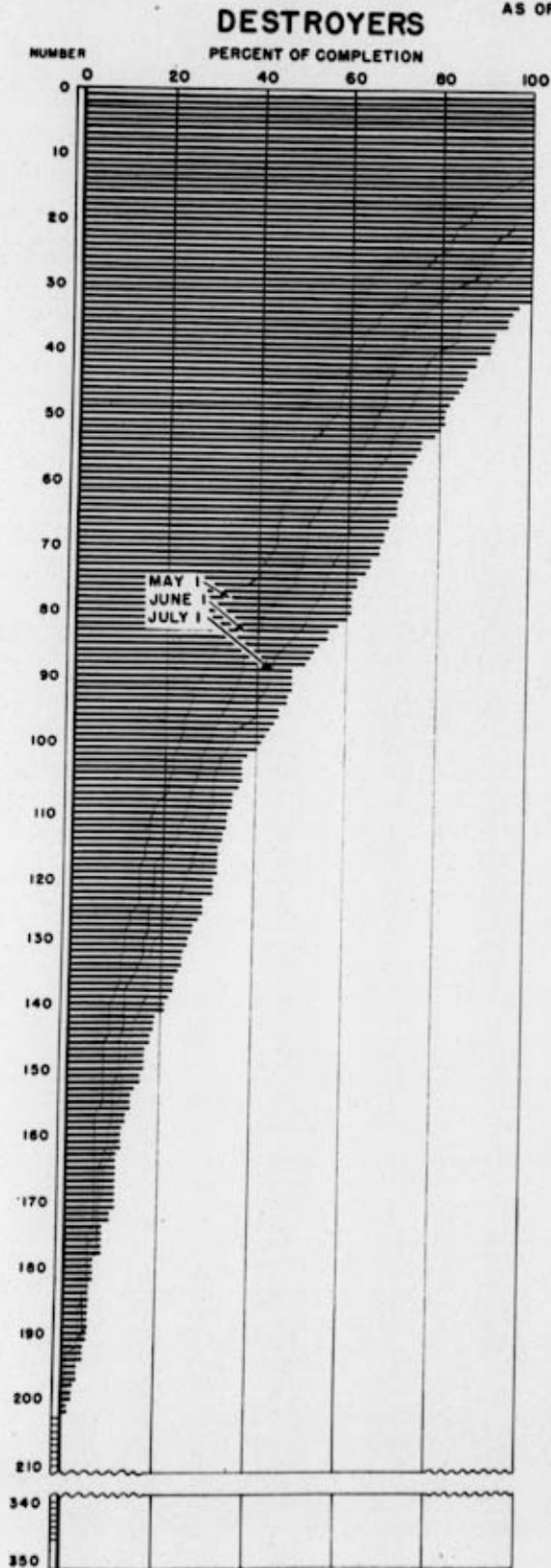
CONSTRUCTION STATUS OF LIGHT CRUISERS

AS OF AUGUST 1, 1942



CONSTRUCTION STATUS OF DESTROYERS AND SUBMARINES EXCLUDING THOSE COMPLETED PRIOR TO MARCH 1, 1942

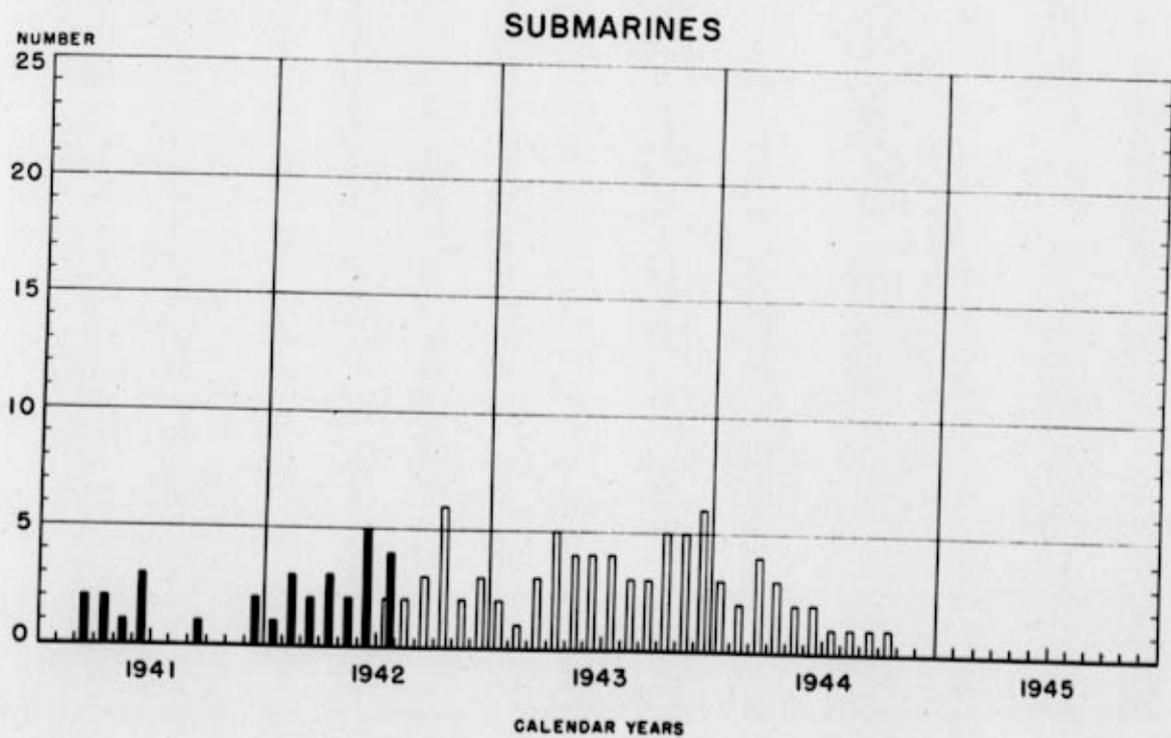
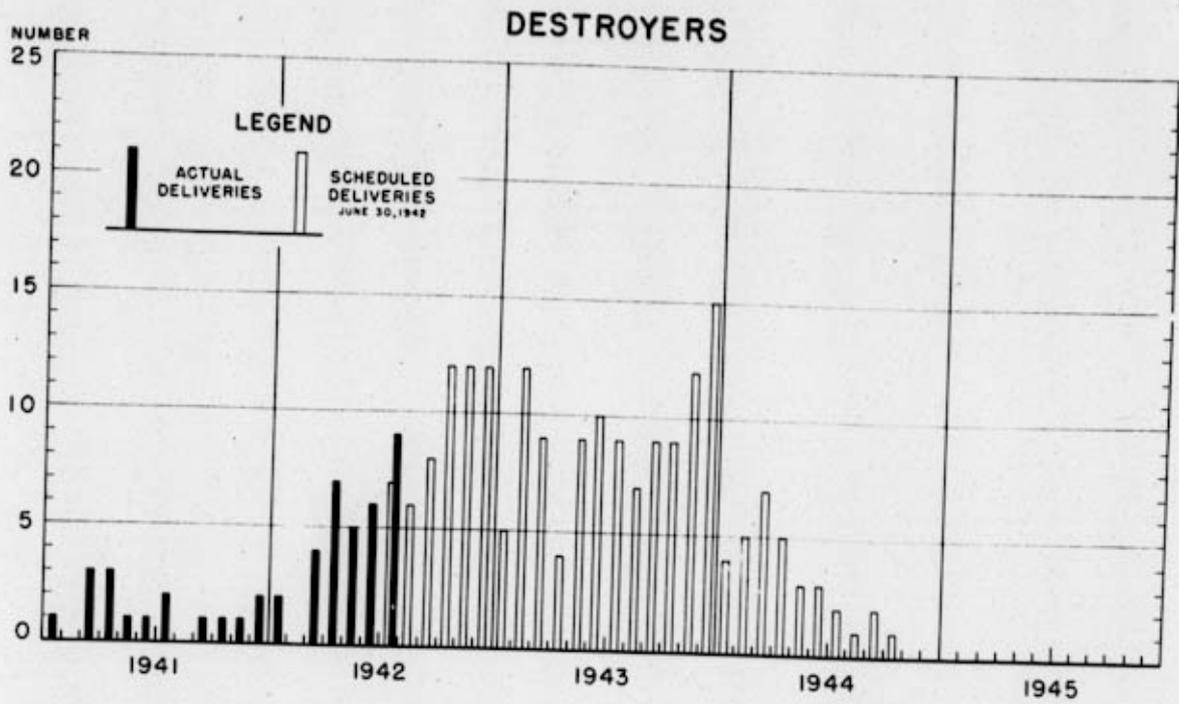
AS OF AUGUST 1, 1942



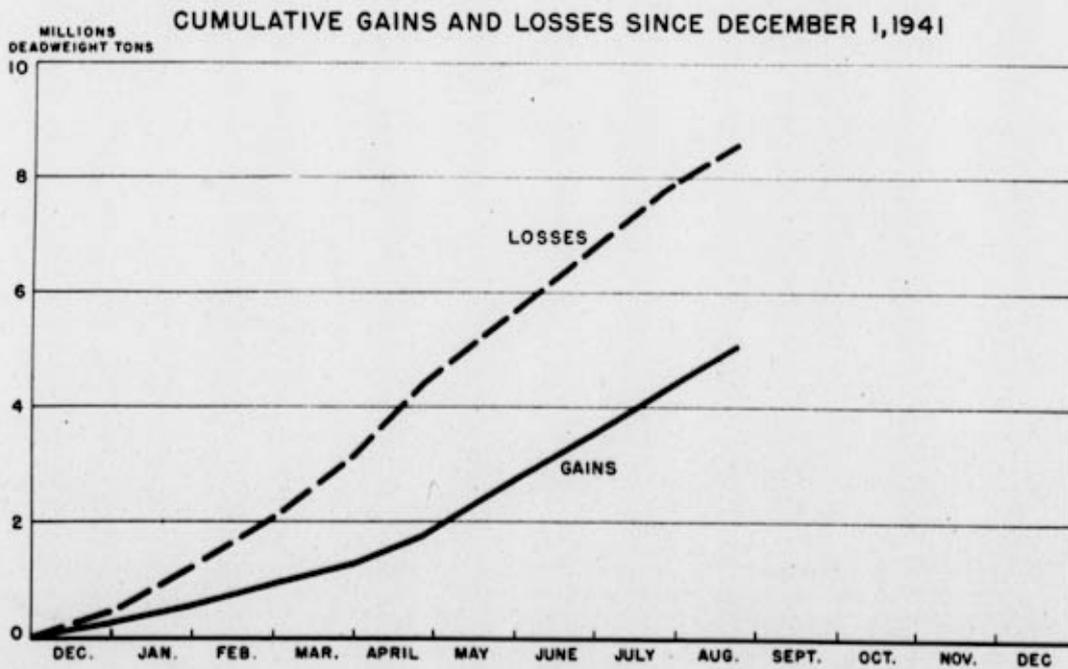
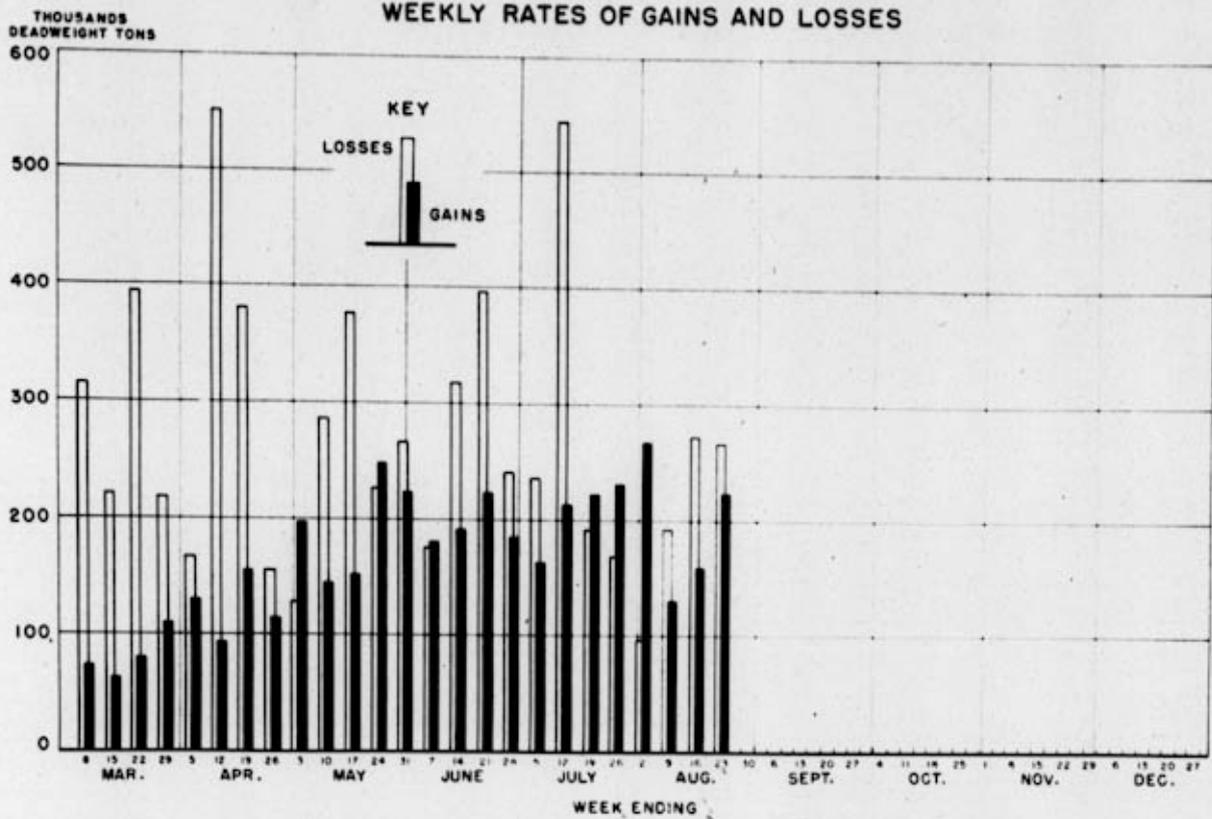
LEGEND

 VESSELS CONTRACTED FOR
BUT NO PROGRESS
REPORTED

DELIVERIES AND SCHEDULES FOR DESTROYERS AND SUBMARINES
MONTHLY



GAINS AND LOSSES OF MERCHANT OCEAN VESSELS AVAILABLE TO THE UNITED NATIONS

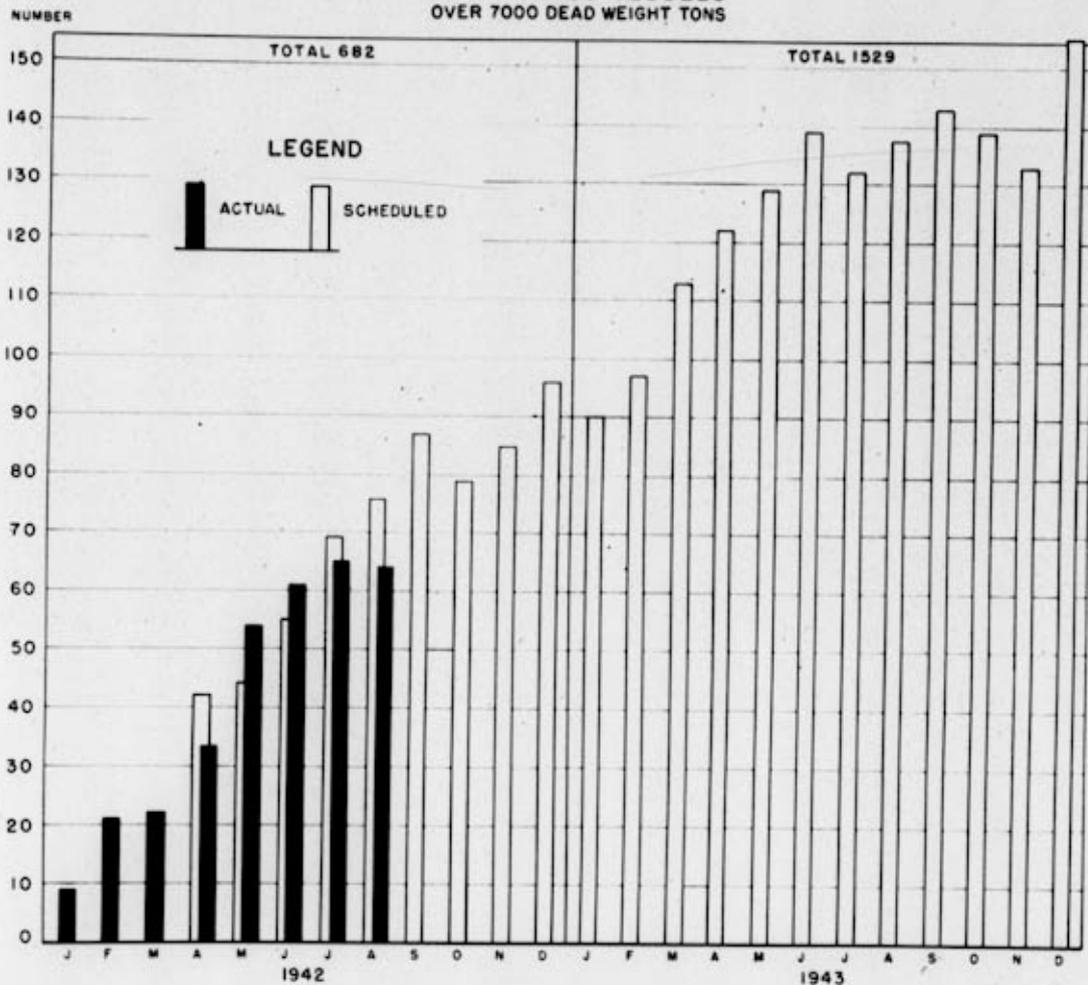


1942

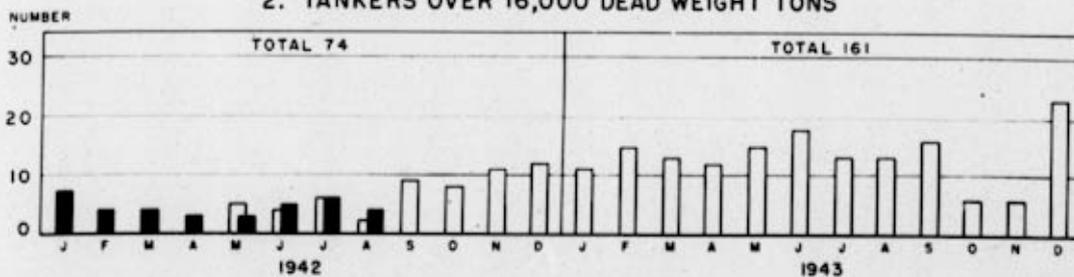
CHART B

DELIVERIES OF MERCHANT SHIPS
U. S. MARITIME COMMISSION - PRIVATE AND BRITISH ACCOUNTS

1. DRY CARGO VESSELS
OVER 7000 DEAD WEIGHT TONS



2. TANKERS OVER 16,000 DEAD WEIGHT TONS

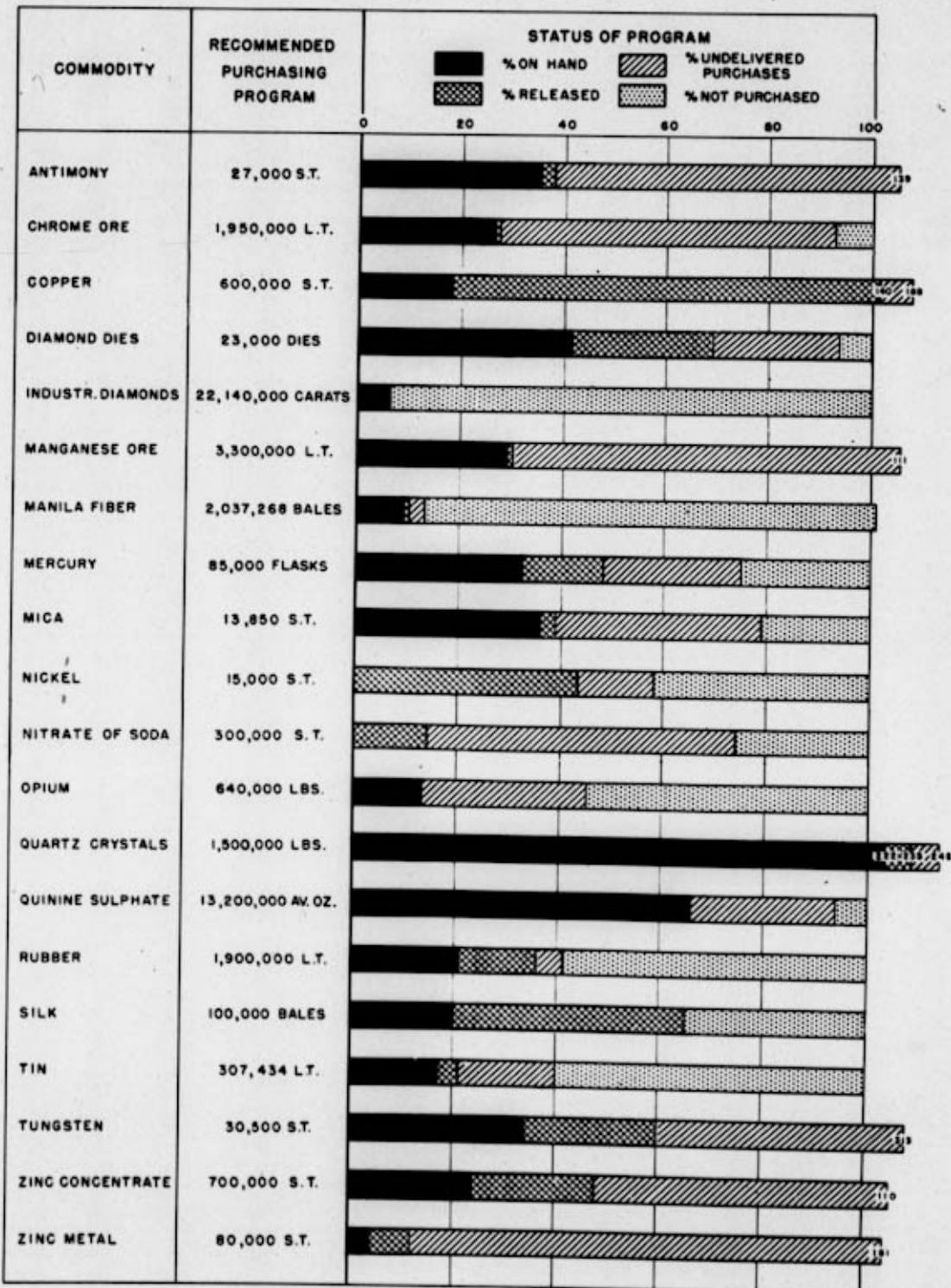


SOURCE: MARITIME COMMISSION - 1942 SCHEDULE REVISED 8-1-42
1943 SCHEDULE AS OF 6-23-42

BASIC WAR COMMODITIES SELECTED CRITICAL AND STRATEGIC MATERIALS

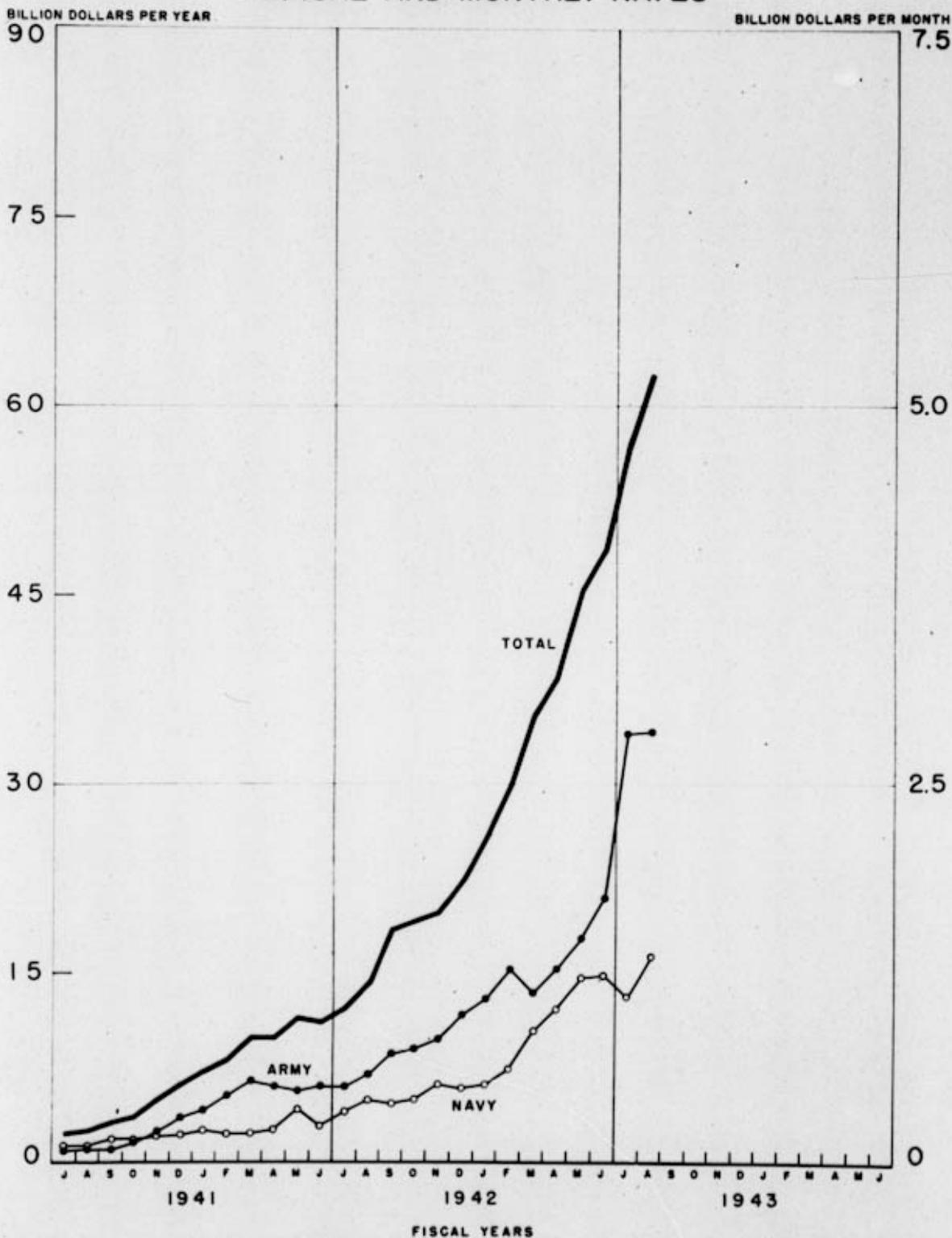
(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED PURCHASE PROGRAM)

AS OF AUGUST 15, 1942



WAR EXPENDITURES

ANNUAL AND MONTHLY RATES



SOURCE: DAILY TREASURY STATEMENT AND R. F. C., ADJUSTED FOR NUMBER OF BANKING DAYS

PRESIDENT'S SECRETARY'S FILE
Subject File
Bureau of the Budget:Progress
Rpts.Natl.Def.:Sep.-Dec.1942
Box 95