

Report 24

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

September 30, 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 11-27-73
By SLR, NARS Date JAN 24 1973

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

OFFICE OF
THE DIRECTOR

file

October 12, 1942

MEMORANDUM FOR THE PRESIDENT:

I had hoped to give to you personally the attached war progress report and to discuss several points.

While other parts of the report may be of interest to you, if you have an opportunity to go over it, I want to call your attention particularly to the chart on Selected Quartermaster Items on page 10. This is in relation to the discussion we had some time ago, in connection with Army estimates, as to how much in advance these so-called "soft" items should be purchased.

Edward L. Smith
Director

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I. SUMMARY

Aircraft Production

Acceptances: August... 4,284 September... 4,309
Scheduled: August... 4,688 September... 5,033
(Page 2; Chart 1)

Army Ordnance Production

	Deliveries	
	July	August
90 mm. Antiaircraft Guns...	292	368
Medium Tanks	1,300	1,256
Rifles	150,000	169,000

(Page 8)

Quartermaster Procurement

Deliveries of 90 items exceed 1942 requirements, 20 items exceed 1943 requirements, and 11 items exceed 1944 requirements out of 159 selected items reported by S.O.S. in August.
(Page 10)

Navy Ship Construction

August Deliveries: Nine destroyers
One submarine
(Page 14; Charts 6 and 8)

Merchant Shipping

Shipping losses continue to fall below the May high. 85 dry cargo vessels and 7 tankers were constructed in the United States in September--988,000 dwt.

(Page 17; Charts 9 and 10)

Military Personnel

Strength: Army, September 30, 1942 ... 3,930,000
Navy, Marine Corps, and
Coast Guard, August 1 927,000
(Pages 13 and 16; Chart 2)

II. AERONAUTICAL PROGRAM

September Aircraft Production

Military aircraft accepted in September totaled 4,309 as compared with 4,284 in August and 5,033 scheduled. Acceptances of tactical types increased 2 percent from 2,667 in August to 2,731 in September and heavy bombers from 234 to 263.

Aircraft Acceptances for September

Type	Acceptances			
	August	Sept.	Increase or Decrease	Percent of Sept. Schedule
Bomber, 4-engine	234	263	29	94
Bomber, 2-engine	642	799	157	83
Bomber, 1-engine	274	254	-20	52
Fighter	895	912	17	86
Total combat	2,045	2,228	183	80
Observation, etc.	465	312	-153	74
Transport, 4-engine	5	14	9	100
Transport, 2-engine	152	177	25	62
Total tactical	2,667	2,731	64	78
Trainers	1,617	1,578	-39	102
Grand total	4,284	4,309	25	86

The "pool" of accepted but undelivered aircraft increased 14 percent from 1,131 at the end of August to 1,288 on September 30. Tactical types increased from 747 to 756.

An analysis of the reasons why September production was 726 planes short of the 5,033 scheduled is not yet available. However, some indications point to engineering changes and to lack of materials.

Bomber Production

The following table shows current rates of production of two- and four-engine (including patrol) bombers in manufacturing plants, together with planned rates:

Two- and Four-Engine Bomber Production Rates

Type and Plant	Monthly Production Rates				
	Actual			Estimated Peak	
	July	Aug.	Sept.	Number	By
<u>Four-Engine Bombers</u>					
Bell, Atlanta	-	-	-	40	Mar. 1944
Boeing, Seattle	100	110	120	270	Mar. 1944
Boeing, Wichita	-	-	-	50	July 1943
Fisher Body, Cleveland	-	-	-	20	Mar. 1944
Consolidated, Fort Worth	3	-	-	180	July 1943
Consolidated, San Diego	103	111	124	285	Feb. 1944
Martin, Baltimore	-	-	-	50	May 1944
Ford, Willow Run	-	-	2	150	July 1943
Douglas, Long Beach	4	6	8	50	Oct. 1943
Vega, Burbank	3	5	9	104	Aug. 1943
North American, Dallas	-	-	-	75	Oct. 1943
Douglas, Tulsa	-	2	-	155	July 1943
Total four-engine bombers	213	234	263	1,429	
<u>Two-Engine Bombers</u>					
North American, Englewood	100	91	124	150	July 1943
North American, Kansas City	52	32	59	200	Oct. 1943
Martin, Baltimore	80	133	171	260	Jan. 1944
Martin, Omaha	-	3	7	150	July 1943
Vega, Burbank	103	107	81	108	Nov. 1942
Lockheed, Burbank	87	63	46	104	June 1943
Vickers, Montreal	-	-	-	15	Sept. 1943
Boeing, Seattle	-	-	-	20	Mar. 1943
Douglas, Long Beach	71	144	167	163	July 1942
Douglas, Santa Monica	-	19	66	248	Dec. 1943
Consolidated, San Diego	63	50	78	75	Dec. 1942
Naval Aircraft, Philadelphia	-	-	-	16	June 1943
Total two-engine bombers	556	642	799	1,509	

General Aircraft Production Notes

New 1943 Program: The President on September 17 directed the War Production Board to step up airplane production for 1943 to a total of 131,000 airplanes plus 7,000 gliders. This is to be at the expense of other war programs.

Engines and Propellers: Shortages are only a few months ahead, according to present schedules of requirements.

Aircraft Production Rate: The WPB reports the following number of aircraft accepted per equivalent working day since November:

Nov. 1941... 95	March... 133	July ... 152
December ... 101	April... 135	August.. 165
Jan. 1942 .. 115	May 151	Sept.... 166
February ... 126	June ... 142	

The number of pounds of airframe accepted per month has increased from 9.3 million in November to 27.3 million in August or 300 percent.

Plant Utilization: The equivalent time of full plant operation during August was 89 hours per week in aircraft plants, 106 in engine plants, and 119 in propeller plants. Aircraft and propeller plants increased $2\frac{1}{2}$ and 5 percent, respectively.

Subcontracting: On a dollar basis, aircraft plant subcontracting amounted to 29 percent in August compared with a present objective of 36 percent. Engine plants subcontracted at rates of 41 percent and propeller plants at 53 percent in August.

Employment: Productive employees in the three major aircraft groups increased to 508,000 at the end of August: (1) airframe plants 379,000, (2) engine plants 113,000, and (3) propeller plants 16,000. The percentage increases over July were 8, 5, and 4, respectively.

Glider Production: Gliders accepted in September numbered 230 (40 tactical types and 190 trainer types) compared with a total of 68 trainer types in August.

Army Air ForcesA. Airplanes

The Army reported 24,882 modern-type, delivered airplanes on hand August 31 -- an increase of 2,165 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, August 31, 1942
(Suitable Types Only)

	<u>On Hand</u> <u>Aug. 31, 1942*</u>	<u>Change</u> <u>During</u> <u>August</u>
<u>Tactical</u>		
Combat:		
Bombers, heavy	1,220	176
Bombers, medium	1,357	293
Bombers, light	787	66
Fighter	<u>3,920</u>	<u>568</u>
Total combat	7,284	1,103
Service combat:		
Transport:		
Heavy	19	6
Medium	896	120
Light	46	11
Communications	<u>2,941</u>	<u>278</u>
Total tactical	11,186	1,518
<u>Trainers</u>	<u>13,696</u>	<u>647</u>
Total planes	24,882	2,165

*Without reference to condition.

B. Personnel of the Army Air Forces

Plans are being developed at this time for an air force of 273 groups — 237 combat and 36 service and training. These plans, when approved, will require approximately the following personnel:

Personnel Requirements for 273 Army Air Force Groups

	<u>Officers</u>	<u>Warrant Officers</u>	<u>Enlisted Men</u>	<u>Total</u>
Air Forces	184,143	3,331	1,537,352	1,724,826
Assigned Arms and Services	67,081	5,690	792,080	864,851
Nurses	13,903	—	—	13,903
W.A.A.C.	<u>1,985</u>	<u>—</u>	<u>41,841</u>	<u>43,826</u>
Total	267,112	9,021	2,371,273	2,647,406

The active duty strength of the Army Air Forces, including personnel assigned from other services, totaled 986,000 at the end of August, an increase of 145,000 during the month.

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

	<u>Officers</u>	<u>Enlisted Men</u>	<u>Total</u>
Pilots	23,432	2,446	25,878
Bombardiers	1,658	1,053	2,711
Navigators	2,368	—	2,368
Observers	660	—	660
Engineers	1,533	—	1,533
Armament and gunners	947	6,615	7,562
Weather	376	—	376
Communications	855	—	855
Photographic	368	—	368
Student officers	5,692	—	5,692
Aviation cadets	66,032	—	66,032
Other AAF	28,097	673,515	701,612
Assigned Arms and Services ...	<u>16,144</u>	<u>154,547</u>	<u>170,691</u>
Total	148,162	838,176	986,338

III. ARMY

Procurement of Equipment

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

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

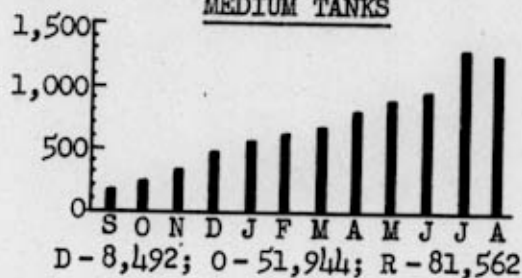
	Army Supply Program to 12-31-42	D e l i v e r i e s			
		Anticipated 7-1-40 to 12-31-42**	A c t u a l		
			7-1-40 to 8-31-42	July	Aug.
<u>Aircraft</u>					
Gun, 20mm	44,179	53,859	37,540	6,006	3,681
Gun, 37mm	5,811	6,741	3,596	496	555
<u>Antiaircraft</u>					
Gun, 90mm	2,882	3,729	1,558	292	368
Gun, 40mm	9,567	9,223	2,990	879	964
Gun, 37mm	3,742	3,311	1,534	174	281
<u>Combat Vehicles</u>					
Tank, light (less armament)	13,504	14,377	7,889	889	962
Tank, medium (less armament)	15,373	20,173	8,492	1,300	1,256
<u>Artillery</u>					
Gun, 155mm (H.S., S.P., and new)	1,501	1,409	986	76	38
Gun, 75mm (A.T.)	3,144	3,093	1,786	105	0
Gun, 37mm (A.T. and S.P.)	19,358	16,928	10,810	1,849	1,432
Howitzer, 105 mm (S.P. and field)	6,366	6,884	4,200	622	462
Howitzer, 75mm (S.P., field, and pack)	3,582	2,558	1,090	94	76
Mortar, 60mm and 81mm	20,067	21,878	15,884	982	706
<u>Small Arms</u>					
Garand rifle	1,660,339	1,187,586	815,066	66,300	66,480
Other rifles, cal. .30 & .303	2,501,361	1,199,274	458,695	83,495	102,376
Machine gun, cal. .30	279,979	386,100	246,937	24,449	39,425
Machine gun, cal. .50	437,899	398,062	240,699	28,952	33,890

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

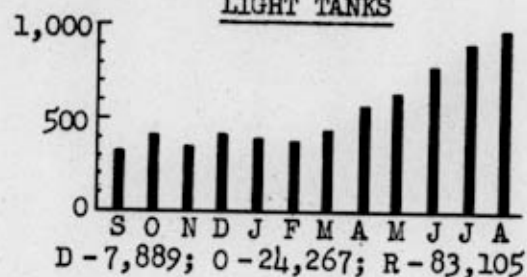
MONTHLY PRODUCTION OF SELECTED ORDNANCE ITEMS
FOR 12 MONTHS TO SEPTEMBER 1, 1942

D - Number Delivered; O - Number Ordered;
 R - Number Required Through 1944

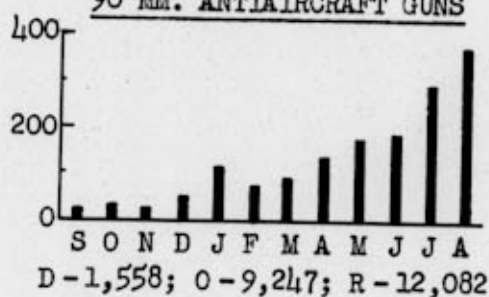
MEDIUM TANKS



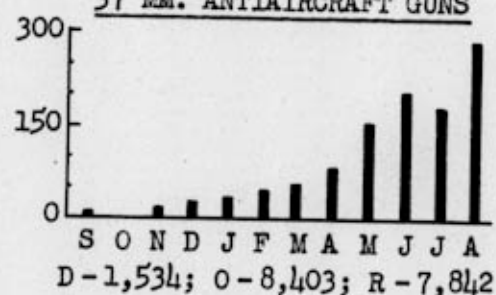
LIGHT TANKS



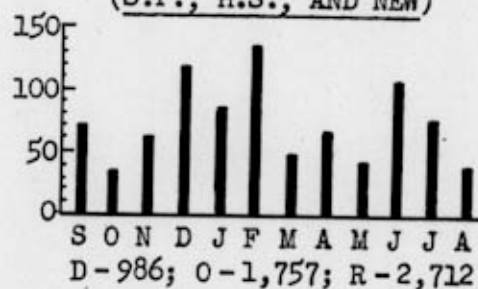
90 MM. ANTIAIRCRAFT GUNS



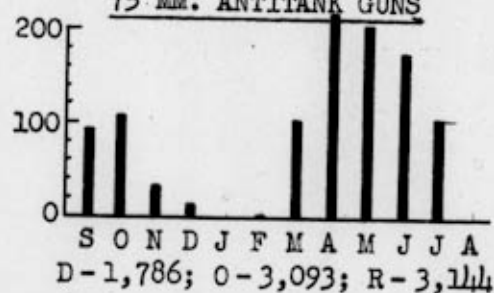
37 MM. ANTIAIRCRAFT GUNS



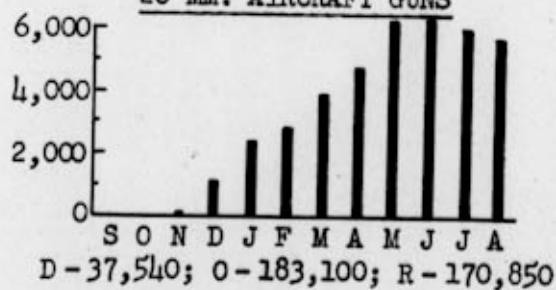
155 MM. GUNS
 (S.P., H.S., AND NEW)



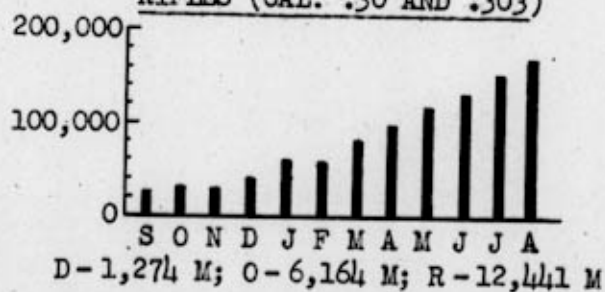
75 MM. ANTITANK GUNS



20 MM. AIRCRAFT GUNS



RIFLES (CAL. .30 AND .303)



Distribution of Stocks

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

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

	Issued to U. S. Troops	In Storage in U.S.	Transfers*	Total
<u>Aircraft</u>				
Gun, 20mm	3,544	19,916	12,714	36,174
Gun, 37mm	1,390	1,710	5	3,105
<u>Antiaircraft</u>				
Gun, 90mm	1,129	156	132	1,417
Gun, 40mm	2,193	595	108	2,896
Gun, 37mm	1,154	7	62	1,223
<u>Combat Vehicles</u>				
Tank, light (less armament)	2,401	97	3,916	6,414
Tank, medium (less armament)	2,151	15	5,335	7,501
<u>Artillery</u>				
Gun, 155mm (H.S., S.P., and new)	839	12	80	931
Gun, 75mm (A.T.)	729	1	20	750
Gun, 37mm (A.T. and S.P.)	6,980	1,758	402	9,140
Howitzer, 105mm (S.P. & field)	3,289	123	380	3,792
Howitzer, 75mm (S.P., field, and pack)	604	32	400	1,036
Mortar, 60mm and 81 mm.	10,991	1,184	2,861	15,036
<u>Small Arms</u>				
Garand rifle	726,816	12,881	78,961	818,658
Other rifles (cal. .30 & .303)	1,630,716	142,751	1,654,080	3,427,547
Machine gun, cal. .30	104,570	48,155	63,774	216,499
Machine gun, cal. .50	97,848	80,694	47,423	225,965





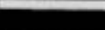
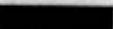


*Includes transfers to Navy, Defense Aid, and others.

Status of Procurement of Selected Quartermaster Items

The August Monthly Status Report of the S.O.S. shows that deliveries for 90 items already exceed the 1942 requirements as set forth in the latest Army Supply Program. This is 57 percent of the 159 selected items reported. For 20 items, deliveries exceed 1943 requirements and for 11 items they exceed 1944 requirements.

The following table compares deliveries for the first eight months of this year with yearly and total requirements through 1944 for eight of these items:

Deliveries Vs. Requirements for Selected Quartermaster Items

Item	Units in Millions	Percentage of Deliveries Against Requirements, Cumulative Thru 1944			
		25	50	75	100
<u>Shoes, Service</u>					
Requirements	73.9	1942	1943	1944	
Deliveries	22.4				
<u>Hats, Twill</u>					
Requirements	13.3	1942	1943	1944	
Deliveries	5.3				
<u>Jackets, Twill</u>					
Requirements	13.6	1942	1943	1944	
Deliveries	6.6				
<u>Trousers, Twill</u>					
Requirements	12.6	1942	1943	1944	
Deliveries	6.5				
<u>Overshoes, Arctic</u>					
Requirements	8.2	1942	1943	1944	
Deliveries	1.7				
<u>Blankets, Wool</u>					
Requirements	34.5	1942	1943	1944	
Deliveries	7.6				
<u>Sheets, Cotton</u>					
Requirements	6.9	1943	1944		
Deliveries	3.2				
<u>Pillows, Feather</u>					
Requirements	4.7	1942	1943	1944	
Deliveries	3.4				

War Construction Program by the Corps of Engineers

On August 31, the Chief of Engineers had authorized 1,998 emergency construction projects estimated to cost \$7.9 billion, an increase of \$277 million since July 31. 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>
958	Completed	\$3,127,000,000	40
907	Under construction	4,702,000,000	59
133	Not started	81,000,000	1
1,998		\$7,910,000,000	100

Construction in Place, by Types -- August 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	\$2,091	26	\$1,819	87				
Port facilities	80	1	61	76				
General storage	360	5	258	72				
Ammunition storage	286	4	225	79				
Ordnance plants & facil.	2,418	31	1,685	70				
Chemical warfare plants	206	3	133	65				
Air Corps facilities	2,251	27	1,396	62				
Miscellaneous	218	3	143	66				
Total, August 31	\$7,910	100	\$5,720	72				
Total, July 31	7,633		5,066	66				
Increase	\$ 277		\$ 654					

Civilian employment on the foregoing program reached 941,000 persons on August 31, a decrease of 37,000 during August.

In addition, other Corps of Engineer programs of construction, maintenance, and real estate acquisition totaled \$1,331,000,000.

Items of Interest Reported by
War Department During September

A. Production Difficulties

Tanks: A substantial curtailment in the production of tanks and combat vehicles is occurring. Alloy steel requirements are 408,000 ingot tons from the October melt, but only 200,000 tons were allocated. This allocation will probably continue through 1943. On September 23, the Chief of Ordnance ordered a cut of 40 percent per month in the production schedule for medium tanks through the end of January 1943.

Tank Guns: A shortage of special nickel chromium steel for the manufacture of breech blocks is retarding the output of 3-inch tank guns.

Construction: An increasing shortage of skilled labor is a source of delay in the Engineer Corps construction program.

B. Developments

Medium Tanks: A wooden mock-up of a new improved medium tank has been constructed. Two pilot models with three interchangeable turrets will be manufactured. Armament will consist of a 76 mm., a 75 mm. or a 3-inch gun and a cal. .30 flexible machine gun.

Aircraft Bombs: The first 1,000-pound, semi-armor piercing bomb bodies have been shipped to loading plants. All bombs standardized for Army procurement are now in production. The present output of all bomb bodies is equal to 45,000 tons of loaded bombs per month.

C. Savings of Critical Materials

A change in design of the barrel of the cal. .30 carbine from chrome molybdenum steel to sulphurized manganese steel will save 35,600 pounds of molybdenum and 168,000 pounds of chromium through 1943.

Changes in specifications of brass for small arms cartridges and a change of artillery primers from brass to steel will save 44 million pounds of copper through 1943.

Military Personnel

The estimated net increase in the active strength of the Army during September was 365,000, bringing the total at the end of the month to 3,931,000. There were 40,000 enlistments and 320,000 selectees inducted during the month. Due to the two-week furlough allowed inductees, enlistments plus inductions are/compareable to the increase in active strength.

Estimated Active Duty Strength of the Army, Sept. 30, 1942 (Figures Subject to Correction)

	Officers	Enlisted Men	Total
Regular Army	14,500	524,000	538,500
Reserves	141,000	79,000	220,000
National Guard	14,500	198,000	212,500
Selectees	—	2,437,000	2,437,000
Army of the United States	105,000	340,000	445,000
Army (aviation cadets)	—	78,000	78,000
Total, Sept. 30, 1942	275,000	3,656,000	3,931,000
Warrant officers	4,900	—	4,900
Army Nurse Corps	15,300	—	15,300
Women's Army Auxiliary Corps ..	675	2,400	3,075
Army Specialist Corps	700	10	710

Estimated Disposition of Army of United States, Sept. 30, 1942

	Officers	Enlisted Men	Total
Eastern Defense Command	8,200	129,400	137,600
Western Defense Command	7,800	126,600	134,400
Central Defense Command	250	5,400	5,650
Southern Defense Command	300	6,500	6,800
Overseas	52,000	715,200	767,200
In staging areas	4,200	65,000	69,200
In ships en route to overseas bases	2,600	40,400	43,000
Army Ground Forces	67,900	1,145,000	1,212,900
Army Air Forces	57,950	750,500	808,450
Services of Supply	73,800	672,000	745,800
Grand total	275,000	3,656,000	3,931,000

The overseas strength at the end of September was 767,200 as compared with 714,865 at the close of August, an increase of 52,335.

IV. NAVYAugust Vessel Completions

During August, 284 vessels in the Navy program were completed. These include ten combatant types -- four 2,100-ton destroyers, five 1,620-ton destroyers, and one submarine.

In addition to these completions, 33 converted small craft were placed in service during the month.

Completions of Naval Vessels During July and August

<u>Type of Vessel</u>	<u>July</u> <u>Completions</u>	<u>August</u> <u>Completions</u>
<u>Combatant Vessels</u>		
Cruisers, 10,000-ton	1	0
Destroyers, 2,100-ton	3	4
Destroyers, 1,620-ton	6	5
Submarines	<u>4</u> 14	<u>1</u> 10
<u>Patrol Craft</u>		
Sub-chasers (110 and 173 ft.)	32	31
Motor torpedo boats	14	17
District patrol craft	<u>3</u> 49	<u>1</u> 49
<u>Landing Craft</u>		
Personnel landing craft (large, wood) ..	53	10
Personnel landing craft with ramp	242	0
Tank landing craft	0	36
Vehicle landing craft	173	0
Mechanized landing craft	34	49
Tracked landing vehicle (unarmored) f...	84	0
Rubber landing craft	<u>111</u> 697	<u>2</u> 97
<u>Mine Sweepers</u>	22	28
<u>Lend-Lease Program</u>		
Ocean-going rescue tugs	2	2
Motor-driven mine sweepers	7	5
Cruiser hulls	2	0
Tank landing craft (MKV)	0	6
Tank landing boats	60	53
Aircraft rescue boats	<u>2</u> 73	<u>0</u> 66
<u>District Craft</u>	13	19
<u>Special Small Boats</u>	<u>34</u>	<u>15</u>
Total	902	284

Status of Combatant Vessel Program

The number of combatant vessels in each of four stages of completion is shown in the rectangles below:

Status of Construction of Combatant Vessels September 1, 1942

1,302 TOTAL

75-100%	50-75%
48	51
25-50%	0-25%
65	1,138

12 BATTLESHIPS

75-100%	50-75%
1	2
25-50%	0-25%
0	9*

36 AIRCRAFT CARRIERS

75-100%	50-75%
0	5
25-50%	0-25%
6	25

6 LARGE CRUISERS

75-100%	50-75%
0	0
25-50%	0-25%
1	5**

25 HEAVY CRUISERS

75-100%	50-75%
0	3
25-50%	0-25%
1	21

39 CRUISERS, 10,000-T.

75-100%	50-75%
4	3
25-50%	0-25%
3	29

7 CRUISERS, 6,000-TON

75-100%	50-75%
0	0
25-50%	0-25%
2	5

104 DESTROYERS,
2,200-TON

75-100%	50-75%
0	0
25-50%	0-25%
0	104

167 DESTROYERS,
2,100-TON

75-100%	50-75%
8	18
25-50%	0-25%
40	101

36 DESTROYERS,
1,620-TON

75-100%	50-75%
22	10
25-50%	0-25%
2	2

670 ESCORT VESSELS

75-100%	50-75%
0	0
25-50%	0-25%
0	670

200 SUBMARINES

75-100%	50-75%
13	10
25-50%	0-25%
10	167

*Work suspended on 5 of these.

**Work suspended on 4 of these.

Navy, Marine Corps, and Coast Guard Personnel

Navy, Marine Corps, and Coast Guard personnel increased 100,749 during July 1942, as follows:

<u>Service</u>	<u>July 1</u>	<u>August 1</u>	<u>Increase</u>
Navy	624,725	700,241	75,516
Marine Corps	142,958	156,242	13,284
Coast Guard	58,576	70,525	11,949
Total	826,259	927,008	100,749

The distribution of the active duty strength at the first of August is shown below:

Navy, Marine Corps, and Coast Guard Personnel on
Active Duty, August 1, 1942

<u>Service</u>	<u>Ashore</u>	<u>Afloat</u>	<u>Total</u>
<u>Navy</u>			
Line officers	38,350	19,028	57,378
Staff Corps officers	11,035	2,030	13,065
Warrant officers	2,410	2,092	4,502
Subtotal	51,795	23,150	74,945
Enlisted men	--	--	623,463
Nurses	1,808	25	1,833
Total	--	--	700,241
<u>Marine Corps</u>			
Officers	7,122	163	7,285
Enlisted men	145,075	3,882	148,957
Total	152,197	4,045	156,242
<u>Coast Guard</u>			
Officers	2,546	1,216	3,762
Enlisted men	46,328	20,435	66,763
Total	48,874	21,651	70,525

Recapitulation

Navy, Marine Corps and
Coast Guard Personnel

Officers	57,929	22,010	79,939
Warrant officers	3,534	2,519	6,053
Enlisted men and nurses	--	--	841,016
Grand total	--	--	927,008

V. MERCHANT SHIPPINGGains and Losses -- United Nations

Ocean-going vessels lost by the United Nations since December 1, 1941 totaled 9,089,000 dwt. through September 13. Gains through new construction were 5,833,000 dwt. or 64 percent of the loss. The ratio was 60 percent on August 23.

The average weekly rate of losses of merchant vessels available to the United Nations continues to fall below the May high:

Month	Average Weekly Loss (000 DWT)	Percent of May	Month	Average Weekly Loss (000 DWT)	Percent of May
Dec.	114	40	May	287	100
Jan.	157	55	June	277	96
Feb.	210	73	July	226	79
Mar.	262	91	Aug.	235	82
Apr.	263	92	Sept. - $\frac{1}{2}$ mo.	164	57

The average weekly gains for the United Nations through new construction rose from 62,000 dwt. in December to 198,000 in August. Vessels built in the United States in September total 92 at 988,000 dwt. These were as follows:

September Ship Deliveries by U. S. Shipyards

Account of	Number and Deadweight Tonnage					
	Dry Cargo		Tankers		Total	
	No.	DWT.	No.	DWT.	No.	DWT.
Maritime Commission	77	791,300	3	49,600	80	840,900
British	7	70,700	-	-	7	70,700
Private	1	16,650	4	59,800	5	76,450
Total	85	878,650	7	109,400	92	988,050

One of the above vessels is an ore carrier, and one destroyer tender, not included above (7,500 dwt.), was delivered to the Navy by the Maritime Commission.

VI. WAR INDUSTRIAL FACILITIES

Status of Facilities Financed by Public Funds

Only 43 percent of the \$13.9 billion war industrial facilities program was in place on July 31, 1942.

Status of War Industrial Facilities Financed by Public Funds July 31, 1942

Type of Product	Esti- mated Cost	Stages of Completion				Value in Place
		50-100%	1-50%	0%	Unknown	
(In millions of dollars)						
Aircraft	\$2,624	\$1,001	\$1,383	\$168	\$ 72	\$1,141
Ship construction and repair	1,515	875	513	44	83	859
Combat and motor vehicles	400	187	180	25	8	199
Guns	794	400	278	44	72	401
Ammunition, etc.	1,088	743	216	40	89	658
Explosives and assembling	2,891	1,484	1,259	133	15	1,655
Iron and steel	1,194	197	690	179	128	247
Non-ferrous metals	924	300	408	123	93	265
Machine tools	154	52	75	22	5	60
Machinery and equipment	594	215	301	62	16	216
Chemicals	1,165	142	578	350	95	159
Petroleum and coal products	190	16	59	111	4	17
Miscellaneous manu- facturing	212	92	61	38	21	90
Non-manufacturing	164	12	61	89	2	20
Total	\$13,909	\$5,716	\$6,062	\$1,428	\$703	\$5,987

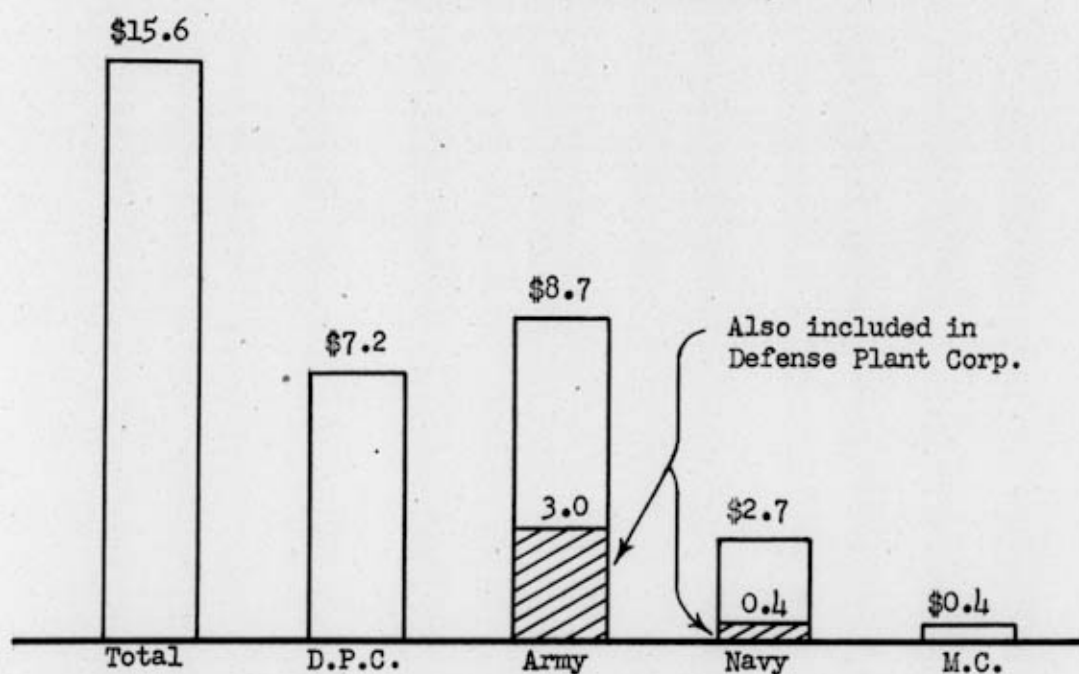
Source: War Production Board.
(Letters of intent included.)

The above table excludes about \$2 billion committed for the purchase of machine tools.

Public-financed Facilities Program

Up to September 1, 1942, about \$16 billion for new war industrial facilities had been approved by the Army and Navy, the Defense Plant Corporation, and the Maritime Commission. This includes projects for which letters of intent have been issued or for which specific allotments have been made and includes funds for machine tool purchases. The financing is distributed substantially as follows:

Public-financed War Industrial Facilities--September 1, 1942
(Figures in Billion Dollars)



This program breaks down, according to broad purposes, substantially as follows:

Aircraft	\$3.0 billion
Ordnance	6.0 billion
Shipbuilding..	2.1 billion
Other	<u>4.5</u> billion
Total ...	\$15.6 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 WFB; and (3) for resale to industry currently upon receipt. The following table shows the status of selected items as of September 19:

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

Commodity	Unit of Measure	Recommended Purchase Program	Stockpile Inventory Sept. 19, 1942	Inventory Change Since 8-15-42	Inventory Change Since 12-6-41
Antimony, metal	Tons	27,000	10,237	662	2,415
Aviation gasoline	1,000 barrels	0	297	137	297
Chrome ore	1,000 l.t.	1,950	540	27	263
Copper, refined	1,000 tons	600 ^{1/}	142	34	67
Diamonds, indus.	1,000 carats	22,140	1,562	243	827
Diamond dies	Dies	23,000	8,929	-597	5,603
Manganese ore	1,000 l.t.	3,300	977	33	510
Manila fiber	1,000 bales	2,037	164	-16	11
Mercury	Flasks	85,000	30,055	2,980	25,534
Mica	Tons	13,850	5,665	733	2,971
Nitrate of soda	1,000 tons	1,700	0 ^{2/}	0	-9
Opium	1,000 pounds	640	178	98	178
Quartz crystals	1,000 pounds	1,500	3,308	-19	1,818
Quinine sulphate	1,000 av. oz.	13,200	8,695	0	1,495
Rubber	1,000 l.t.	1,900 ^{1/}	389	-26	55
Silk	1,000 bales	50-100	17	-2	9
Tin, refined	1,000 l.t.	307 ^{1/}	55	3	6
Tungsten	Tons	30,500	11,298	929	3,616
Zinc, metal	Tons	80,000	7,935	4,527	7,935
Zinc concentrates	Tons	700,000	163,848	-5,105	96,330

^{1/} Part or all of this amount consists of recommended purchases per annum.

^{2/} 178,770 tons stored in Chile.

VIII. DOMESTIC TRANSPORTATION

By October 1, the gradual development of controls over the domestic transportation systems had influenced the operations of all types of carriers. Briefly, these operating controls and indications of their effect are:

Railroads

1. Port congestion: No export freight may be moved to port without ODT approval. The scheduling of the operations of ports is handled by a traffic control committee made up of representatives of ODT, WSA, War and Navy Departments, and the British Ministry of War Transport. Export freight on hand in all United States ports has been maintained at about a 25,000 car level since the start of the war, with only a few cases of port congestions resulting. By contrast, as many as 300,000 cars accumulated in the ports during the last war, causing serious congestions.
2. Tank car control: No tank car may move less than 200 miles without an ODT release. Priorities for the use of tank cars were placed in effect during September, marking the first use of priorities in domestic transportation. ODT officials estimate that this action has transferred 8,000 tank cars from inefficient short-haul service to longer movements. The short-haul service has been replaced by tank truck.
3. Passenger service: Passenger train schedules have been frozen, and special rail service can no longer be scheduled for any event other than military movements. Scheduled service to race tracks, football games, etc., must be canceled. Railroad passenger-miles were 60 percent higher in the first eight months of 1942 than in the corresponding period for 1941. ODT is giving serious consideration to rationing inter-city travel by both train and bus.
4. Coal and petroleum movements: Major movements of coal and petroleum are being expedited in solid train lots through the designation of routes and trains by the ODT. These movements will be more fully controlled within a few weeks. All-rail bituminous coal movement to New England is 70 percent higher than in 1941. Movement of petroleum by tank car to the East has increased from 11,250 barrels per day in April 1941 to a high of 856,710 barrels per day during the peak week of September 1942. This movement now utilizes 70,000 tank cars as against roughly 4,500 in April 1941.

5. Pooling equipment: Pooling of refrigerated cars and closed top gondola cars is being instituted, and transfer of motive power from one line to another has begun. Further pooling activities are contemplated.

Commercial Motor Vehicles

1. Certification: After November 15, no commercial motor vehicle may operate without a Certificate of War Necessity. The certificate will stipulate the maximum number of miles of operation per quarter and the minimum load. Controls over the type of commodity which may be transported are being discussed but have not been instituted. Gas will be rationed in accordance with the provisions of the Certificate of War Necessity. The aim of the program is to achieve an over-all reduction of 25 percent in commercial vehicle mileage.

2. Speed regulation: Speed limit of 35 miles per hour becomes effective October 15.

Private Passenger Automobiles

1. Speed regulation: Speed limit of 35 miles per hour effective October 1.

2. Gasoline rationing: Gasoline is now rationed in eastern areas and is to be rationed throughout the nation by November 22 (approximately). The program will attempt to reduce average miles operated per vehicle to 5,000 per year, a reduction of approximately 55 percent over 1941 and 33 percent over the rate on August 1.

Great Lakes Shipping

Movement of all commodities is controlled by a priority schedule, and all ships over 1,000 tons must have an ODT certificate and operate under ODT orders. The goal of moving 89.5 million tons of ore this season is currently being met.

Inland Waterways

Petroleum movement by barge is restricted by an ODT order to northerly and easterly directions, except on special application and permit.

IX. WAR FINANCESAppropriations

From June 30, 1940, through September 30, 1942, Congress made appropriations and other authorizations for war purposes amounting to \$207 billion. The increase during September was \$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	\$71.421	\$42.091	\$126.650
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 ...	.601	2.580	2.616	5.797
Subtotal	\$26.043	\$110.422	\$59.674	\$196.139
Estimated appropriations required beyond F.Y. 1943 for completion of the expanded Navy				10.601
Subtotal				\$206.740
Additional sums now pending before Congress				15.580
Grand total				\$222.320

*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 \$5.8 billion or \$43.60 per capita in September. This represents an annual rate of \$71.4 billion as compared with \$62.6 billion for August.

	<u>War Disbursements During September</u>
Army	\$3,523,000,000
Navy	1,294,000,000
RFC (gross)	412,000,000
Maritime Commission	141,000,000
Other	<u>426,000,000</u>
Total	\$5,796,000,000

Gross Debt

The gross debt increased \$4.8 billion during September to a total of \$86.5 billion on September 30.

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

In response to the President's Labor Day message, Congress has implemented the seven-point program by authorizing and directing the President to stabilize the cost of living, including wages, salaries, and farm prices. The stage was thus set for executive action.

Prices—Cost of Living: Living costs in large cities advanced 0.4 percent from mid-July to mid-August. During the three months of general price control, the cost of living index has risen 1.2 percent, with uncontrolled foods increasing almost 10 percent. Some further increases are in prospect because OPA is relieving squeeze on food sellers. Recent legislation removing price control limitations should restrict further increases in the cost of living.

Prices—Farm: The general level of prices received and paid by farmers held constant from mid-August to mid-September, although rapid advance in the price of dairy products continued.

Wages: Voluntary wage increases must now be approved by the War Labor Board. The Board disallowed an increase in its first case. It has 23 other cases of this type pending.

War Bonds and Taxes: September war bond sales of \$755 million did not reach the reduced quota of \$775 million. (The Treasury's report of \$838 million sales is not on the same basis as the quota.) The Senate Finance Committee bill to be reported shortly will yield about \$4 billion in fiscal 1943; the President asked for \$7 billion. The Committee rejected the Treasury "spending tax" plan which incorporated compulsory savings and which was proposed by the Treasury after it admitted the inadequacy of the voluntary bond campaign. The 5 percent Victory Tax on gross individual incomes over \$624 per year, including some compulsory savings features, was adopted. The Committee tentatively revoked the statutory increases in social security rates, which would reduce scheduled F.Y. 1943 revenue by \$300 million and annual revenues thereafter by \$1.3 billion; the President had asked for \$2 billion additional annual revenues.

Rationing: The Baruch Committee recommended nation-wide gasoline rationing. Occupational rubber footwear will soon be rationed, and fuel oil rationing became effective in 30 eastern and midwestern states on October 1.

Debt Liquidation: Contraction of consumer debt is continuing, but at a somewhat slower rate.

XI. PRODUCTION, PRICE CONTROL, AND RATIONING

Production Control

With the appointment of two new vice chairmen, WPB has announced the intention to inaugurate a comprehensive production scheduling and materials allocation system. Requirements approved by WPB as productively feasible for a given period will be scheduled in such a manner as to synchronize the flow of raw materials and component parts. Through scheduling, it is hoped to avoid (1) the tying up of large quantities of scarce materials in semi-finished products which cannot be used because of the lack of other critical materials or components or (2) the inauguration of new production programs for which adequate materials are not available. A warrant system is proposed to be employed by which materials will be allocated according to the approved schedule. Under the warrant system, authorization to obtain material and an encumbrance against that material will be issued at the time the contract is executed and the production schedule prepared.

Although scheduling and direct allocation by warrants have been under discussion for some time, as yet the specific mechanics for their operation have not been worked out.

Price Control

A simplified system of price control is under consideration by the OPA and, if adopted, should lead to a drastic reduction in the number of individual price adjustments now required.

Rationing

Nation-wide gasoline rationing for passenger vehicles was ordered by Rubber Administrator Jeffers to become effective on November 22. At the same time, OPA announced that gasoline would be made available to commercial vehicles only upon the basis of certificates issued by ODT. Contracts were let for the printing of War Ration Book No. 2 (meats and processed foods). The fuel oil rationing program in the Eastern and North Central States started October 1. All supplies of industrial protective footwear have been frozen preparatory to rationing. All used tires have likewise been frozen in the hands of dealers until a rationing program can be developed.

XII. LABOR AND MANPOWER

Current Employment

Total employment in nonagricultural establishments increased by 555,000 from mid-July to mid-August, according to preliminary estimates of the Bureau of Labor Statistics.

	August 1942	Change from	
		July 1942	Aug. 1941
Employment in nonagricultural establishments	37,789,000	555,000	2,332,000
Manufacturing employment	14,978,000	337,000	1,641,000
Federal Government executive service	2,571,500	193,500	1,126,500
WPA employment	447,300	-77,800	-595,300

Training for War Jobs

Office of Education reports indicate:

	Pre-Employment and Refresher Courses	Supple- mentary Courses	Engineering, Science, and Management Courses
Total New Registrations:			
June	123,525	87,729	59,959
July	131,498	94,043	34,223
Number Concluding Training:			
June	113,468	109,200	71,383
July	124,924	109,619	40,804
Number in Training:			
June 30	191,898	153,845	96,566
July 31	198,472	138,269	89,985

Turnover and Absenteeism

Turnover for all manufacturing presents a worse picture in July than in June. Total accession rates stayed unchanged but total separation rates increased 4 percent, from 6.46 to 6.73 per hundred.

Improvement in the turnover situation is indicated between June and July in the shipbuilding, aluminum, firearms, electrical machinery, and explosives industries while the situation in foundry and machine shops, aircraft, machine tools, iron and steel, and engine and turbine industries is worse. While labor turnover often reflects shutdowns and slowdowns in operations, the implications for a manpower program remain significant.

Absenteeism in private shipyards increased from July to August, reaching the equivalent of four Liberty Ships per week in the latter month. In 194 yards, lost man-hours averaged 8.3 percent in August. Data for other industries are not available.

Industrial Disputes

The number of strikes affecting war production increased slightly during August, as did the man-days lost. The number of workers involved decreased slightly.

	<u>July</u>	<u>August</u>
Strikes in progress ..	222	229
Workers involved	80,722	79,414
Man-days idle	233,614	266,353

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:

	<u>Number of Labor Cases Pending</u>		
	<u>Aug. 1</u>	<u>Sept. 1</u>	<u>Oct. 1</u>
National War Labor Board	199	293	399

Labor Requirements

Revised and extended estimates of future manpower requirements exclusive of armed forces indicate a seasonal peak of 58.1 million in June 1943 as compared with 56.1 million in June 1942, with minor changes in previous estimates of year-end employment in 1942 and 1943.

	1941	1 9 4 2		1 9 4 3	
	<u>Dec.</u>	<u>June</u>	<u>Dec.</u>	<u>June</u>	<u>Dec.</u>
	(I n m i l l i o n s)				
Agriculture	8.3	11.5	8.1	11.5	7.9
Self-employed, and domestic servants	5.8	5.2	5.3	5.2	5.0
Manufacturing, mining, and construction	16.5	17.2	19.1	20.5	20.6
Government	4.6	5.0	5.4	5.6	5.8
Transportation, utilities, services, etc.	15.0	14.4	14.1	13.5	13.2
Unemployed	<u>3.8</u>	<u>2.8</u>	<u>1.5</u>	<u>1.8</u>	<u>1.0</u>
Total, excluding armed forces	54.0	56.1	53.5	58.1	53.5

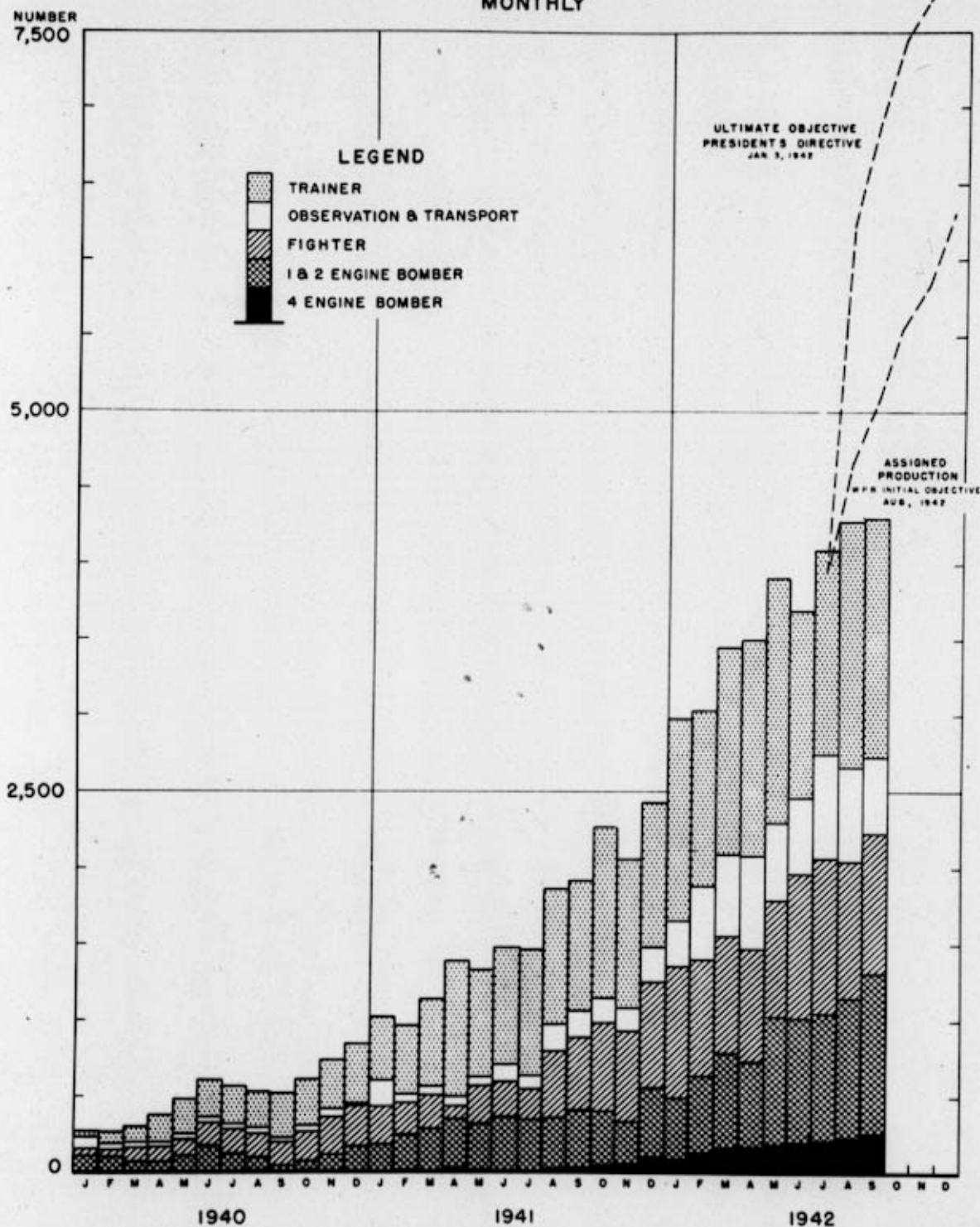
XIII. PROGRESS CHARTS

1. Acceptances of Military Airplanes
2. Army Active Duty Personnel
3. Construction Progress on Battleships and Aircraft Carriers
4. Construction Progress of Large and Heavy Cruisers
5. Construction Progress of Light Cruisers
6. Construction Progress on Destroyers and Submarines
7. Construction Progress on Escort Vessels
8. Monthly Completions of Combatant Vessels
9. Gains and Losses of Merchant Ocean-going Vessels Available to the United Nations
10. Deliveries of Merchant Ships
11. Basic War Commodities
12. War Expenditures

CHART I

ACCEPTANCES OF MILITARY AIRPLANES

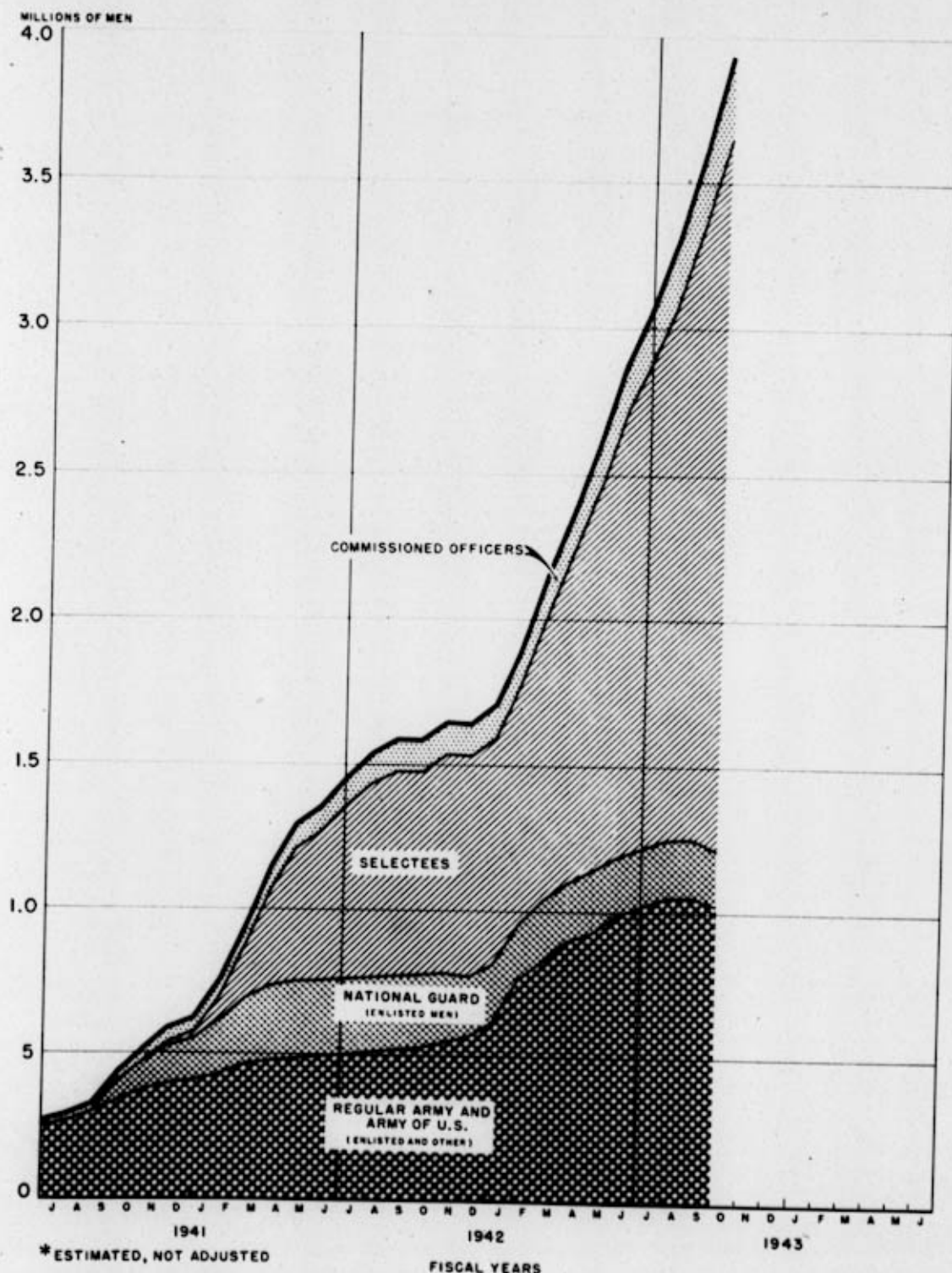
MONTHLY



SOURCE: WAR PRODUCTION BOARD

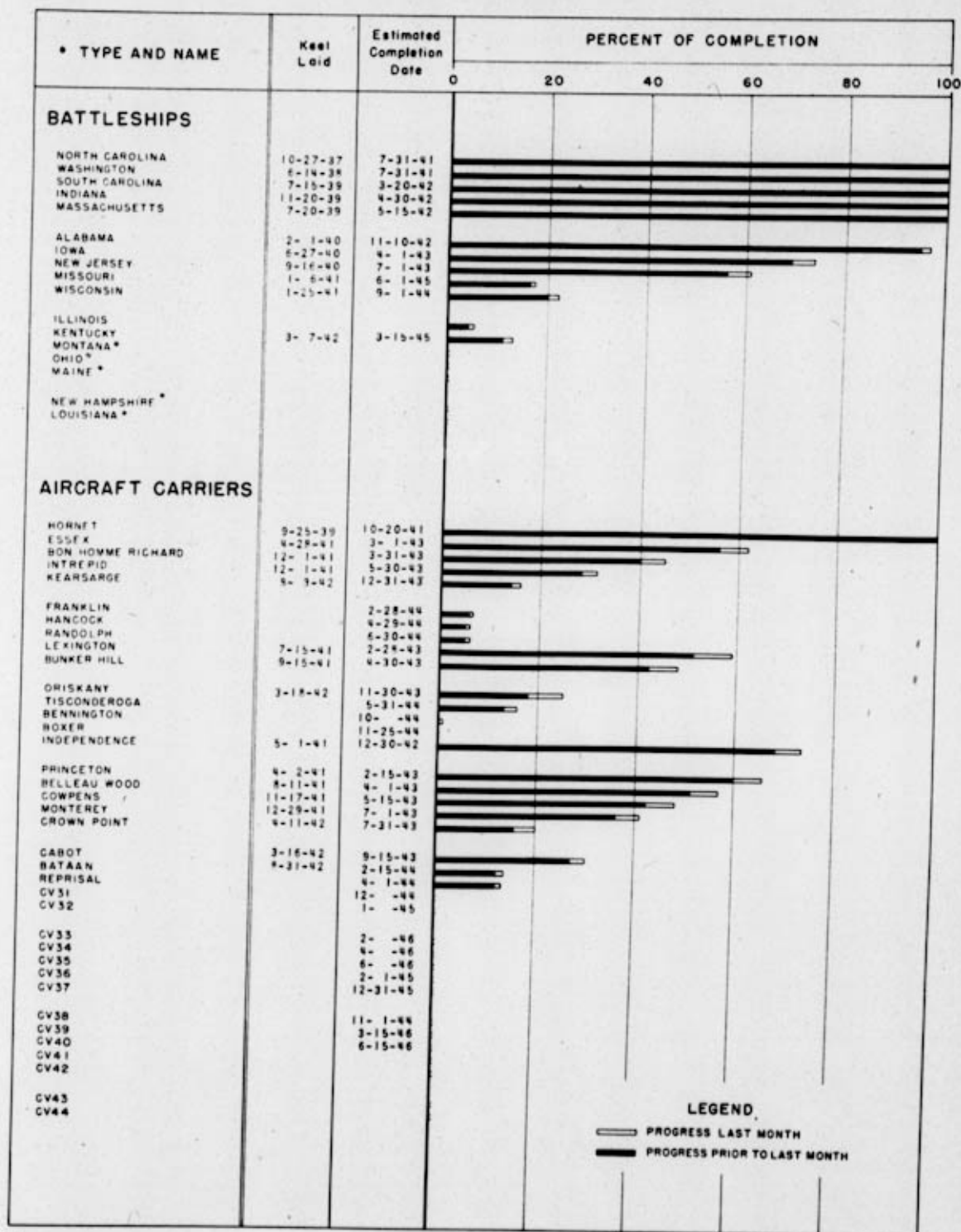
CHART 2

ARMY ACTIVE DUTY PERSONNEL*



CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

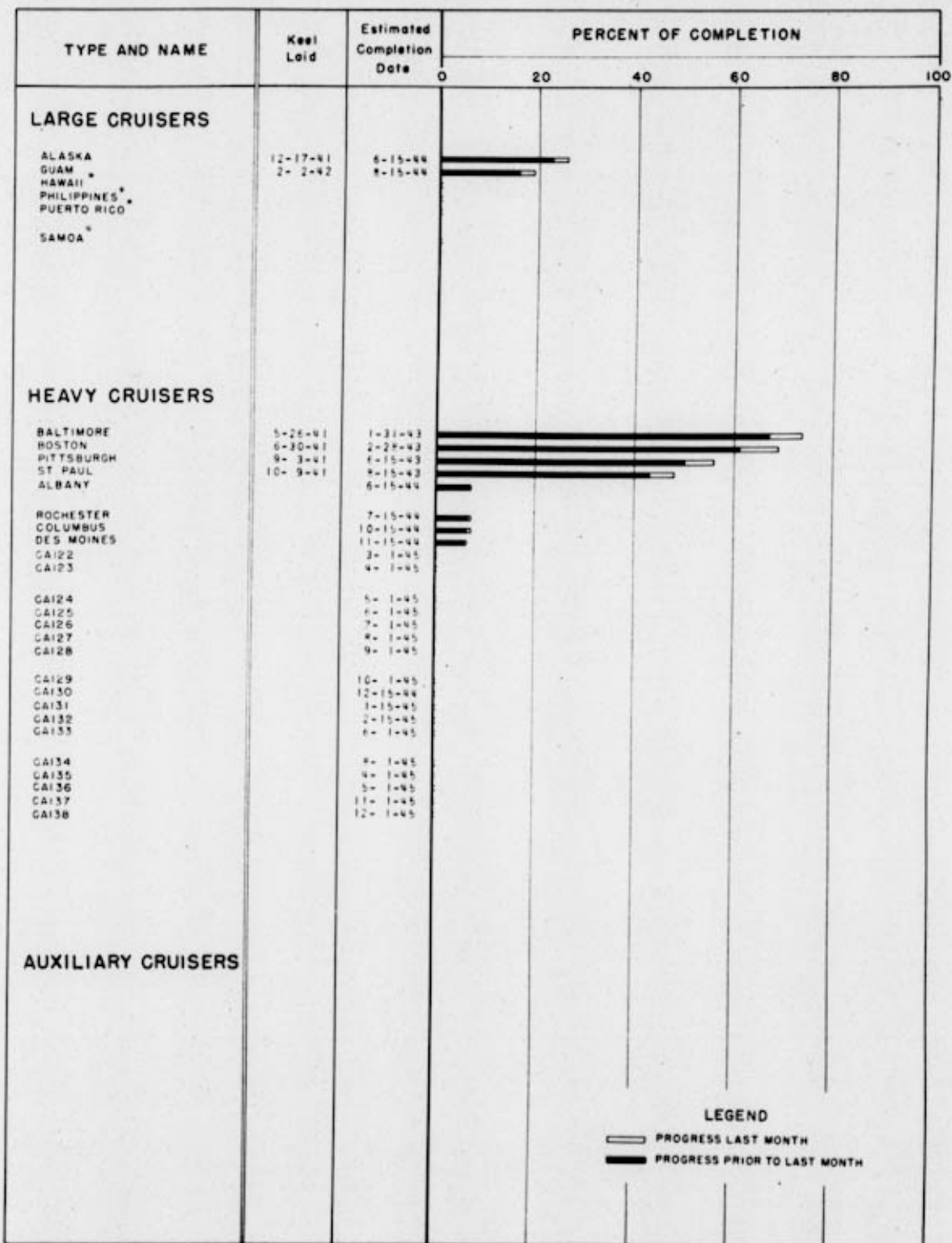
JULY 1, 1940 TO SEPTEMBER 1, 1942



*WORK SUSPENDED

CONSTRUCTION PROGRESS OF LARGE AND HEAVY CRUISERS

JULY 1, 1940 TO SEPTEMBER 1, 1942

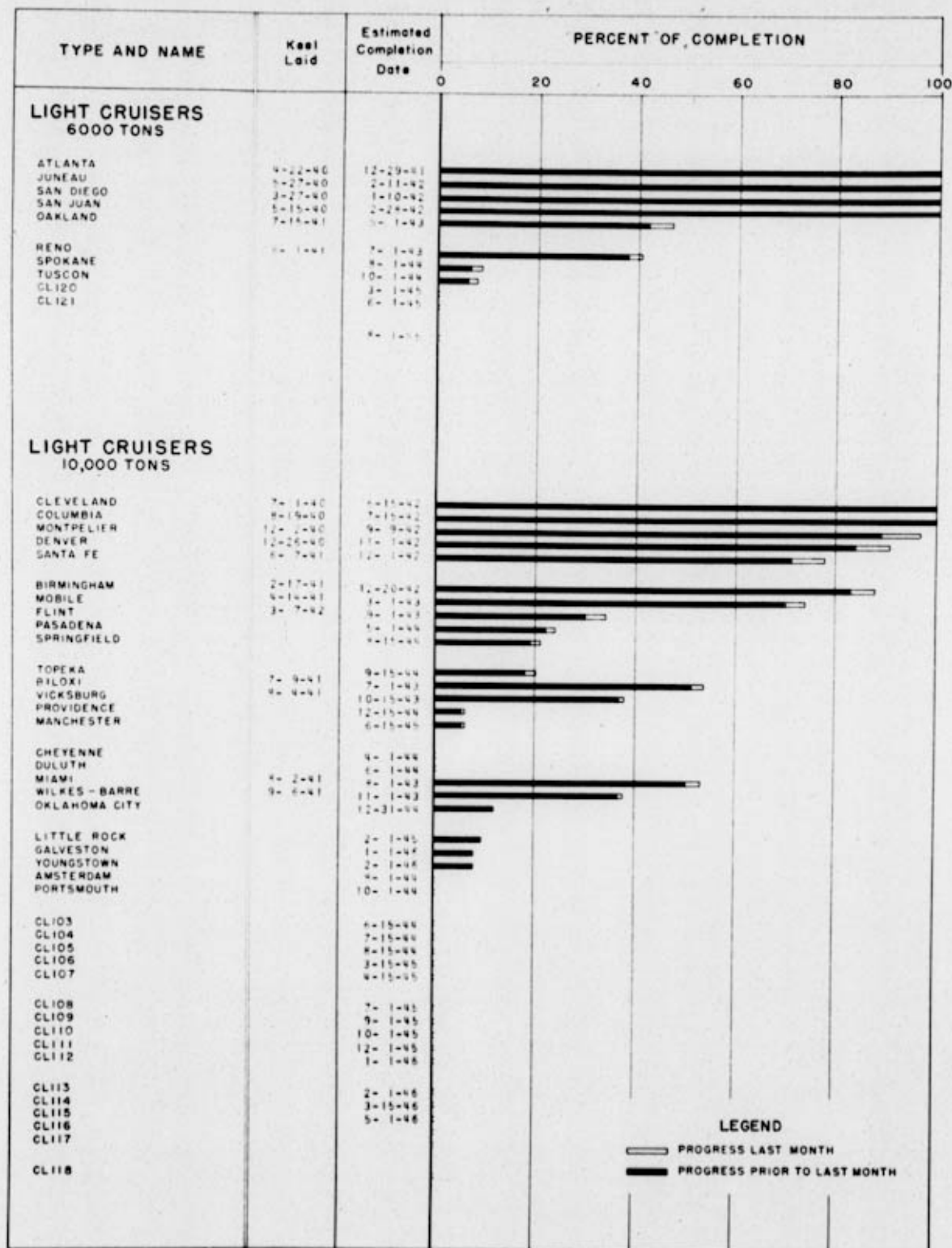


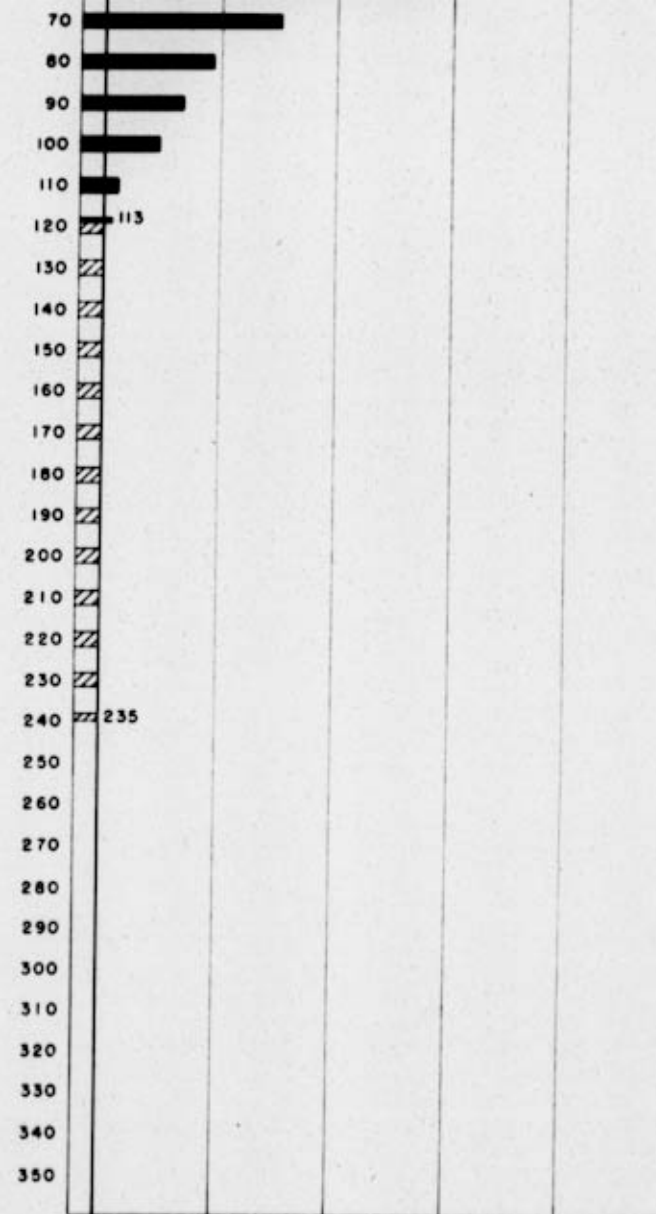
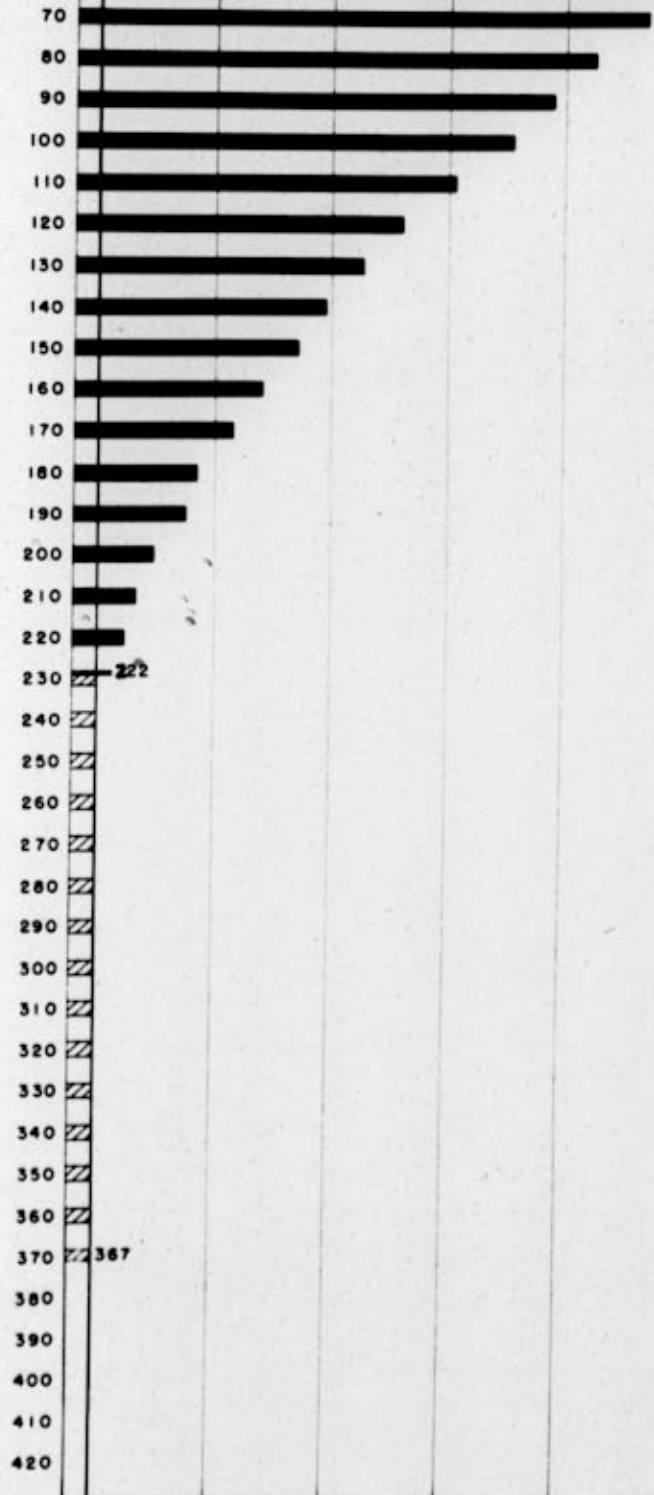
* WORK SUSPENDED

CHART 5

CONSTRUCTION PROGRESS OF LIGHT CRUISERS

JULY 1, 1940 TO SEPTEMBER 1, 1942





KEY

EACH FULL WIDTH BAR = 10 VESSELS

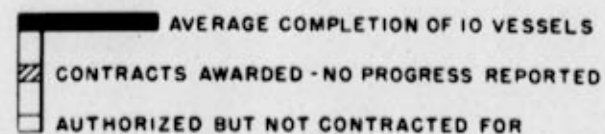
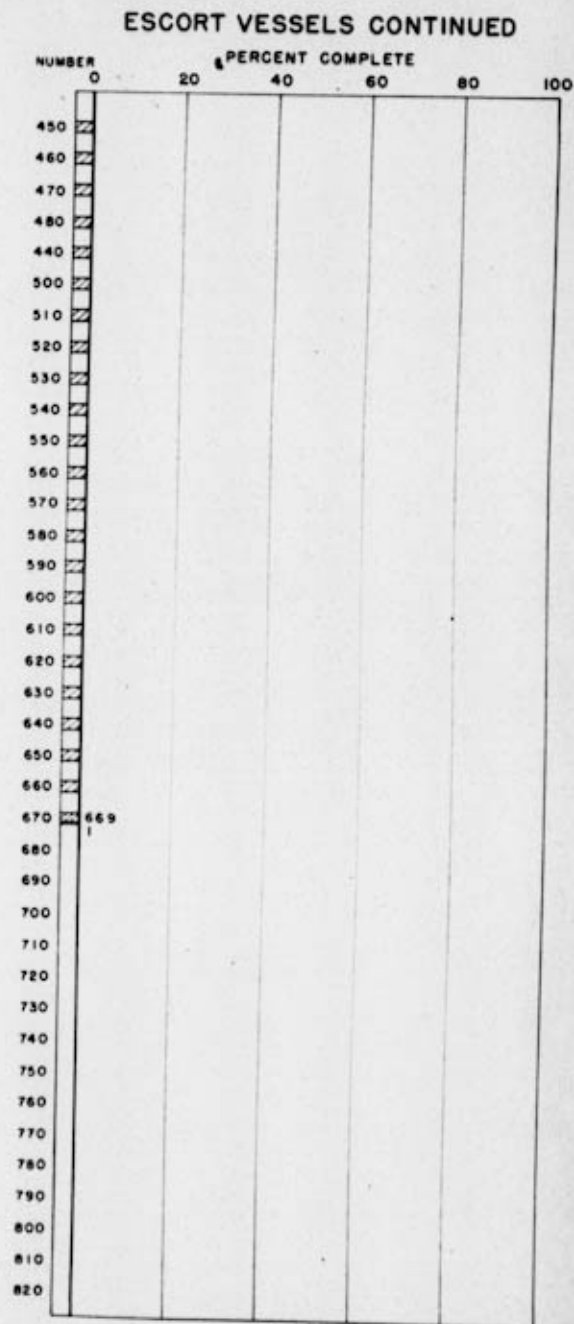
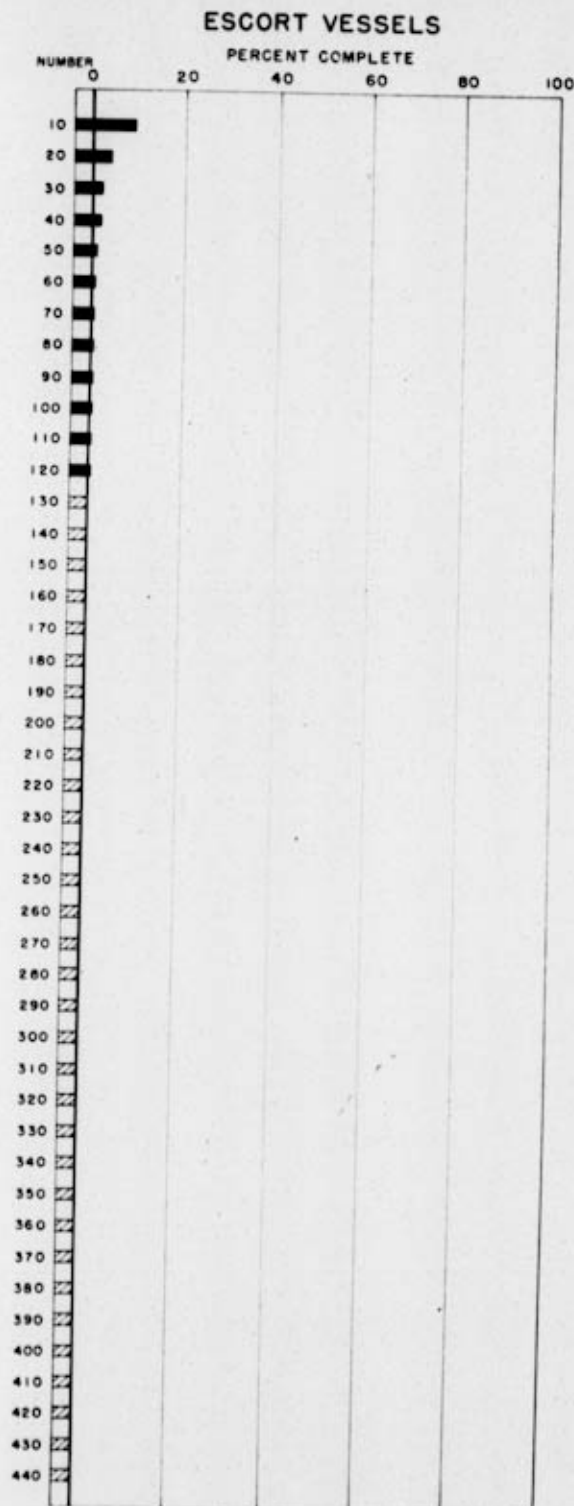


CHART 7


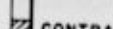

CONSTRUCTION PROGRESS ON ESCORT VESSELS

JULY 1, 1940 TO SEPTEMBER 1, 1942

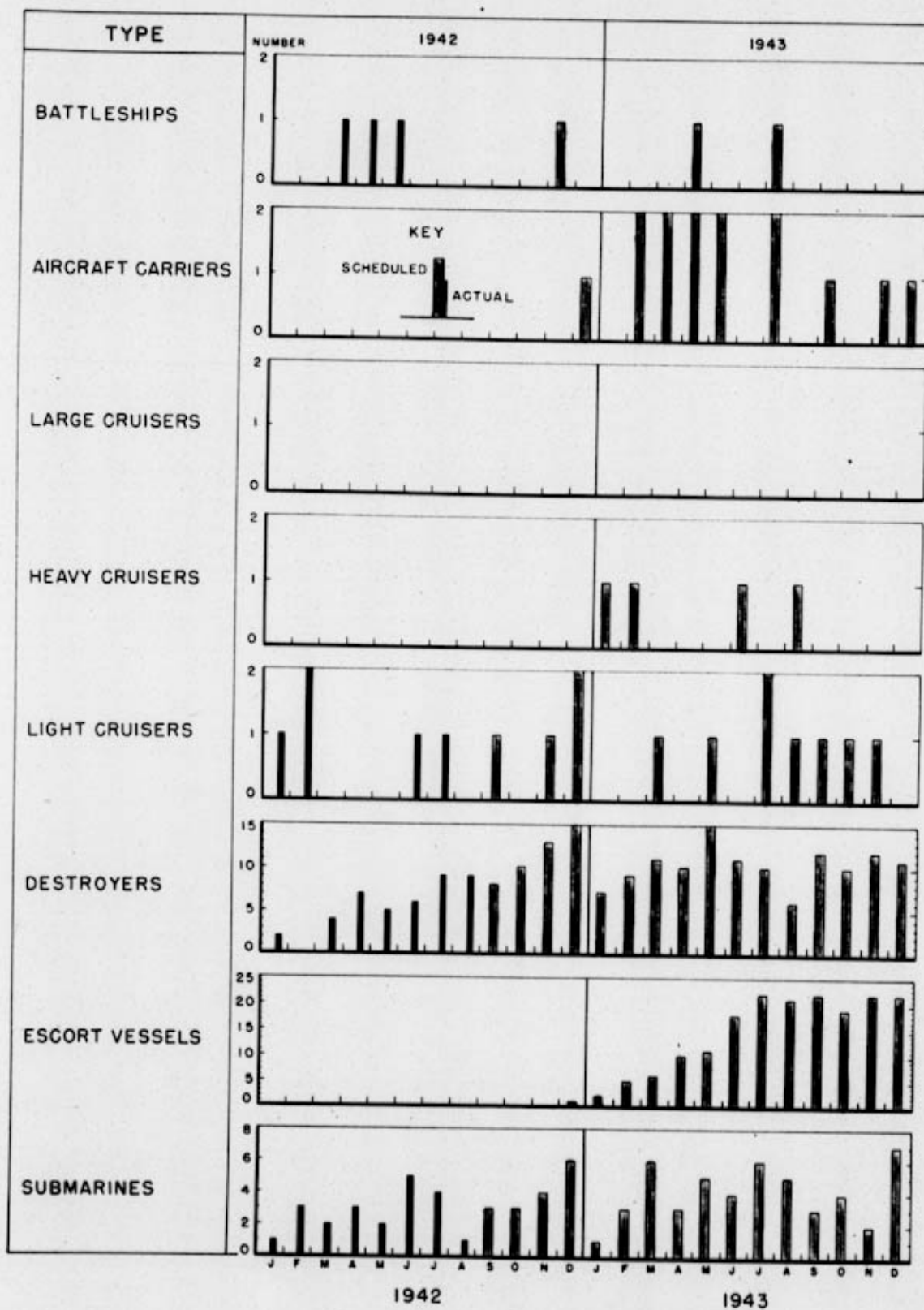


KEY

EACH FULL WIDTH BAR = 10 VESSELS

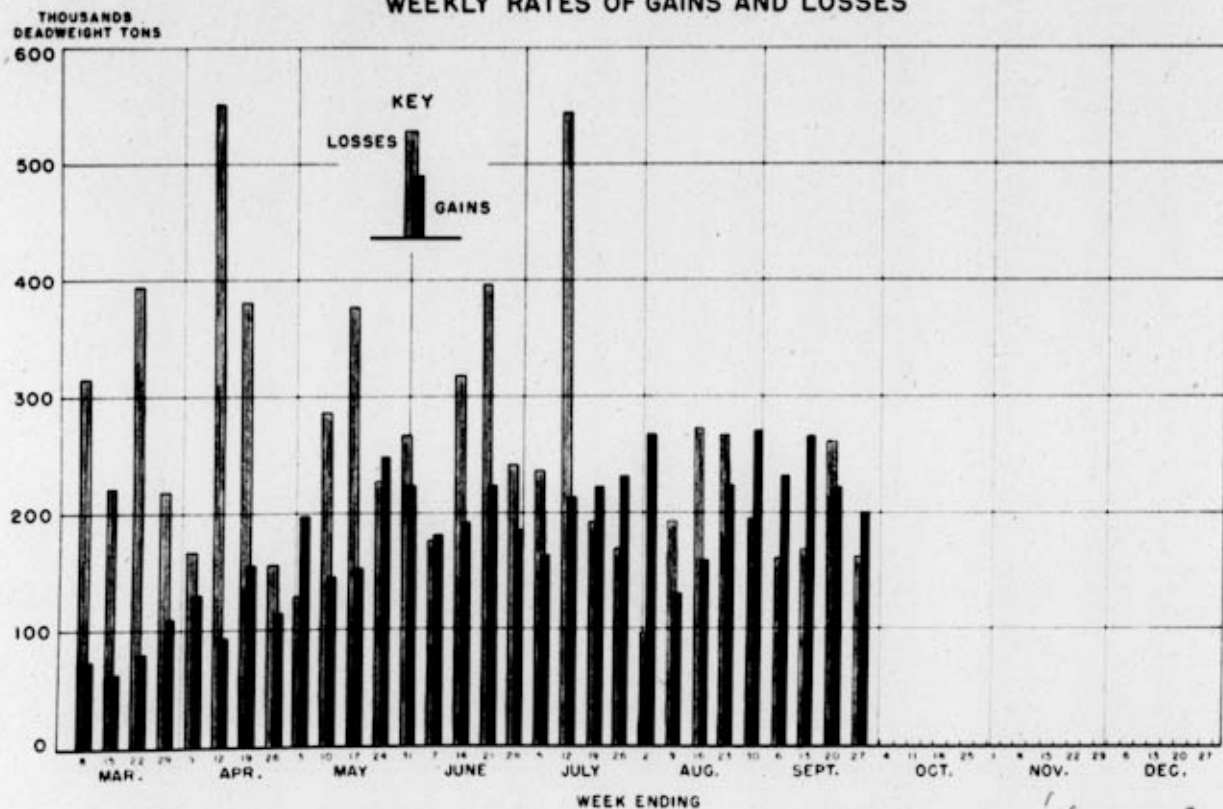
-  AVERAGE COMPLETION OF 10 VESSELS
-  CONTRACTS AWARDED - NO PROGRESS REPORTED
-  AUTHORIZED BUT NOT CONTRACTED FOR

MONTHLY COMPLETIONS OF COMBATANT VESSELS ACTUAL AND SCHEDULED

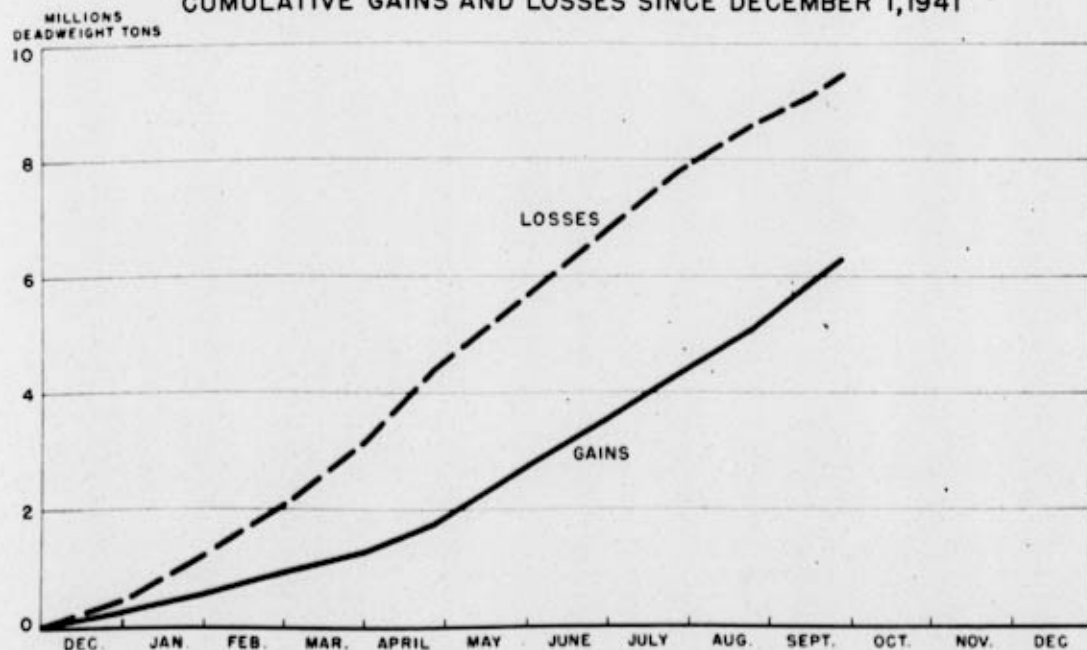


GAINS AND LOSSES OF MERCHANT OCEAN VESSELS AVAILABLE TO THE UNITED NATIONS

WEEKLY RATES OF GAINS AND LOSSES



CUMULATIVE GAINS AND LOSSES SINCE DECEMBER 1, 1941

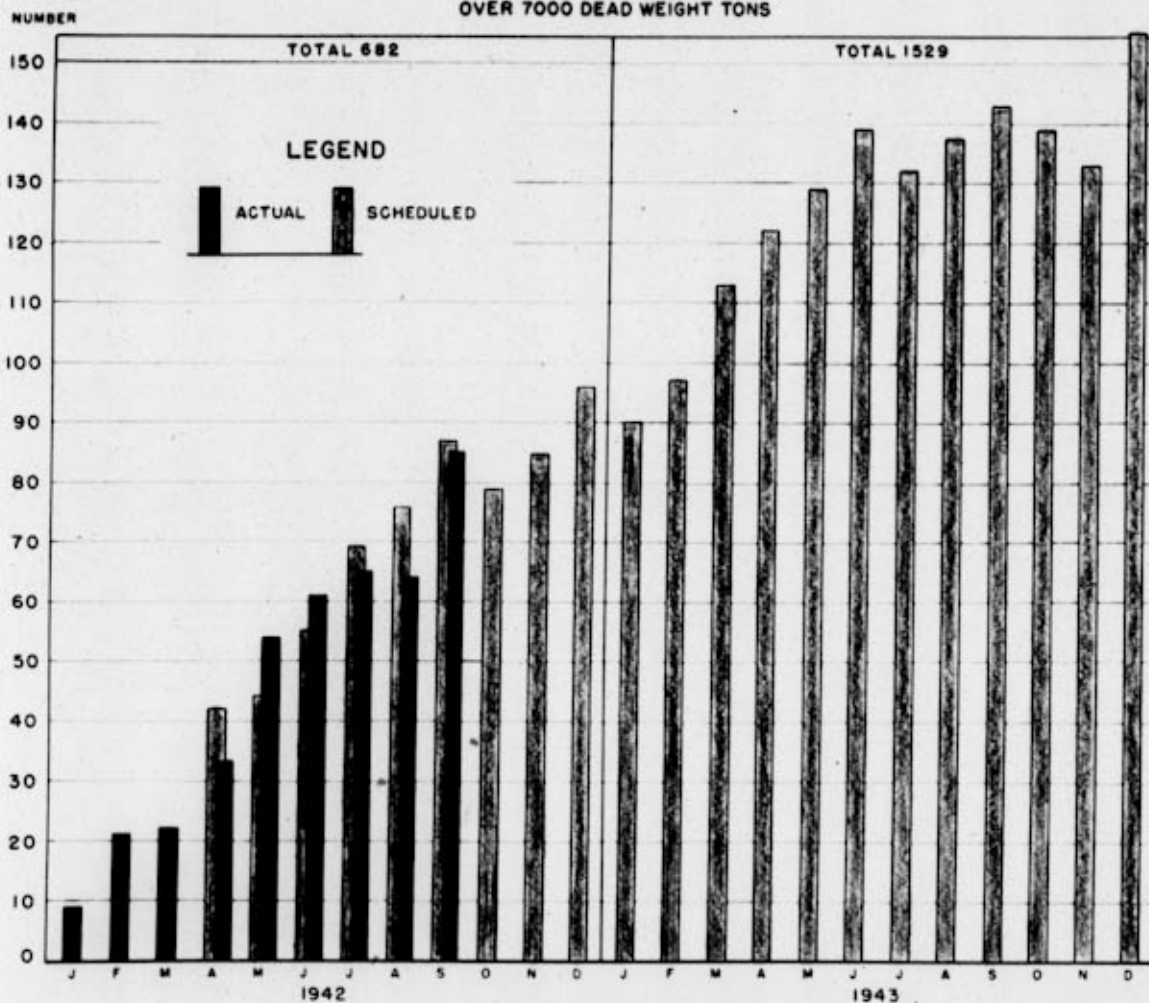


1942

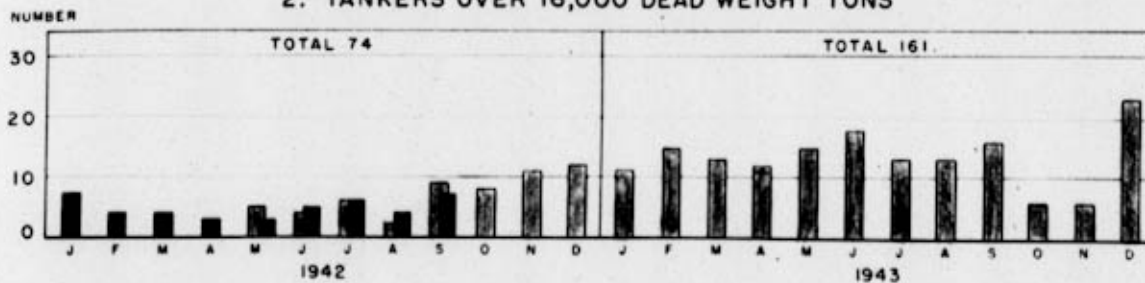
CHART 10

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

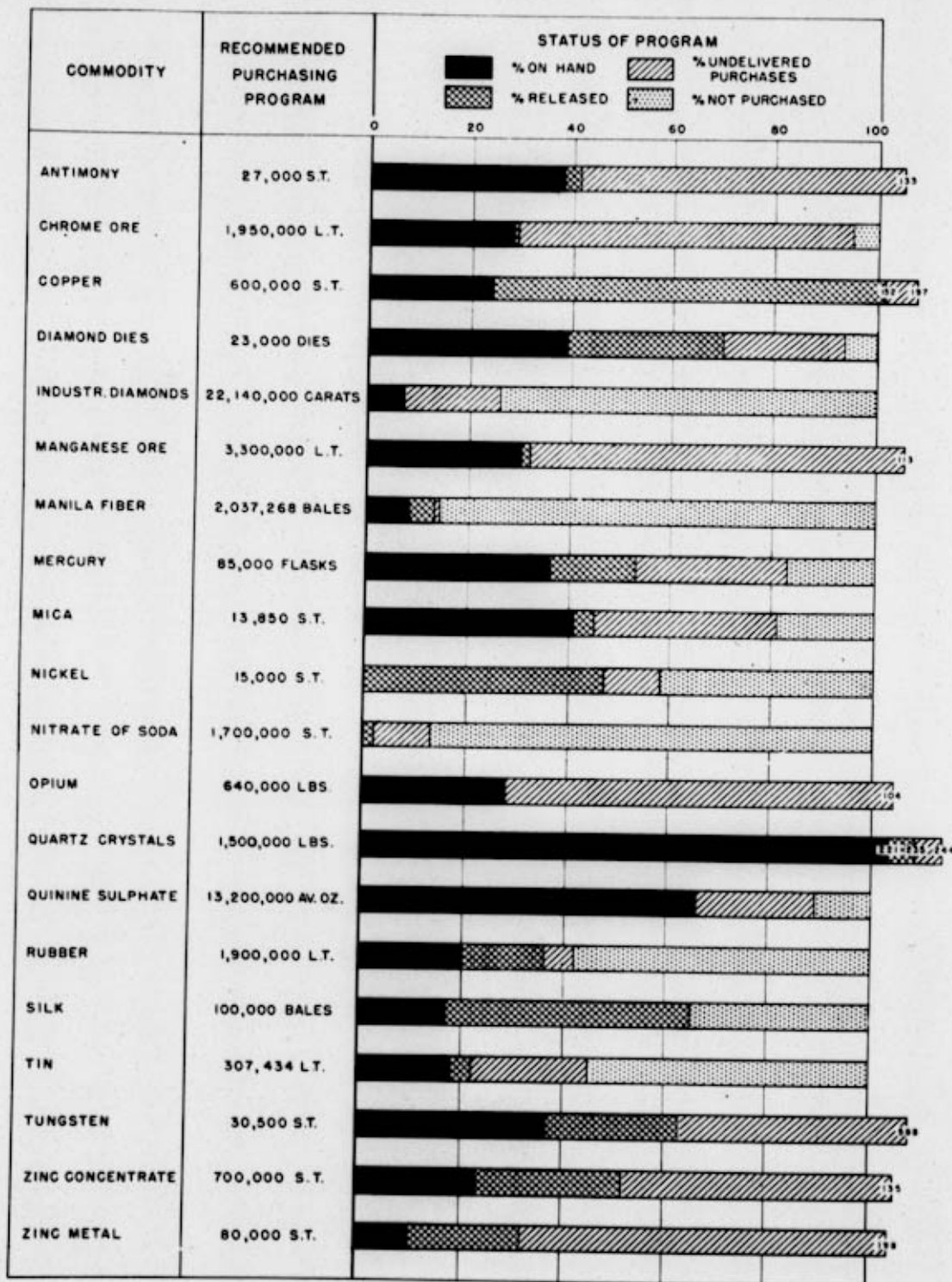


BASIC WAR COMMODITIES

SELECTED CRITICAL AND STRATEGIC MATERIALS

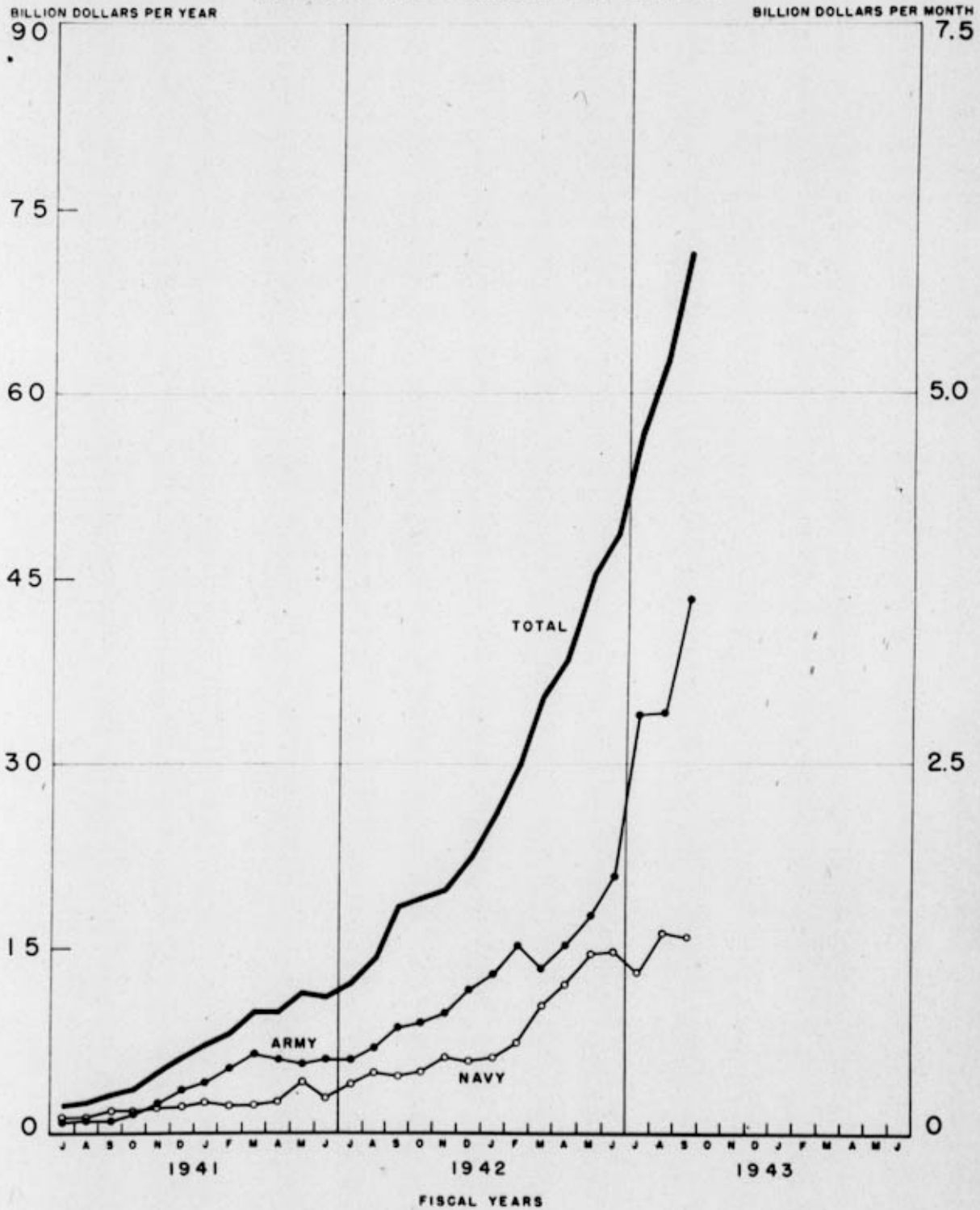
(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED PURCHASE PROGRAM)

AS OF SEPT. 19, 1942



WAR EXPENDITURES

ANNUAL AND MONTHLY RATES



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