

Report 25

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

October 31, 1942

Prepared by
Bureau of the Budget
Executive Office of the President

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**EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET**

WASHINGTON, D. C.

*file
personal*

November 25 1942.

For the personal attention of the
President.

HDS

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CONTENTS

| | Page |
|---|------|
| I. Summary | 1 |
| II. Aeronautical Program | 2 |
| III. Army | 6 |
| IV. Navy | 13 |
| V. Merchant Shipping | 17 |
| VI. War Industrial Facilities | 18 |
| VII. Stockpile and Public Purchases of Basic War Commodities | 20 |
| VIII. Domestic Transportation | 22 |
| IX. War Finances | 24 |
| X. Seven-Point Program for Stabilisation of the Cost of Living | 26 |
| XI. Salvage Operations | 27 |
| XII. Labor and Manpower | 28 |
| XIII. Progress Charts | 30 |

I. SUMMARY

Aircraft Production

| | <u>Acceptances</u> | <u>Scheduled</u> | <u>Percent</u> |
|-----------|--------------------|------------------|----------------|
| August | 4,284 | 4,688 | 92 |
| September | 4,309 | 5,033 | 86 |
| October | 4,063 | 5,513 | 74 |

(Page 2; chart 1)

Army Ordnance Production

There was very little significant change during September in deliveries of selected ordnance items over those of August.

(Pages 6, 7)

Ordnance production schedules have not been very realistic.

(Page 8)

Navy Ship Construction

September deliveries:

One - 10,000-ton cruiser
Eight - destroyers
Two - submarines

(Page 13; charts 3-8, inc.)

Merchant Shipping

Eighty-five ocean-going vessels, aggregating 726,700 dwt., were reported lost to the United Nations during the four-week period ending October 25.

(Page 17; charts 9, 10)

Military Personnel

Strength:

Army, November 1, 1942 4,390,000
Navy, Marine Corps, and Coast
Guard - Sept. 1, 1942 1,036,000

(Pages 11, 16; chart 2)

II. AERONAUTICAL PROGRAM

October Aircraft Production

Military aircraft accepted in October totaled 4,063 as compared with 4,309 in September and 5,513 scheduled. Acceptances of tactical types decreased 2 percent from 2,731 in September to 2,681 in October. Heavy bombers increased from 263 to 288.

Aircraft Acceptances for October

| Type | Acceptances | | | |
|---------------------|-------------|-------|----------|--------------------------|
| | Sept. | Oct. | Decrease | Percent of Oct. Schedule |
| Bomber, 4-engine | 263 | 288 | + 25 | 91 |
| Bomber, 2-engine | 799 | 613 | 186 | 62 |
| Bomber, 1-engine | 254 | 419 | +165 | 71 |
| Fighter | 912 | 894 | 18 | 78 |
| Total combat | 2,228 | 2,214 | 14 | 73 |
| Observation, etc. | 312 | 310 | 2 | 64 |
| Transport, 4-engine | 14 | 13 | 1 | 87 |
| Transport, 2-engine | 177 | 144 | 33 | 58 |
| Total tactical | 2,731 | 2,681 | 50 | 70 |
| Trainers | 1,578 | 1,382 | 196 | 83 |
| Grand total | 4,309 | 4,063 | 246 | 74 |

The "pool" of accepted but undelivered aircraft decreased 13 percent from 1,288 at the end of September to 1,122 on October 31. Tactical types account for 58 percent.

The poor showing in October appears in general to be due to labor problems, lack of Government-furnished equipment, and to material problems.

1943 Aircraft Production Schedule

The following table shows a comparison of the 1943 aircraft production schedules of the program of August 1942 and as recently revised.

The revised figures are subject to some change.

| <u>Type</u> | <u>Schedule 8-K, Aug. 1942</u> | | <u>Revised Program</u> |
|-------------------------|--------------------------------|----------------------------|------------------------|
| | <u>President's Program</u> | <u>Assigned Production</u> | |
| Bombers, heavy) | | 12,099 | 13,424 |
| Bombers, medium) | 28,058 | 10,426 | 11,102 |
| Bombers, light | <u>20,445</u> | <u>19,022</u> | <u>20,430</u> |
| Total bombers | 48,503 | 41,547 | 44,956 |
| Pursuit | <u>38,798</u> | <u>27,985</u> | <u>33,599</u> |
| Total combat .. | 87,301 | 69,532 | 78,555 |
| Heavy transports) | | 1,200 | 1,314 |
| Medium transports) | | 4,999 | 5,451 |
| Light transports) | 14,113 | 965 | 1,344 |
| Communications) | | 3,496 | 1,742 |
| Special tactical) | | <u>360</u> | <u>344</u> |
| Total tactical | 101,414 | 80,552 | 88,750 |
| Trainers | <u>26,559</u> | <u>26,559</u> | <u>26,058</u> |
| Total all types .. | 127,973 | 107,111 | 114,808 |

Army Air ForcesA. Airplanes

The Army reported 26,521 modern-type, delivered airplanes on hand September 30, an increase of 1,639 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, September 30, 1942
(Suitable Types Only)

| | On Hand 9-30-42* | Change During September | On Hand 12-31-41* |
|------------------------|---------------------|-------------------------------|----------------------|
| <u>Tactical</u> | | | |
| <u>Combat:</u> | | | |
| Bombers, heavy | 1,430 | 210 | 295 |
| Bombers, medium | 1,584 | 227 | 827 |
| Bombers, light | 875 | 88 | 799 |
| Fighter | 4,169 | 249 | 2,381 |
| Total combat | 8,058 | 774 | 4,302 |
| <u>Service combat:</u> | | | |
| <u>Transport:</u> | | | 224 |
| Heavy | 48 | 29 | |
| Medium | 866 | -30 | |
| Light | 194 | 148 | |
| Communications | 3,085 | 144 | 706 |
| Total tactical | 12,251 | 1,065 | 5,232 |
| <u>Trainers</u> | 14,270 | 574 | 7,498 |
| Total planes | 26,521 | 1,639 | 12,730 |

*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 1,090,000 at the end of September, an increase of 103,600 during the month.

Active Duty Strength of Army Air Forces
Aug. 31 and Sept. 30, 1942

| | September 30, 1942 | | | Total on 8-31-42 |
|----------------------------|--------------------|-----------------|-----------|------------------------|
| | Officers | Enlisted Men | Total | |
| Pilots | 25,937 | 3,053 | 28,990 | 25,878 |
| Bombardiers | 2,044 | 922 | 2,966 | 2,711 |
| Navigators | 2,598 | — | 2,598 | 2,368 |
| Observers | 626 | — | 626 | 660 |
| Engineers | 1,682 | — | 1,682 | 1,533 |
| Armament and gunners | 880 | 8,639 | 9,519 | 7,562 |
| Weather | 351 | — | 351 | 376 |
| Communications | 884 | — | 884 | 855 |
| Photographic | 310 | — | 310 | 368 |
| Student officers | 5,883 | — | 5,883 | 5,692 |
| Aviation cadets | 79,571 | — | 79,571 | 66,032 |
| Other AAF | 30,187 | 736,309 | 766,496 | 701,612 |
| Assigned Arms and Services | 17,536 | 172,518 | 190,054 | 170,691 |
| Total | 168,489 | 921,441 | 1,089,930 | 986,338 |

III. ARMYProcurement of Equipment

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

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

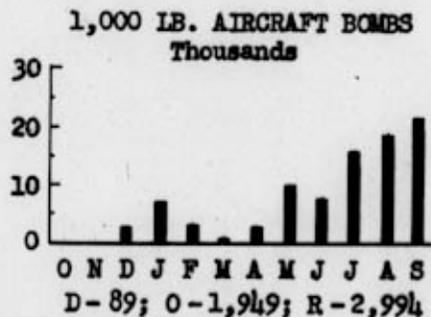
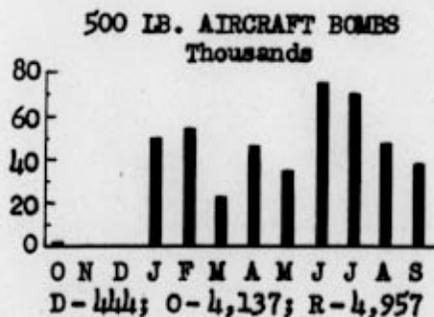
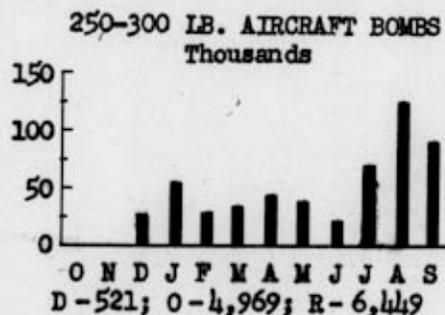
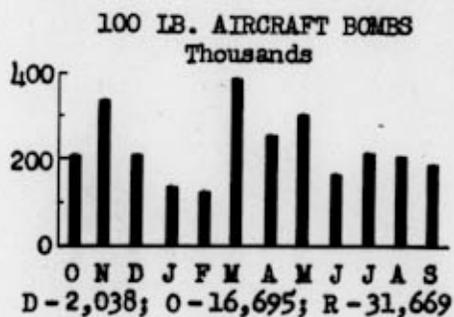
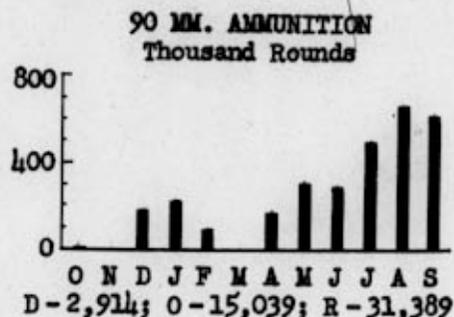
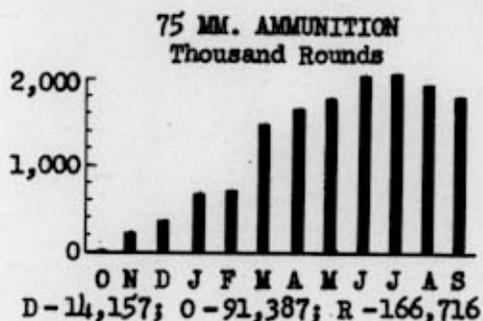
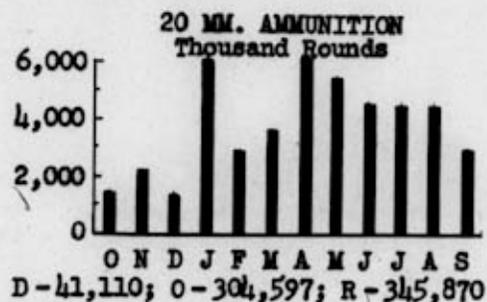
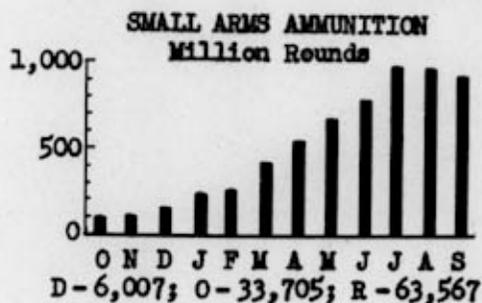
| | Army Supply Program to 12-31-42 | Deliveries | | | |
|--|--|--|----------------------|---------|--------|
| | | Anticipated 7-1-40 to 12-31-42** | Actual | | |
| | | | 7-1-40 to 9-30-42 | Aug. | Sept. |
| <u>Aircraft</u> | | | | | |
| Gun, 20mm | 36,499 | 62,581 | 42,047 | 3,681 | 4,057 |
| Gun, 37mm | 5,150 | 7,444 | 4,280 | 575 | 664 |
| <u>Antiaircraft</u> | | | | | |
| Gun, 90mm | 2,882 | 3,132 | 1,941 | 368 | 383 |
| Gun, 40mm | 9,567 | 8,909 | 4,345 | 964 | 1,355 |
| Gun, 37mm | 2,842 | 2,692 | 1,883 | 281 | 349 |
| <u>Combat Vehicles</u> | | | | | |
| Tank, light (less armament) | 13,504 | 14,394 | 8,957 | 962 | 1,068 |
| Tank, medium (less armament) | 15,373 | 19,747 | 9,747 | 1,256 | 1,255 |
| <u>Artillery</u> | | | | | |
| Gun, 155mm (H.S., S.P., and new) | 1,501 | 1,261 | 1,025 | 38 | 39 |
| Gun, 75mm (A.T.) | 3,144 | 2,487 | 1,787 | 0 | 1 |
| Gun, 37mm (A.T. and S.P.) | 19,358 | 17,860 | 12,210 | 1,432 | 1,400 |
| Howitzer, 105mm (S.P. and field) | 6,366 | 6,230 | 4,568 | 462 | 368 |
| Howitzer, 75mm (S.P., field, and pack) | 3,582 | 2,708 | 1,146 | 76 | 56 |
| Mortar, 60mm and 81mm | 20,067 | 21,784 | 16,310 | 706 | 426 |
| <u>Small Arms</u> | | | | | |
| Garand rifle | 1,660,339 | 1,155,566 | 889,786 | 66,480 | 74,720 |
| Other rifles, cal. .30 & .303 | 3,057,424 | 1,129,545 | 547,158 | 102,376 | 88,463 |
| Machine gun, cal. .30 | 276,895 | 356,024 | 286,003 | 39,425 | 39,066 |
| Machine gun, cal. .50 | 383,413 | 394,914 | 271,976 | 33,890 | 31,277 |

*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 OCTOBER 1, 1942

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



Reliability of Ordnance Forecasts

A recent analysis made in the WPB shows that for Army ordnance, actual production during the six-month period beginning April 1, 1942, differed by more than 20 percent from that scheduled at the beginning of the period for nearly three-fifths of the ordnance program. For the three-month period beginning July 1, forecasts for items representing 45 percent of the total value were inaccurate by more than 20 percent.

A summary of the conclusions derived from this study is quoted below:

1. Army Ordnance Department production forecasts have been notably inaccurate in the past, and cannot be depended upon in estimating future supply position.
2. Forecasts have failed to improve in accuracy; this is shown in a comparison of three-month forecasts made on April 1 and July 1, 1942.
3. The forecasts for even one month are seriously inaccurate, although in general, it may be stated that forecasts for short periods in the future tend to be better than those for long periods.
4. Forecasts tend to err on the side of over-optimism; actual production has fallen short of forecast more often than it has exceeded forecast. The tendency to overestimate increased between April 1 and July 1; i.e., schedules were even more inflated on July 1 than they were on April 1.
5. The widely-used comparisons of production and forecasts in terms of aggregate values for a group of items seriously underestimates the extent of errors in the forecasts; this use of aggregates permits negative errors to offset positive errors. Aggregate values also conceal (a) significant failures in meeting objectives and (b) serious imbalances within and between ordnance categories.

Distribution of Stocks

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

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

| | Issued to U. S. Troops | In Storage in U.S. | Transfers* | Total |
|---|------------------------------|--------------------------|------------|-----------|
| <u>Aircraft</u> | | | | |
| Gun, 20mm | 3,714 | 23,784 | 13,754 | 41,252 |
| Gun, 37mm | 1,823 | 2,023 | 5 | 3,851 |
| <u>Antiaircraft</u> | | | | |
| Gun, 90mm | 1,389 | 214 | 167 | 1,770 |
| Gun, 40mm | 2,593 | 1,186 | 394 | 4,173 |
| Gun, 37mm | 1,327 | 11 | 62 | 1,400 |
| <u>Combat Vehicles</u> | | | | |
| Tank, light (less armament) | 2,814 | 82 | 4,002 | 6,898 |
| Tank, medium (less armament) | 2,474 | 26 | 5,549 | 8,049 |
| <u>Artillery</u> | | | | |
| Gun, 155mm (H.S., S.P., & new) | 885 | 28 | 50 | 963 |
| Gun, 75mm (A.T.) | 838 | 5 | 22 | 865 |
| Gun, 37mm (A.T. and S.P.) | 7,267 | 2,666 | 515 | 10,448 |
| Howitzer, 105mm (S.P. & field) | 3,598 | 67 | 403 | 4,068 |
| Howitzer, 75mm (S.P., field, and pack) | 703 | 61 | 400 | 1,164 |
| Mortar, 60mm and 81mm | 11,746 | 901 | 3,013 | 15,660 |
| <u>Small Arms</u> | | | | |
| Garand rifle | 789,013 | 23,563 | 90,962 | 903,538 |
| Other rifles (cal. .30 & .303) | 1,653,248 | 165,849 | 1,693,497 | 3,512,594 |
| Machine gun, cal. .30 | 112,715 | 66,713 | 78,096 | 257,524 |
| Machine gun, cal. .50 | 113,882 | 93,128 | 57,740 | 264,750 |

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

War Construction Program by the Corps of Engineers

On September 30, the Chief of Engineers had authorized 2,170 emergency construction projects estimated to cost \$8.2 billion, an increase of \$329 million since August 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> |
|---------------------------|--------------------|------------------------|------------------------------|
| 1,085 | Completed | \$3,630,000,000 | 44 |
| 961 | Under construction | 4,502,000,000 | 55 |
| 124 | Not started | 107,000,000 | 1 |
| <u>2,170</u> | | <u>\$8,239,000,000</u> | <u>100</u> |

Construction in Place, by Types -- September 30, 1942

| Type | Estimated Cost | | Construction in Place | | | | | | |
|---------------------------------|-----------------|------------|-----------------------|---------------------------|---|----|----|----|-----|
| | Million Dollars | % of Total | Million Dollars | Percent of Estimated Cost | | | | | |
| | | | | % | 0 | 25 | 50 | 75 | 100 |
| Air Force Facilities | \$2,403 | 29 | \$1,623 | 67 | | | | | |
| Ground Force Facilities | 2,347 | 28 | 1,998 | 84 | | | | | |
| Storage and Shipping Facilities | 835 | 11 | 709 | 84 | | | | | |
| Manufacturing Plants | 2,654 | 32 | 2,009 | 75 | | | | | |
| Total, Sept. 30 | \$8,239 | 100 | \$6,339 | 77 | | | | | |
| Total, Aug. 31 | 7,910 | | 5,720 | 72 | | | | | |
| Increase | \$ 329 | | \$ 619 | | | | | | |

Civilian employment on the foregoing program reached 893,000 persons on September 30, a decrease of 48,000 during September.

In addition to the construction activities listed above, the Corps of Engineers has other programs of construction, maintenance, and real estate acquisition totaling \$1,567,000,000.

Military Personnel

The estimated increase in the active duty strength of the Army during October was 420,000, bringing the total to 4,390,070 on November 1.

Distribution of the Active Duty Strength of the Army

| | October 1 Actual | Nov. 1 Estimated | October Increase | Approved for June 30, 1944 |
|--------------------------|---------------------|---------------------|---------------------|-------------------------------|
| Commissioned officers | 276,003 | 310,000 | 33,997 | 675,000 |
| Warrant officers | 5,492 | 6,800 | 1,308 | |
| Enlisted men & selectees | 3,670,954 | 4,048,000 | 377,046 | |
| Subtotal | 3,952,449 | 4,364,800 | 412,351 | 7,533,000 |
| Army Nurse Corps | 14,870 | 17,200 | 2,330 | |
| W.A.A.C. | 3,697 | 6,600 | 2,903 | |
| Army Specialist Corps | 361 | 1,470 | 1,109 | |
| Total | 3,971,377 | 4,390,070 | 418,693 | |

Commissioned officers and enlisted men overseas at the beginning of November were estimated at 828,000, an increase of 63,000 over October 1.

Disposition of Active Duty Commissioned Officers
and Enlisted Men

| | October 1 Actual | November 1 Estimated | October Increase |
|---------------------|---------------------|-------------------------|---------------------|
| Army Ground Forces | 1,100,785 | 1,204,800 | 104,015 |
| Army Air Forces | 869,321 | 957,500 | 88,179 |
| Services of Supply | 755,596 | 910,700 | 155,104 |
| War Department | 56,853 | 47,000 | -9,853 |
| Overseas | 765,534 | 828,000 | 62,466 |
| In ships | 52,346 | 43,850 | -8,496 |
| In staging areas | 61,985 | 81,500 | 19,515 |
| In defense commands | 284,537 | 284,650 | 113 |
| Total | 3,946,957 | 4,358,000 | 411,043 |

General Personnel Information

In August, 35 percent of all commissioned officers held the rank of Captain or higher and 44 percent of 3,256,000 enlisted men were rated Privates First Class or higher.

Only 5 percent of the 276,000 commissioned officers in the Army on September 30th were in the Regular Army and about the same percentage were in the National Guard. Reserve officers accounted for 52 percent and the Army of the United States for 37 percent.

With very little variation in the percentage of officers to total strength, the proportion since 1940 has ranged between 6 and 7 percent and currently stands at 7 percent.

Of 67,199 enrollees in officer candidate school classes who graduated between July 1941 and September 1942, 85 percent were commissioned as Second Lieutenants. The others were dropped.

There was one military man working in the War Department in the District of Columbia area for every three civilians during September. Total officer and enlisted strength was 20,359 as compared with 60,663 civilians.

Twenty percent of the total Army strength was stationed outside Continental United States on September 30th as compared with 10 percent on January 1.

Only 75 percent or 3,771 of the 5,000 chaplains needed for the armed services were on active duty as of September 30, 1942.

About 15 percent of those inducted have had at least one year in college.

Applications for family allowances totaled 602,477 through October 10th and 457,652 of these had been approved. Initial payments had been made on 307,376 approved applications. Total checks written for initial and monthly payments aggregated 480,020 for \$51,633,123 or an average of \$108 a check.

The desertion rate is now about 3/4 of 1 percent per year as compared with an average rate of about 2 percent per year from 1931 through 1938 and a rate of over 7 percent per annum during 1925.

IV. NAVYSeptember Vessel Completions

1,443 Navy vessels, including one 10,000-ton cruiser, eight destroyers, and two submarines, were completed in September.

Completions of Naval Vessels During August and September

| <u>Type of Vessel</u> | <u>September Completions</u> | <u>August Completions</u> |
|---|------------------------------|---------------------------|
| <u>Combatant Vessels</u> | | |
| Cruisers, 10,000-ton | 1 | 0 |
| Destroyers, 2,100-ton | 2 | 4 |
| Destroyers, 1,620-ton | 6 | 5 |
| Submarines | 2 | 1 |
| | 11 | 10 |
| <u>Patrol Craft</u> | | |
| Sub-chasers (110 and 173 ft.) | 31 | 31 |
| Motor torpedo boats | 17 | 17 |
| District patrol craft | 0 | 1 |
| Fairmile-type motor vessels | 4 | 0 |
| | 52 | 49 |
| <u>Landing Craft</u> | | |
| Personnel landing craft (large, wood) .. | 0 | 10 |
| Infantry landing craft (large) | 1 | 0 |
| Tank landing craft | 135 | 36 |
| Vehicle landing craft | 908 | 0 |
| Mechanized landing craft | 0 | 49 |
| Tracked landing vehicle (unarmored) | 80 | 0 |
| Rubber landing craft | 0 | 2 |
| | 1124 | 97 |
| <u>Lend-Lease Program</u> | | |
| Ocean-going rescue tugs | 1 | 2 |
| Motor-driven mine sweepers | 5 | 5 |
| Tank landing craft (MKV) | 20 | 6 |
| Tank landing boats | 0 | 53 |
| Aircraft rescue boats | 7 | 0 |
| | 33 | 66 |
| <u>Mine Craft</u> | 15 | 28 |
| <u>Auxiliary Vessels—Fleet Tugs</u> | 1 | 0 |
| <u>District Craft</u> | 17 | 19 |
| <u>Special Small Boats</u> | 190 | 15 |
| Total | 1,443 | 284 |

Status of Combatant Vessel Program

The following table indicates the progress being made toward completion of the vessels in the combatant vessel construction program, listed by type of vessel:

Combatant Vessel Construction Program
October 1, 1942

| Type of Vessel | Number of Vessels | | | | | | |
|--|---------------------------------|--------------------------|------------|------------|-----------|-----------|-----------|
| | Projected or Under Construction | Percentage of Completion | | | | | |
| | | 0 | 0-5 | 5-25 | 25-50 | 50-75 | 75-100 |
| Battleship | 12 | 5* | 0 | 4 | 0 | 1 | 2 |
| Aircraft carrier | 36 | 15 | 1 | 8 | 4 | 7 | 1 |
| Large cruiser | 6 | 4* | 0 | 1 | 1 | 0 | 0 |
| Heavy cruiser | 25 | 17 | 0 | 4 | 0 | 3 | 1 |
| Light cruiser (10,000-ton modified) | 13 | 13 | 0 | 0 | 0 | 0 | 0 |
| Light cruiser (10,000-ton) | 25 | 7 | 0 | 8 | 4 | 2 | 4 |
| Light cruiser (6,000-ton) | 7 | 3 | 0 | 2 | 0 | 2 | 0 |
| Destroyer (2,200-ton new design) | 104 | 104 | 0 | 0 | 0 | 0 | 0 |
| Destroyer (2,100-ton) | 165 | 41 | 3 | 49 | 37 | 22 | 13 |
| Destroyer (1,620-30 ton) | 30 | 0 | 0 | 0 | 3 | 8 | 19 |
| Submarine | 198 | 122 | 11 | 27 | 15 | 8 | 15 |
| Escort vessel | 670 | 544 | 107 | 19 | 0 | 0 | 0 |
| Total | 1,291 | 875 | 122 | 122 | 64 | 53 | 55 |

*Work suspended.

Navy Shore Construction Program

The Navy shore construction program on September 1, 1942 was about 45 percent complete; Authorizations since July 1, 1940 aggregate \$4.85 billion.

| <u>Classification</u> | <u>Total Authorized</u> | <u>Reported Value of Work Done</u> | <u>Percent Complete</u> |
|--|-------------------------|------------------------------------|-------------------------|
| Aeronautical facilities | \$999,931,284 | \$576,808,771 | 58 |
| Shipbuilding and repair facilities | 648,576,982 | 331,053,638 | 51 |
| Advance bases | 500,227,450 | 112,395,000 | 22 |
| Storage facilities | 427,996,346 | 191,971,580 | 45 |
| Structures for naval personnel | 354,967,113 | 179,353,662 | 51 |
| Ordnance facilities | 352,820,293 | 141,862,908 | 40 |
| Fleet facilities | 226,329,188 | 114,795,722 | 51 |
| Defense aid | 181,525,930 | 132,775,374 | 73 |
| Miscellaneous structures | 149,200,006 | 53,155,106 | 36 |
| British bases | 130,686,868 | 90,192,516 | 69 |
| Marine Corps facilities | 122,352,956 | 77,846,854 | 64 |
| Hospital facilities | 111,700,188 | 60,750,866 | 54 |
| Defense housing | 71,349,387 | 66,615,323 | 93 |
| Section bases | 39,718,315 | 22,999,093 | 58 |
| Radio facilities | 22,412,789 | 12,186,987 | 54 |
| Emergency expenditures | 11,000,000 | 10,497,775 | 95 |
| Other | 502,988,832 | 27,077,337 | 5 |
| Total | \$4,853,783,927 | \$2,202,338,512 | 45 |

Navy, Marine Corps, and Coast Guard Personnel

The total active duty military personnel of the Navy, Marine Corps, and Coast Guard was 1,036,273 on September 1, as compared with 2,686,623 approved for June 30, 1944.

Active Duty Military Personnel of the
Navy, Marine Corps, and Coast Guard

| | Navy | Marine Corps | Coast Guard | Total |
|--|-----------|--------------|-------------|-----------|
| <u>Total Active Duty Strength</u> | | | | |
| Dec. 1, 1941—Actual | 327,445 | 66,164 | 25,002 | 418,611 |
| Sept. 1, 1942—Actual | 780,940 | 171,245 | 84,088 | 1,036,273 |
| June 30, 1944—Approved | 2,151,975 | 360,215 | 174,433 | 2,686,623 |
| <u>Increases in Active Duty Strength</u> | | | | |
| Dec. 1, 1941 to Sept. 1, 1942 | 453,495 | 105,081 | 59,086 | 617,662 |
| During August 1942 | 80,699 | 15,003 | 13,563 | 109,265 |
| Sept. 1, 1942 to June 30, 1944 | 1,371,035 | 188,970 | 85,325 | 1,645,330 |

Two-thirds of the 64,000 line officers of the Navy were assigned to shore activities on September 1.

V. MERCHANT SHIPPING

Gains and Losses -- United Nations

Eighty-five ocean-going vessels aggregating 726,700 dwt. (probably not complete) were reported lost by the United Nations during the four-week period ending October 25 -- an average of 181,000 dwt. per week. This compares with a gain from new construction of 95 vessels totaling 1,029,200 dwt. and represents an average weekly loss lower than that for any month since January 1942, during which an average of 157,000 dwt. per week was lost. The weekly average of losses from January through August has been over 200,000 dwt., with a high in May of 290,000 dwt. The September average was 187,000 dwt.

Cumulatively the losses total 10,285,000 dwt. from December 1, 1941 through October 25 as compared with gains of 7,421,000 dwt. The average weekly loss since December 1, 1941 has been 223,000 dwt. as compared with an average weekly gain of 161,000 dwt.

U. S. Ship Production

Eighty-one ocean-going merchant vessels, aggregating 890,000 dwt., were delivered during October by U. S. shipbuilders. This compares with 988,000 dwt. delivered in September.

October Ship Deliveries by U. S. Shipyards

| Account of | Number and Deadweight Tonnage | | | | | |
|---------------------|-------------------------------|---------|---------|--------|-------|---------|
| | Dry Cargo | | Tankers | | Total | |
| | No. | DWT. | No. | DWT. | No. | DWT. |
| Maritime Commission | 73 | 773,257 | 3 | 49,680 | 76 | 822,937 |
| British | 3 | 30,300 | - | - | 3 | 30,300 |
| Private | 1* | 18,500 | 1 | 18,000 | 2 | 36,500 |
| Total | 77 | 822,057 | 4 | 67,680 | 81 | 889,737 |

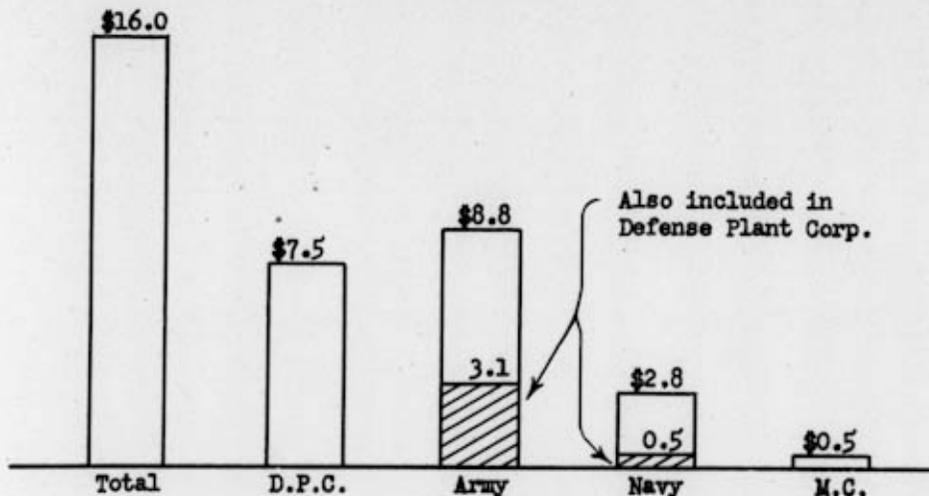
*Ore carrier

VI. WAR INDUSTRIAL FACILITIES

Public-financed Facilities Program

Up to October 1, 1942, about \$16 billion for new war industrial facilities had been approved by the Army, Navy, Defense Plant Corporation, and the Maritime Commission. Miscellaneous increases added about \$400 million during September. The total 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—October 1, 1942
(Figures in Billions)



This program breaks down substantially as follows:

| | Sept. 1 | Oct. 1 |
|--------------------|------------|--------|
| | (Billions) | |
| Aircraft | \$3.0 | \$3.0 |
| Ordnance | 6.0 | 6.2 |
| Shipbuilding | 2.1 | 2.2 |
| Other | 4.5 | 4.6 |
| Total | \$15.6 | \$16.0 |

Privately Financed Facilities Program

Up to October 1, certificates of necessity had been issued for privately financed plant expansions totaling \$3.4 billion — an increase of \$138 million during September.

Status of Facilities Financed by Public Funds

Only 46 percent of the \$13.9 billion war industrial facilities program was in place on August 31, 1942.

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

| Type of Product | Estimated Cost | Stages of Completion | | | | Value in Place |
|------------------------------------|-----------------|----------------------|----------------|----------------|--------------|----------------|
| | | 50-100% | 1-50% | 0% | Unknown | |
| (In millions) | | | | | | |
| Aircraft | \$2,690 | \$1,339 | \$1,208 | \$65 | \$78 | \$1,245 |
| Ship construction and repair | 1,677 | 1,044 | 522 | 31 | 80 | 998 |
| Combat and motor vehicles | 404 | 207 | 175 | 14 | 8 | 215 |
| Guns | 778 | 411 | 256 | 47 | 64 | 427 |
| Ammunition, etc. | 1,058 | 749 | 180 | 40 | 89 | 692 |
| Explosives and assembling | 2,805 | 1,721 | 1,016 | 63 | 5 | 1,694 |
| Iron and steel | 1,234 | 223 | 721 | 183 | 107 | 293 |
| Non-ferrous metals | 950 | 318 | 449 | 79 | 104 | 294 |
| Machine tools | 149 | 73 | 60 | 16 | 0 | 71 |
| Machinery and equipment | 427 | 169 | 190 | 43 | 25 | 167 |
| Chemicals | 1,138 | 134 | 736 | 255 | 13 | 183 |
| Petroleum and coal products | 188 | 15 | 63 | 102 | 8 | 17 |
| Miscellaneous manufacturing | 239 | 50 | 118 | 66 | 5 | 80 |
| Non-manufacturing | 168 | 16 | 54 | 90 | 8 | 23 |
| Total | \$13,905 | \$6,469 | \$5,748 | \$1,094 | \$594 | \$6,399 |

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

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

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 October 17:

Stockpile Status of Selected Commodities

| Commodity | Unit of Measure | Recommended Purchase Program | Stockpile Inventory Oct. 17, 1942 | Inventory Change Since 9-19-42 | Inventory Change Since 12-6-41 |
|-------------------|-----------------|------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| Antimony, metal | Tons | 27,000 | 10,237 | 0 | 2,415 |
| Aviation gasoline | 1,000 barrels | 0 | 310 | 13 | 310 |
| Chrome ore | 1,000 l.t. | 1,950 | 565 | 25 | 288 |
| Copper, refined | 1,000 tons | 600 ^{1/} | 124 | -18 | 49 |
| Diamonds, indus. | 1,000 carats | 22,140 | 1,806 | 244 | 1,071 |
| Diamond dies | Dies | 23,000 | 8,983 | 54 | 5,657 |
| Manganese ore | 1,000 l.t. | 3,300 | 1,015 | 38 | 548 |
| Manila fiber | 1,000 bales | 2,037 | 164 | 0 | 11 |
| Mercury | Flasks | 85,000 | 33,264 | 3,209 | 28,743 |
| Mica | Tons | 13,850 | 5,804 ^{2/} | 139 | 3,110 |
| Nitrate of soda | 1,000 tons | 1,700 | 0 ^{2/} | 0 | -9 |
| Opium | 1,000 pounds | 640 | 178 | 0 | 178 |
| Quartz crystals | 1,000 pounds | 1,500 | 3,287 | -21 | 1,797 |
| Quinine sulphate | 1,000 av. oz. | 12,200 | 8,695 | 0 | 1,495 |
| Rubber | 1,000 l.t. | 1,900 ^{1/} | 362 | -27 | 28 |
| Silk | 1,000 bales | 50-100 | 15 | -2 | 7 |
| Tin, refined | 1,000 l.t. | 307 ^{1/} | 56 | 1 | 7 |
| Tungsten | Tons | 30,500 | 9,897 | -1,401 | 2,215 |
| Zinc, metal | Tons | 80,000 | 10,339 | 2,404 | 10,339 |
| Zinc concentrates | Tons | 700,000 | 164,836 | 988 | 97,318 |

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

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

Rubber

Crude rubber requirements for 1942 and 1943 for military and civilian uses are estimated at 963,000 long tons.

Crude Rubber Requirements for 1942 and 1943
(Long Tons)

| <u>User</u> | <u>1942</u> | <u>1943</u> | <u>Total</u> |
|------------------------|----------------|----------------|----------------|
| Army | 201,000 | 302,000 | 503,000 |
| Navy | 21,000 | 20,000 | 41,000 |
| Maritime Commission .. | 1,000 | 2,000 | 3,000 |
| Lend-Lease | 83,000 | 91,000 | 174,000 |
| B.E.W. | 3,000 | 3,000 | 6,000 |
| Civilian | <u>129,000</u> | <u>107,000</u> | <u>236,000</u> |
| Total | 438,000 | 525,000 | 963,000 |

It is estimated that imports will amount to 321,700 long tons during the two-year period, 255,000 having been delivered during the first seven months of 1942. Our government and industry stock on January 1, 1942 totaled 532,000 long tons. This, added to expected imports, would make 853,700 long tons of crude rubber available as compared with requirements of 963,000 — a deficit of 109,300 tons. However, it is expected that 7,800 long tons of suitable synthetic rubber will be manufactured in 1942 and 471,800 in 1943. If imports are as estimated and the synthetic production is realized, we should have a stock of 370,000 long tons at the end of 1943 — a cushion of 38 percent over 1942 and 1943 requirements.

Crude rubber stocks in the United States totaled 518,000 long tons on September 1 as compared with 532,000 on January 1, 1942 and 289,000 on January 1, 1941. At the beginning of September, reclaimed rubber stocks totaled 56,500 long tons, and scrap rubber stocks were 589,700 long tons.

VIII. DOMESTIC TRANSPORTATION

During the month of October, no new controls were imposed on domestic transportation operations. Significant indications of domestic transportation operations under existing controls are:

Railroads

1. Absence of Congestion: No instances of major congestion requiring general embargo or rerouting were reported although in some few instances movement was delayed due to lack of motive power.
2. Up to October 21, car loadings of revenue freight were about 2.5 percent above those for the same period in 1941. However, measured in ton-miles, the freight moved was 35 percent greater than for the corresponding period of 1941. This indicates that the added burden on the railroads comes primarily through larger hauls. The peak week of freight loadings of 910,000 cars in October and for the year was substantially the same as that in 1941.
3. Coal and Petroleum Movements: The movement of 24,139,000 barrels of petroleum by rail into the eastern area during October was 2.9 percent under that during September. Maintenance and repair difficulties, unfavorable weather, heavy military movements, and reaching further west to oil supply points were contributing factors. In October all rail bituminous coal movements to New England decreased 5 percent below those in September.

Commercial Motor Vehicles

1. Certification: Applications to permit the operation of commercial vehicles under Certificates of War Necessity were being processed as the month ended.
2. Thirty-Five Speed Limit: Organized trucking groups are vigorously protesting the 35-mile-an-hour speed limit on the grounds that it results in less efficient utilization of certain equipment and actually necessitates the use of more rubber and critical parts. The Transportation Director and the Rubber Director were considering the appeals but had not reached a decision by the month's end.

Passenger Automobiles

1. Rationing and Speed Limitation: The 35-mile speed limit is being enforced in most states under emergency legislation or executive declaration; nation-wide gasoline rationing becomes effective November 22.
2. Warber Transportation: In plants employing more than 100 persons, special attention is being given to the development of plans for transporting war workers. Government procurement agencies are rewriting contracts to provide that each contractor must establish a responsible transportation office to handle personnel transportation. Gasoline and tire rationing plans provide special features for workers in these plants.
3. Tire Rationing: Monthly allowances of tires for civilians during October and November were more than double those of earlier months. This is in accordance with the recommendation of the Baruch Committee to keep passenger cars in operation. The November allocation is 1,090,000 tires against an estimated backlog demand for 5,000,000.

II. WAR FINANCES

Appropriations

From June 30, 1940, through October 31, 1942, Congress made appropriations and other authorizations for war purposes amounting to \$223 billion. The increase during October was \$16 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 | \$71.419 | \$42.091 | \$126.648 |
| Navy (including Coast Guard) | 4.415 | 18.935 | 20.450 | 43.800 |
| Defense aid | 7.000 | 11.410 | — | 18.410 |
| Maritime Commission | .469 | 5.484 | .090 | 6.043 |
| Defense housing | .420 | .600 | .615 | 1.635 |
| Other defense activities ... | .601 | 2.590 | 2.739 | 5.930 |
| Subtotal | \$26.043 | \$110.438 | \$65.985 | \$202.466 |
| Estimated appropriations required beyond F.Y. 1943 for completion of the expanded | | | | |
| Navy | | | | <u>20.113</u> |
| Grand total | | | | <u>\$222.579</u> |

*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 \$5.7 billion or \$43 per capita in October. This represents an annual rate of \$65.9 billion as compared with \$65.3 billion for September.

| | <u>War Disbursements During October</u> |
|---------------------------|---|
| Army | \$3,420,000,000 |
| Navy | 1,596,000,000 |
| RFC (net) | 241,000,000 |
| Maritime Commission | 46,000,000 |
| Other | <u>419,000,000</u> |
| Total | \$5,722,000,000 |

Gross Debt

The gross debt increased \$6.4 billion during October to a total of \$92.9 billion on October 31.

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

The establishment of the Office of Economic Stabilization, following an extension of price, wage, and salary controls, lays the foundation for an integrated program. Major problems of the program include: (1) excess purchasing power, (2) relationship between manpower control and wage stabilization, and (3) determination of standards for subsidies.

Taxes: New Revenue Act will increase gross receipts only \$3.6 billion in remaining months of fiscal 1943, compared with \$9 billion (including \$2 billion additional Social Security accumulations) requested by President last January, when estimated expenditures for fiscal 1943 were \$22 billion lower. In fiscal 1944, when war expenditures may approach an annual rate of \$100 billion, the volume of excess purchasing power will reach an estimated \$27 billion. Part of this must be captured or sterilized to support stabilization.

Prices--Cost of Living: Since May, when General Maximum Price Regulations became effective, the cost of living has risen 1.6 percent; the food component, 4.1 percent; uncontrolled foods, 10.2 percent. In six months since last March (month taken as a standard in the issuance of GMPR), the cost of living has risen about 3.1 percent, compared with 5.7 percent in preceding six months. A further increase -- 3 to 5 percent, at least -- is expected next year.

Prices--Farm: The index of prices received by farmers advanced 8 percent in the quarter ending September 30, while prices paid by farmers held constant. The problem of obtaining adequate supplies of farm products without puncturing retail ceilings right and left or paying large subsidies is becoming increasingly difficult as farm wages rise and farm hands become scarcer.

Wages and Salaries: The War Labor Board is now responsible for the control over lower salaries and all wages, as well as for the arbitration of wage disputes. With firms offering higher wages to attract a diminishing supply of labor, WLB has been thrown willy-nilly into the manpower situation already seriously complicated by the operations of Selective Service, WMC, and WPB.

Rationing: All-purpose rationing books, making possible a point rationing scheme, are being printed.

War Bonds: October sales of War Bonds totaled \$814 million; the quota was \$775 million.

Debt Liquidation: No new developments to report.

XI. SALVAGE OPERATIONS

Iron and Steel Scrap

Scrap iron and steel salvage campaigns are helping to keep over 1,000 open-hearth steel furnaces, which account for about 87 percent of our steel production, operating at capacity. During the last three months, one furnace was down one week because of a scrap shortage. (Two furnaces were down two weeks because of an OPA price violation.) Over 40 open-hearth furnaces were down around the first of the year because of a lack of scrap. Consumer inventories of purchased scrap (does not include plant or home scrap) were about the same on August 31 as at the high point in 1941 during March. About a 47-day supply was available as contrasted to a goal of a 90-day supply by January 1943.

Scrap Rubber

Between 450 and 500 thousand net tons of rubber (includes the weight of fabrics, etc., in tires) were collected during the President's two-week scrap rubber drive. This will extend the life of the scrap rubber stockpile about 14 months at present rates of consumption.

Waste Kitchen Fats

Surveys indicate that about 26.9 million pounds of waste kitchen fat become available per month. Collection campaigns for these fats started in May 1942 with collection rates increasing to 3.6 million in September -- about 600,000 pounds above August. Plans are under way to step up these rates.

XII. LABOR AND MANPOWER

Current Employment and Unemployment

Total employment in nonagricultural establishments increased by 501,000 from mid-August to mid-September, according to preliminary estimates of the Bureau of Labor Statistics.

| | Sept. 1942 | Change from | |
|--|------------|-------------|------------|
| | | Aug. 1942 | Sept. 1941 |
| Employment in nonagricultural establishments | 38,303,000 | 501,000 | 2,247,000 |
| Manufacturing employment | 15,235,000 | 255,000 | 1,664,000 |
| Federal Government executive service | 2,597,100 | 92,900 | 1,109,200 |
| WPA employment | 401,100 | -46,200 | -635,900 |
| Unemployment (including persons employed on WPA, NYA, and CCC) | 1,700,000 | -500,000 | -2,800,000 |

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: | | | |
| July | 131,498 | 94,043 | 34,223 |
| August | 113,862 | 95,531 | 19,259 |
| Number Concluding Training: | | | |
| July | 124,924 | 109,619 | 40,804 |
| August | 136,840 | 98,681 | 36,882 |
| Number in Training: | | | |
| August 1 | 201,135 | 158,140 | 90,394 |
| August 31 | 178,157 | 154,990 | 72,771 |

Turnover and Absenteeism

For the second successive month, turnover for all manufacturing in August grew worse. Total accession rates declined 5 percent and total separation rates rose 5 percent from July levels. Total accessions for all manufacturing in August were 7.90 per hundred employees, while total separations were 7.06 per hundred.

The tendency to lose men faster than new ones can be hired, which was noted in last month's report for some war industries, became general in war industries as between July and August.

Absenteeism in private shipyards increased between August and September. In 205 yards, man-hours lost from this cause averaged 8.7 percent in September.

Industrial Disputes

The number of strikes affecting war production decreased during September. About the same number of workers were involved in strikes in August and September, but the number of man-days idle increased.

| | <u>August</u> | <u>September</u> |
|---------------------------|---------------|------------------|
| Strikes in progress | 229 | 187 |
| Workers involved | 79,414 | 80,799 |
| Man-days idle | 266,353 | 318,892 |

Number of Labor Cases Pending

| | <u>Sept. 1</u> | <u>Oct. 1</u> | <u>Nov. 1</u> |
|--------------------------------------|----------------|---------------------|-------------------|
| National War Labor Board | 290 | 409 | 563 ^{1/} |
| U. S. Conciliation Service | 1,636 | 1,614 | 1,780 |
| National Mediation Board | 149 | 160 | 178 |
| National Railroad Adjustment Board.. | 2/ | 6,137 ^{3/} | 6,149 |

^{1/} As of Oct. 29, 1942.

^{2/} Not available.

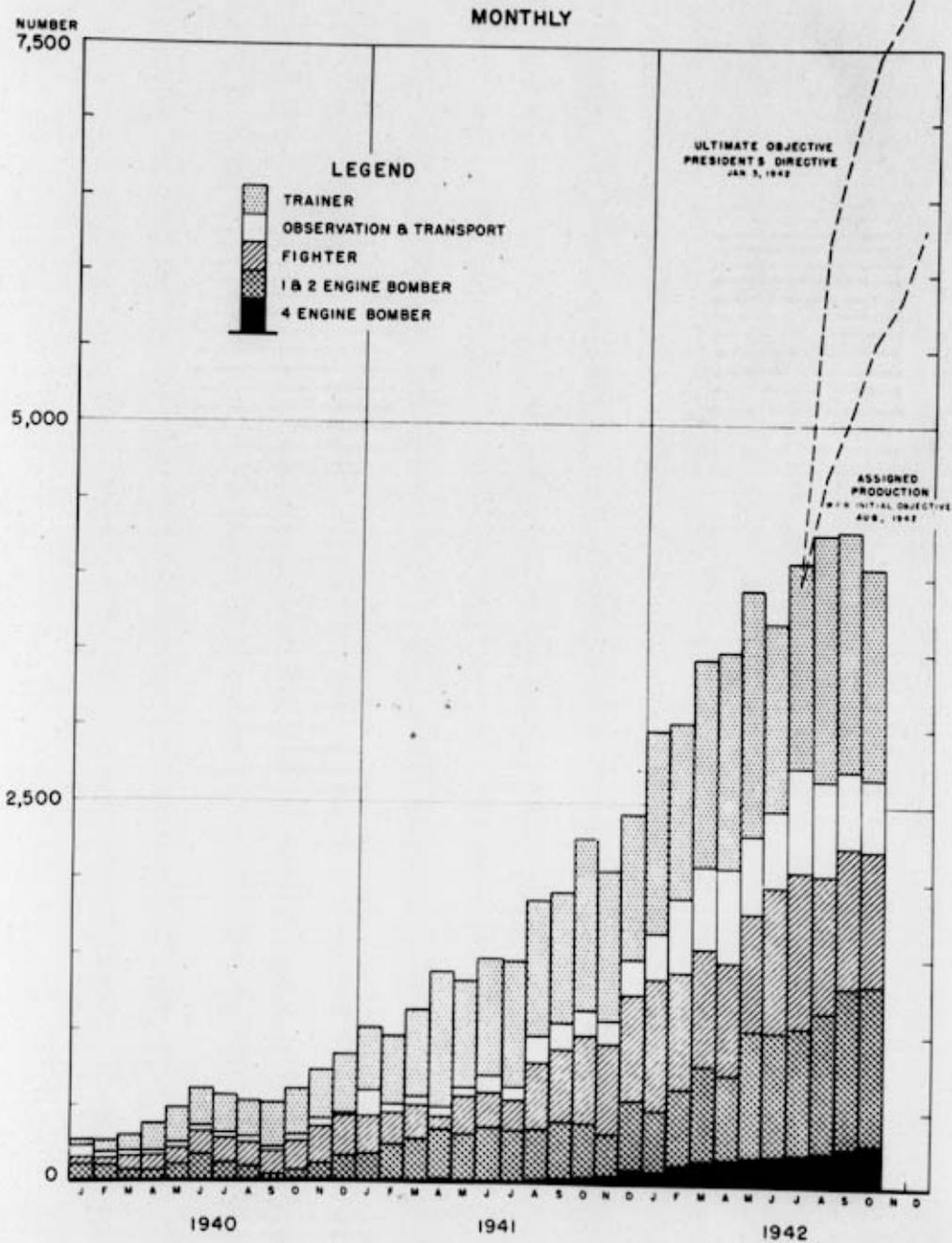
^{3/} As of Oct. 10, 1942.

XIII. PROGRESS CHARTS

1. Acceptances of Military Airplanes
2. Total Army Strength
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 Vessels Available to the United Nations
10. Deliveries of Merchant Ships
11. Basic War Commodities
12. War Expenditures

CHART I

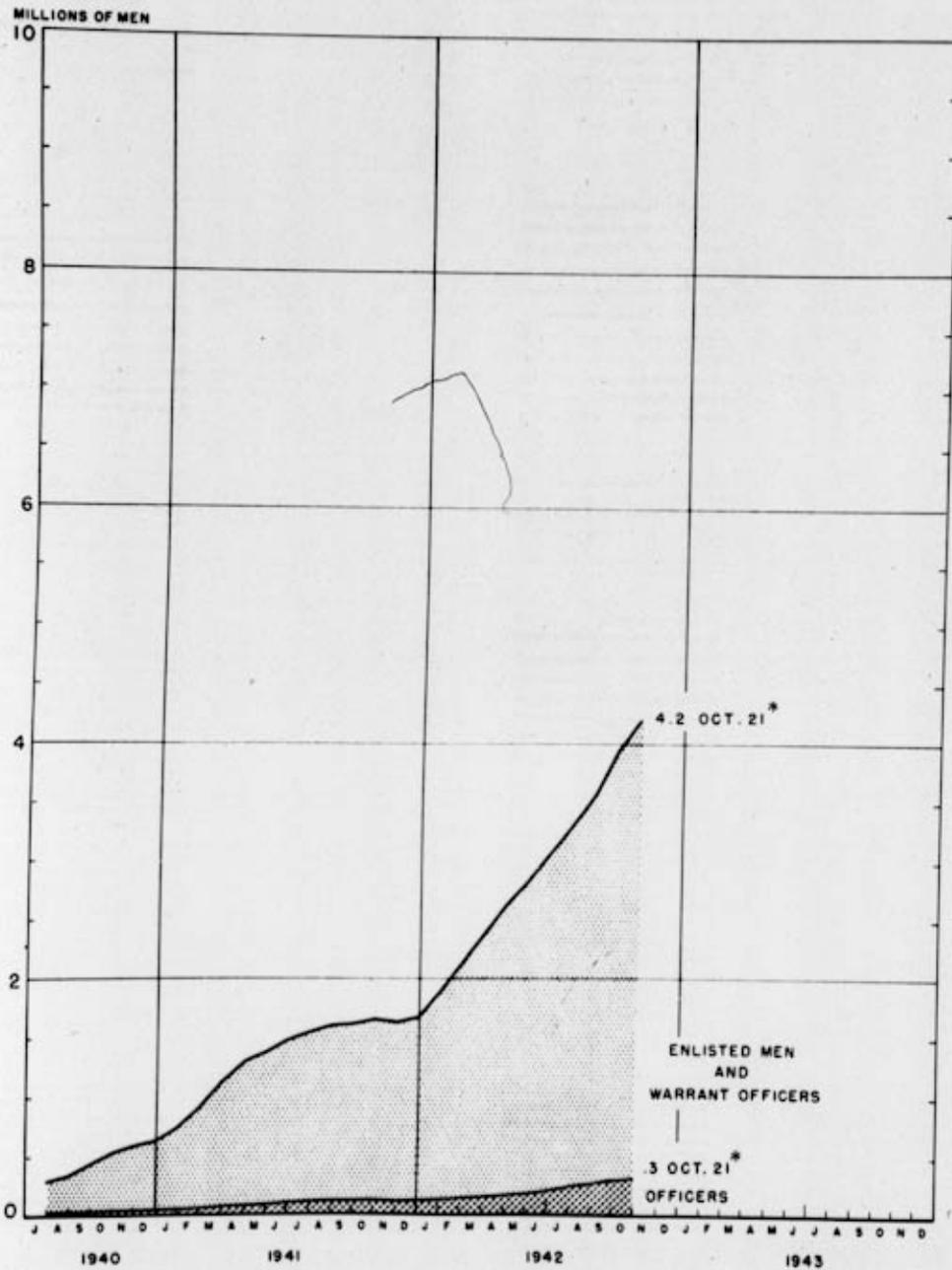
ACCEPTANCES OF MILITARY AIRPLANES



SOURCE: WAR PRODUCTION BOARD

CHART 2

TOTAL ARMY STRENGTH



* ESTIMATED

CHART 3

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

JULY 1, 1940 TO OCTOBER 1, 1942

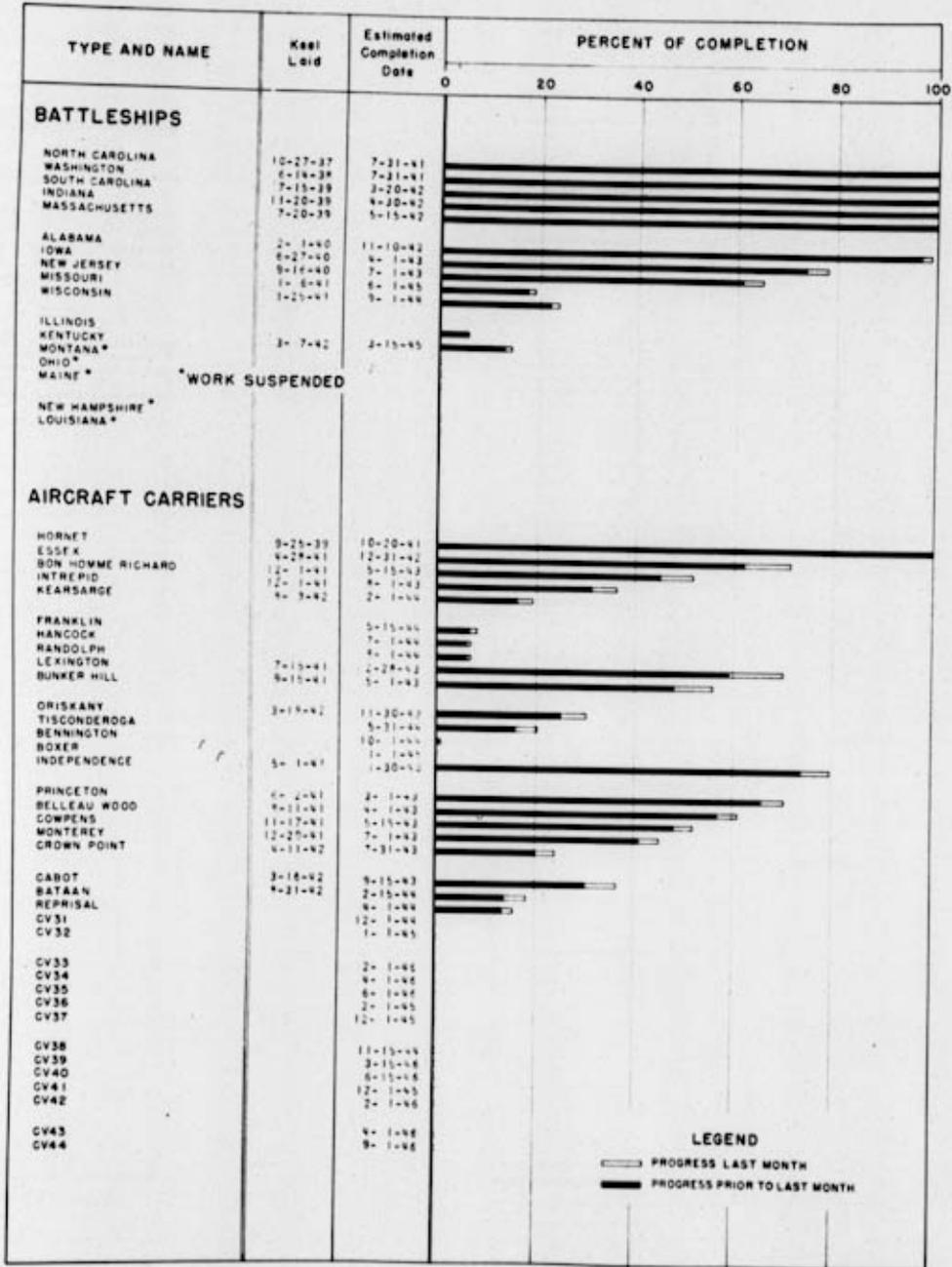


CHART 4

CONSTRUCTION PROGRESS OF LARGE AND HEAVY CRUISERS

JULY 1, 1940 TO OCTOBER 1, 1942

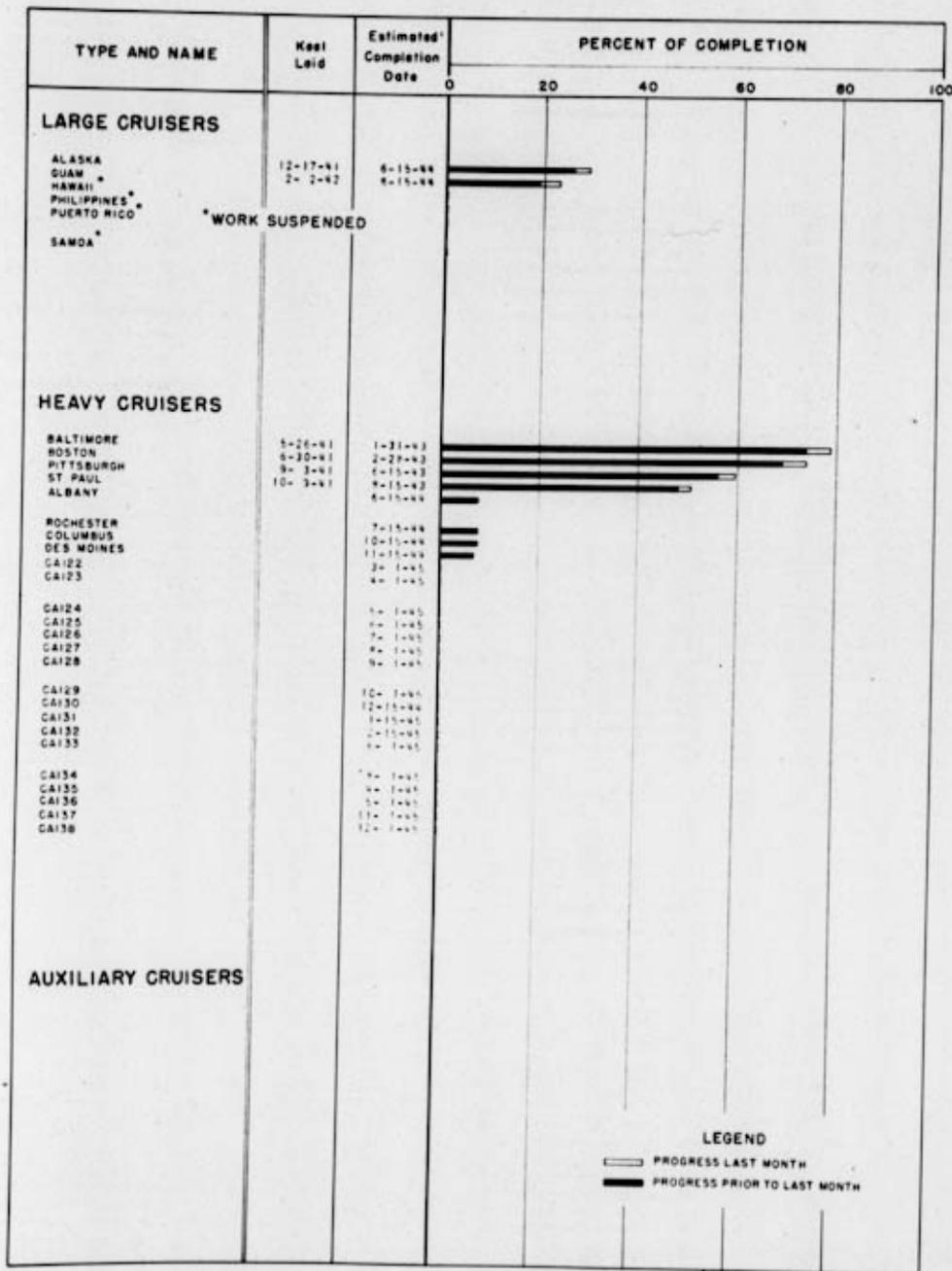


CHART 5

CONSTRUCTION PROGRESS OF LIGHT CRUISERS

JULY 1, 1940 TO OCTOBER 1, 1942

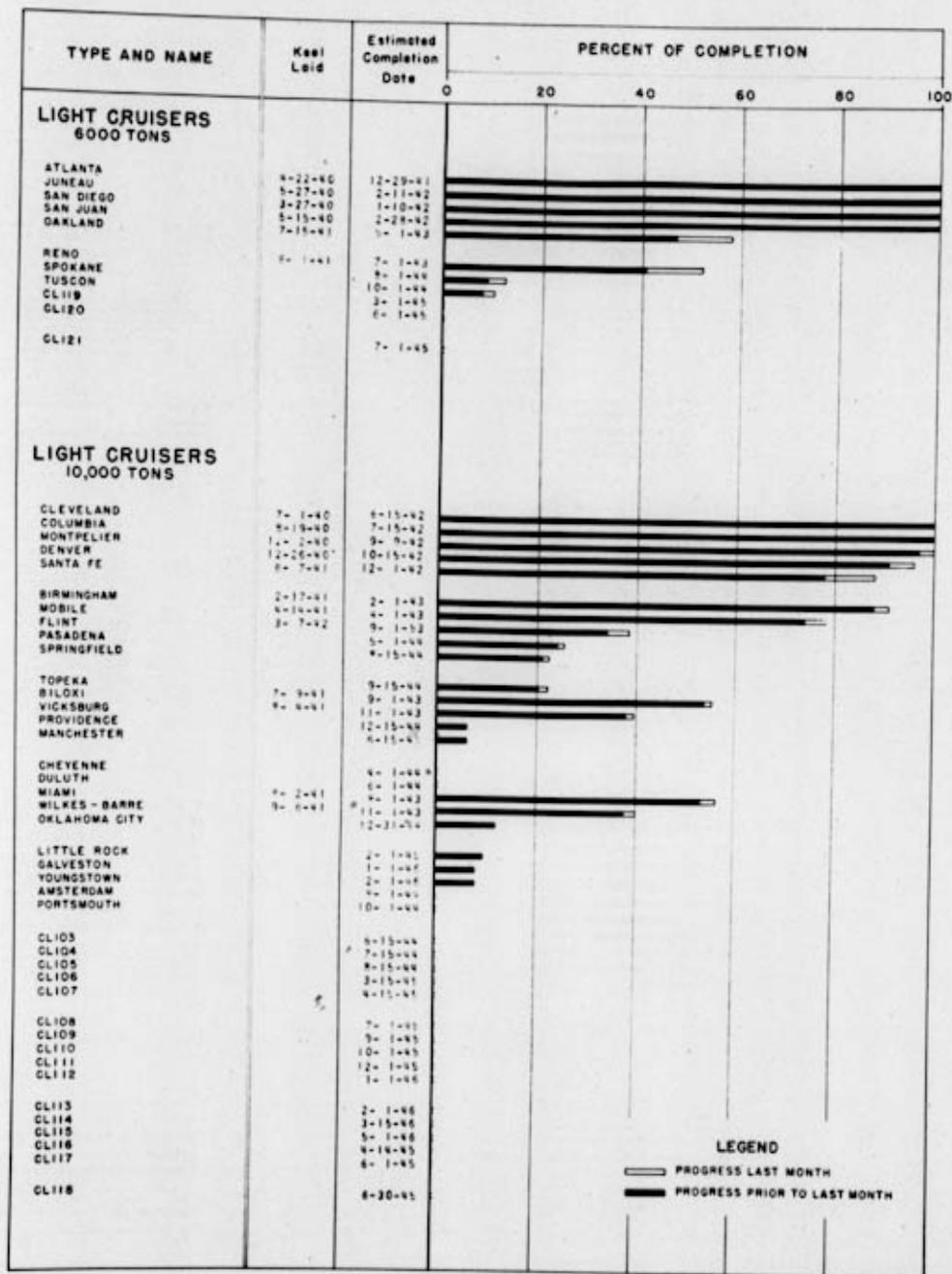


CHART 6

CONSTRUCTION PROGRESS ON DESTROYERS AND SUBMARINES

JULY 1, 1940 TO OCTOBER 1, 1942

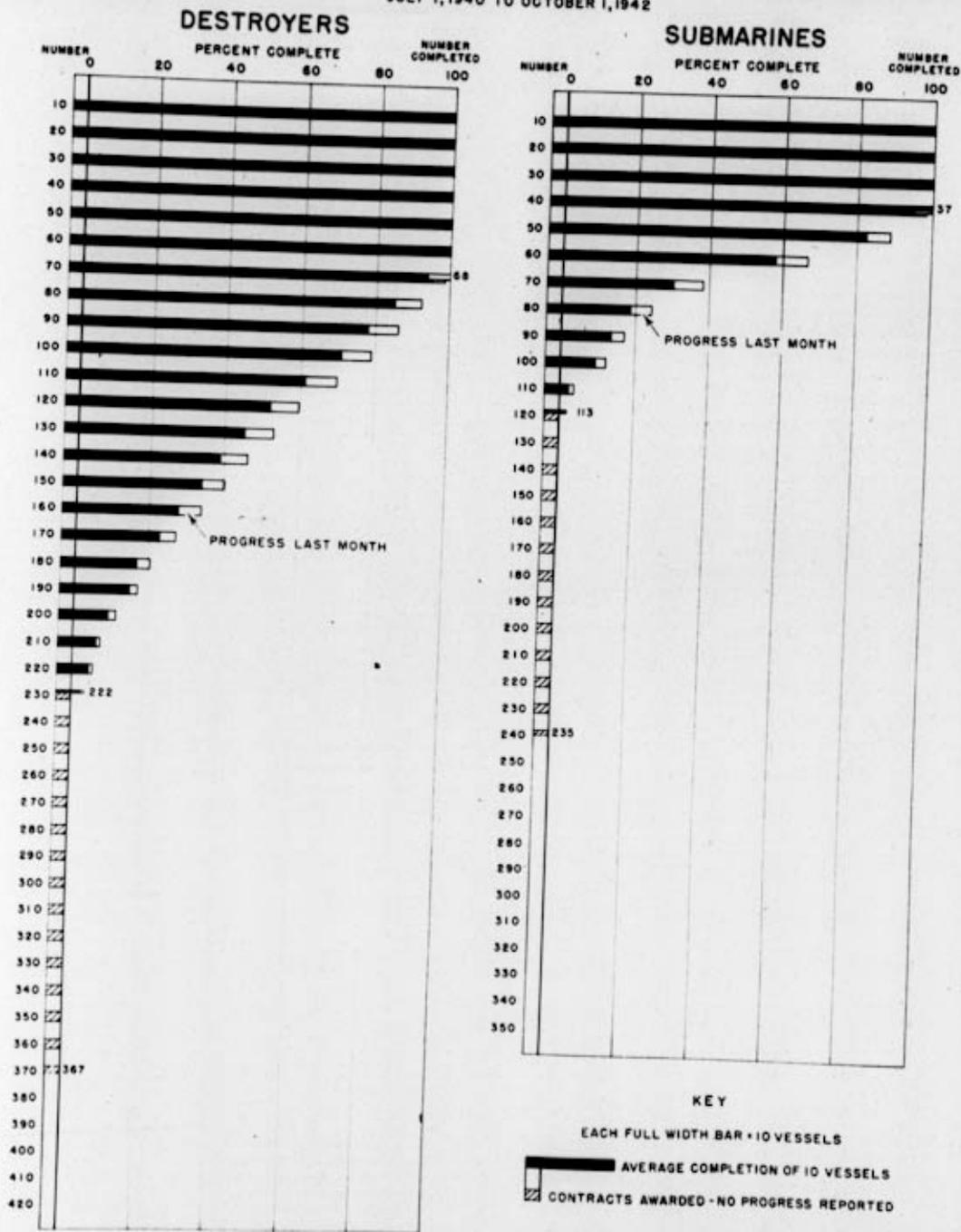


CHART 7

CONSTRUCTION PROGRESS ON ESCORT VESSELS

JULY 1, 1940 TO OCTOBER 1, 1942

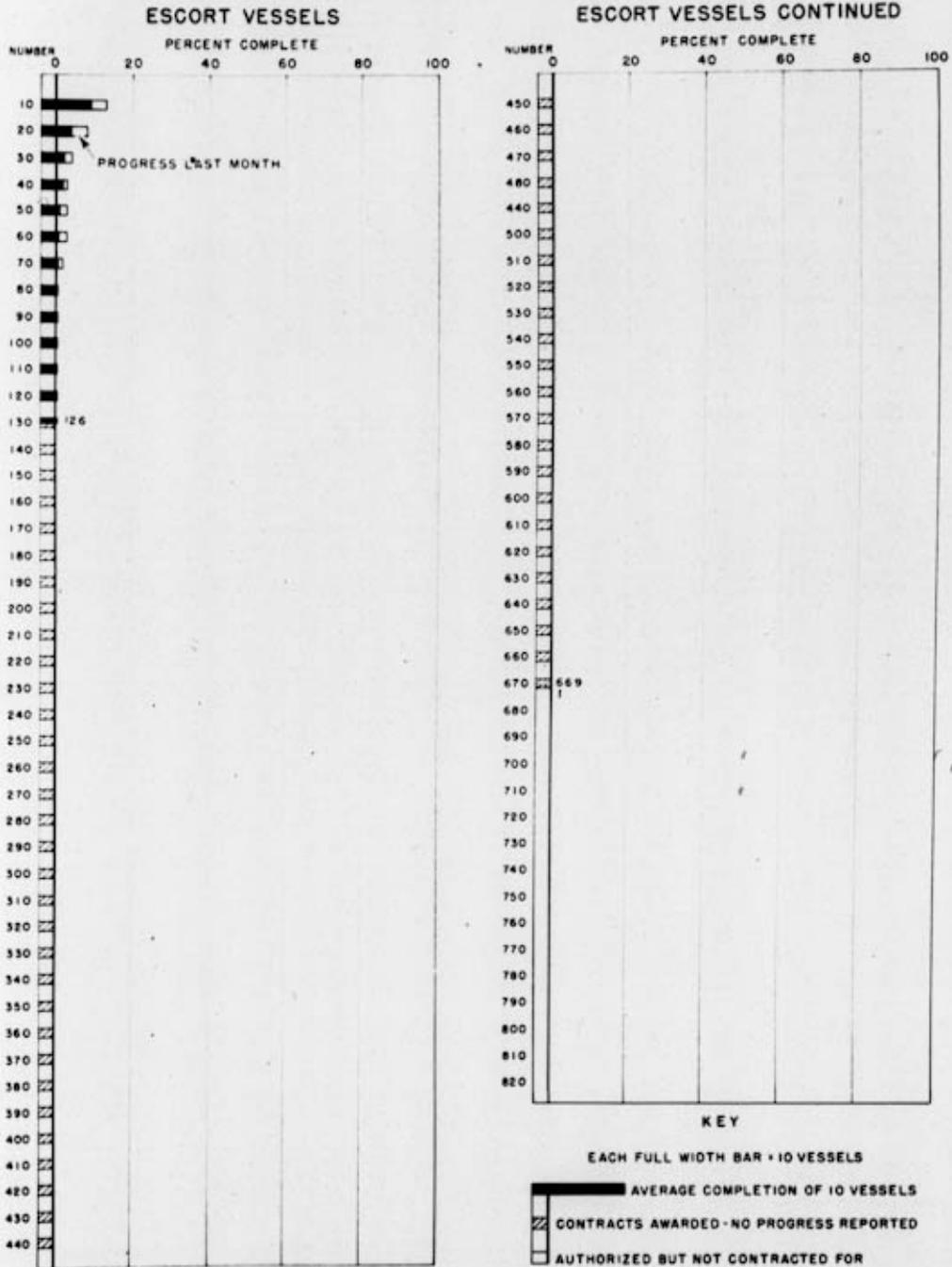


CHART 8

MONTHLY COMPLETIONS OF COMBATANT VESSELS
ACTUAL AND SCHEDULED

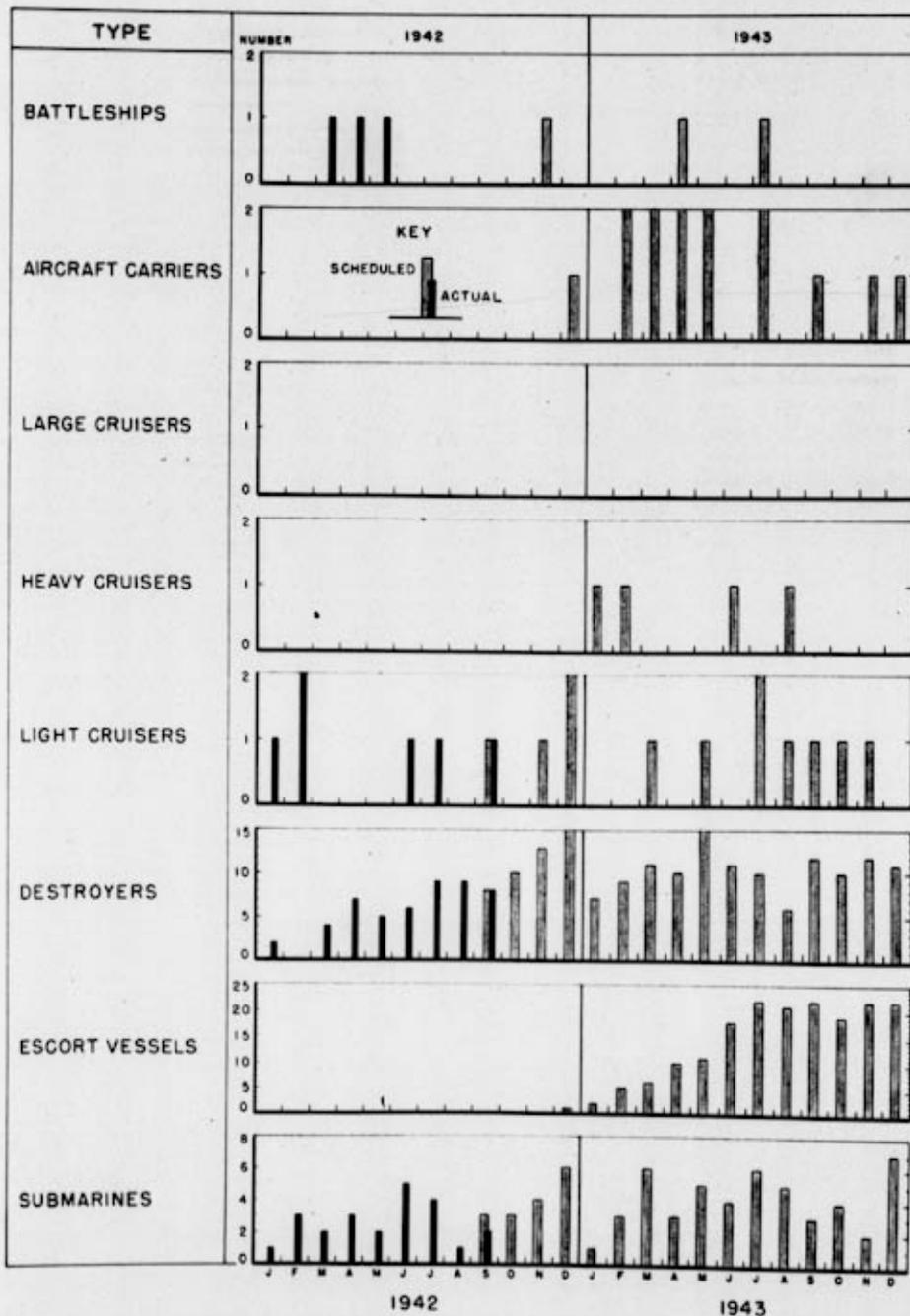
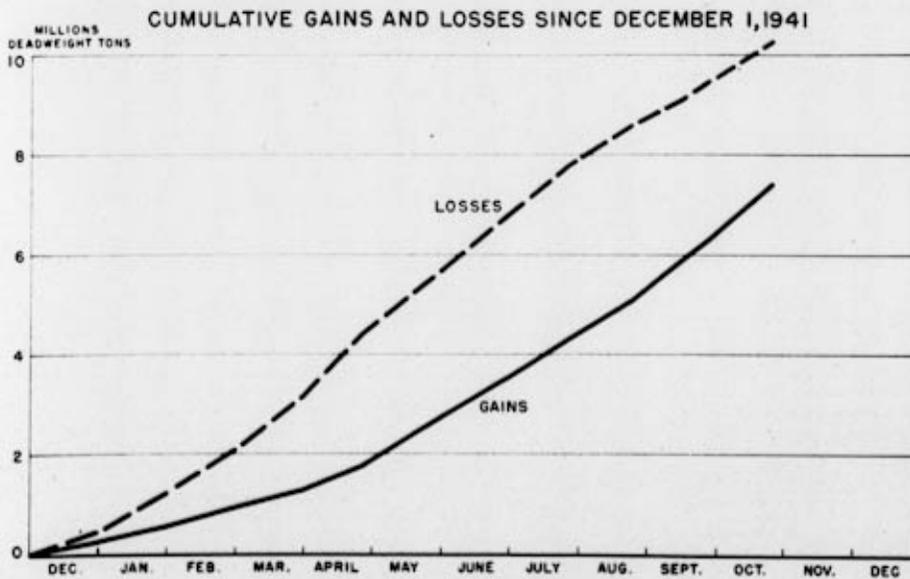
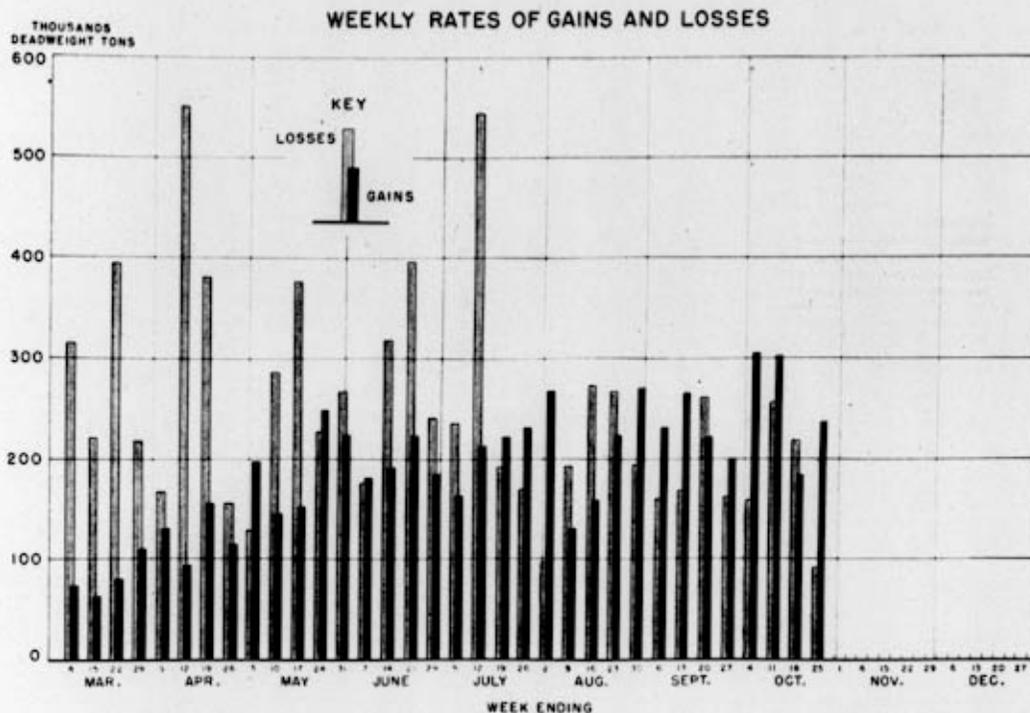


CHART 9

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



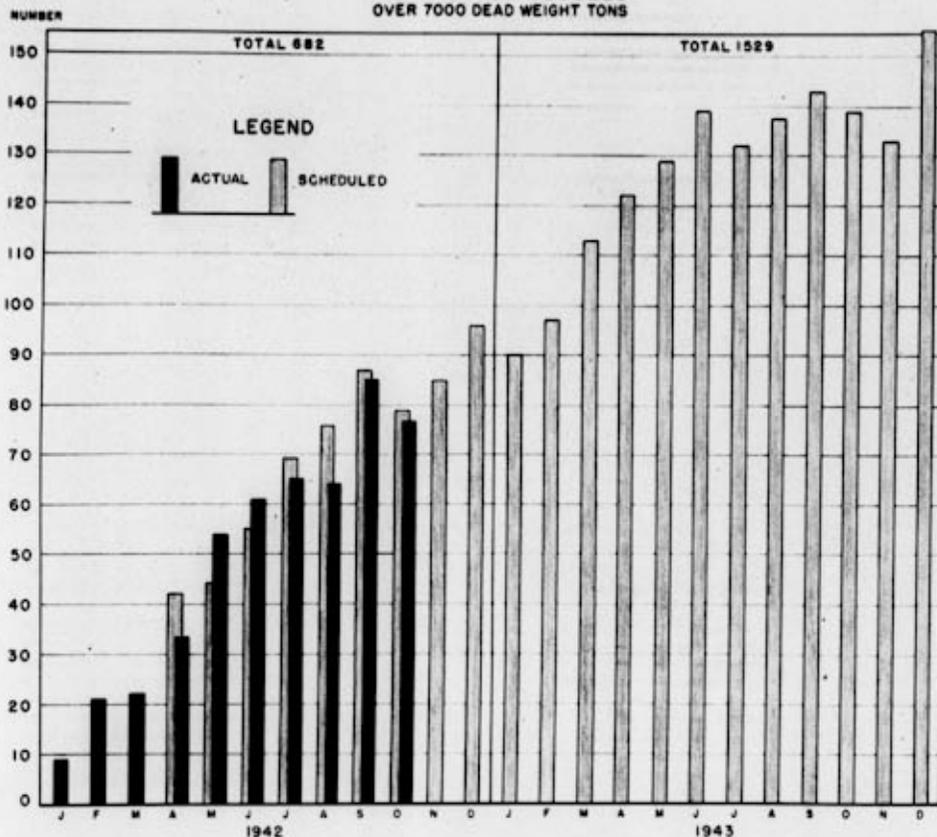
1942

SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

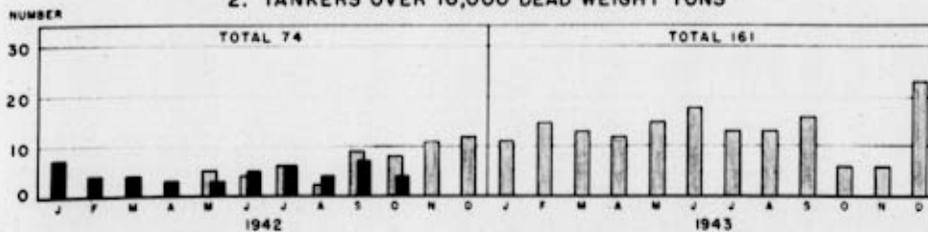
CHART 10

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



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

CHART II

BASIC WAR COMMODITIES SELECTED CRITICAL AND STRATEGIC MATERIALS

(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED PURCHASE PROGRAM)
AS OF OCT. 17, 1942

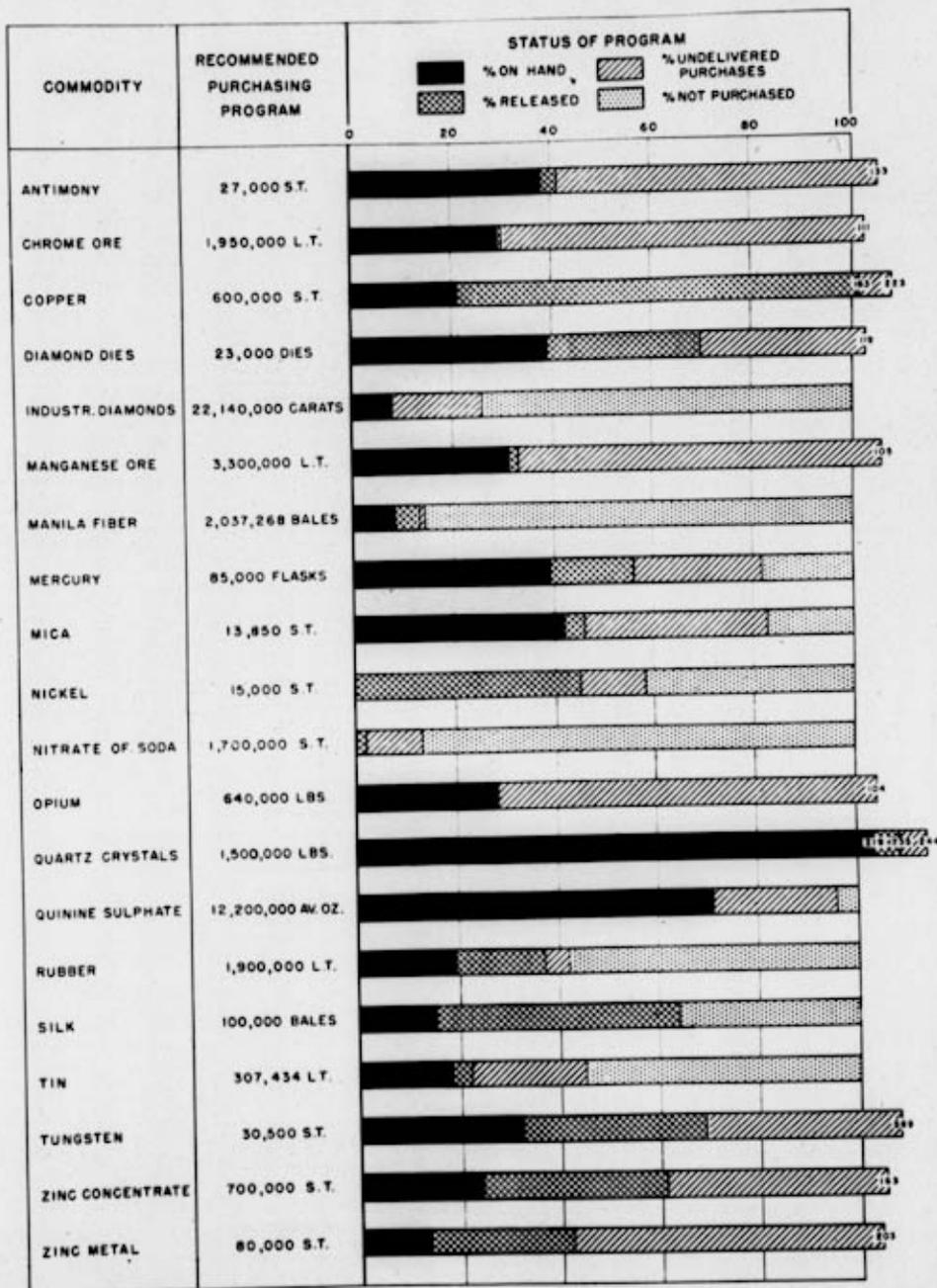
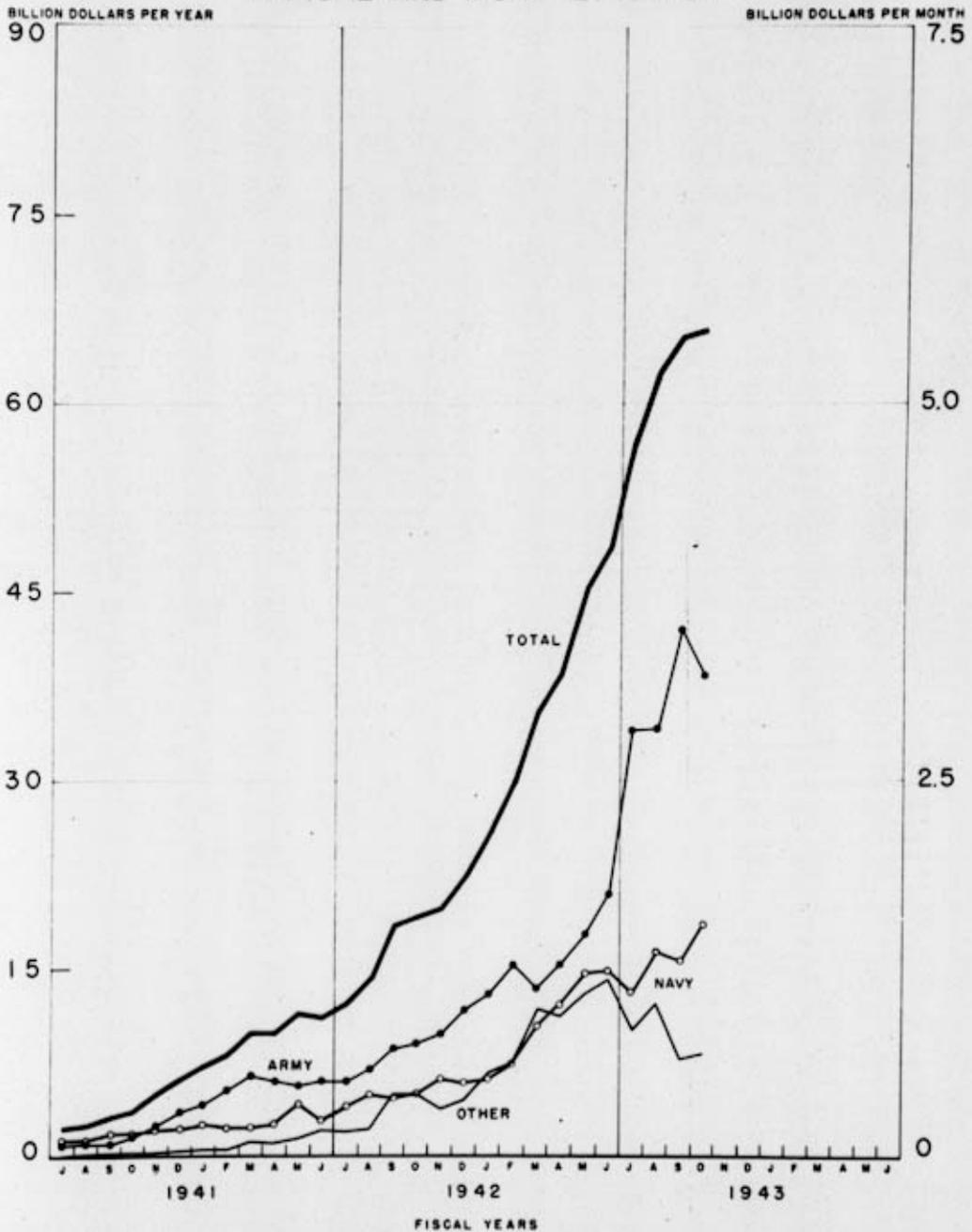


CHART 12

WAR EXPENDITURES ANNUAL AND MONTHLY RATES



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