

Report 26

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

November 30, 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.

DEC 9 1942

MEMORANDUM FOR THE PRESIDENT

Your attention is invited to a new chapter in this report on Administrative Developments.

HDS

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I. SUMMARY

Aircraft Production

42,000 military-type airplanes were produced (accepted) during the first eleven months of 1942. Of these, 26,000 were tactical types. November acceptances totaled 4,754. Some of this was probably a carry-over from the behind-schedule production of 4,063 planes in October.

(Pages, 2, 3; chart 1)

Ordnance Production

	<u>Sept.</u>	<u>Oct.</u>	<u>Jan.-Oct.</u>
Gun, 90mm. antiaircraft	383	492	2,301
Gun, 75mm. antitank	1	81	891
Gun, 155mm.	39	82	723
Tank, medium	1,183	945	9,247

(Pages 7, 8)

Navy Ship Construction

Five battleships, one aircraft carrier, eight light cruisers, 78 destroyers, and 42 submarines have been completed since June 1940. One light cruiser, ten destroyers, and 5 submarines were completed in October.

(Pages 12, 13; charts 3-7)

Merchant Shipping

The average weekly loss of United Nations merchant vessels of 286,000 dwt. for the four-week period ending November 22 was about equal to the highest weekly rate for any month this year. The average weekly gain for this period was 245,000 dwt., leaving a net average weekly loss of 41,000 dwt.

(Pages 15, 16; charts 8, 9)

II. AERONAUTICAL PROGRAM

November Aircraft Production

Military aircraft accepted in November totaled 4,754 as compared with 4,063 in October and 4,737 scheduled. Acceptances of tactical types increased 19 percent from 2,454 in October to 2,909 in November. Heavy bombers increased from 288 to 304.

Aircraft Acceptances, 1942

Type	A c t u a l				Forecast for the Year
	Sept.	Oct.	Nov.	Jan.- Nov.	
Bomber, 4-engine	263	288	304	2,224	2,583
Bomber, 2-engine	799	613	735	6,497	7,276
Bomber, 1-engine	254	419	429	2,234	2,856
Fighter	912	894	1,126	9,713	10,874
Total combat	2,228	2,214	2,594	20,668	23,589
Observation, etc.	312	310	347	4,240	4,634
Transport, 4-engine	14	13	13	57	69
Transport, 2- and 1-eng.	177	144	212	1,396	1,660
Total tactical	2,731	2,681	3,166	26,361	29,952
Trainers	1,578	1,382	1,588	15,645	17,356
Grand total	4,309	4,063	4,754	42,006	47,308

The "pool" of accepted but undelivered aircraft increased 10 percent from 1,122 (56 percent tactical) at the end of October to 1,233 (65 percent tactical) on November 30.

Glider acceptances increased 35 percent from 451 in October to 609 (66 percent tactical types) in November. November acceptances were 68 percent of the number scheduled.

Notes on October Aircraft Production

Measured in number of airplanes accepted, October production of 4,063 was 73 percent of that scheduled and only 94 percent of September acceptances.

Measured in airframe weight, 28 million pounds were accepted in October as compared with 30 million in September -- the first month a decrease has occurred on this basis.

Production troubles in October as reported by manufacturers, in the general order of importance, were: (1) material shortages; (2) labor shortages in all categories due to the draft and voluntary enlistments, the latter induced mainly by premature and conflicting statements on national labor policy; (3) shortages of instruments, accessories and fittings; and (4) shortages of machine tools.

Gliders accepted in October numbered 451 (55 percent tactical) as compared with 230 (17 percent tactical) the preceding month.

Productive employees in aircraft, aircraft engine and propeller, and glider plants increased 6 percent during October, from 536,000 to 570,000.

In October, 3.6 man-hours were expended per pound of airframe accepted as compared with only 3.2 man-hours in September.

The equivalent time of full plant operation in airframe plants advanced from 90.9 hours per week in September to 91.3 in October.

Army Air ForcesA. Airplanes

The Army reported 28,530 modern-type, delivered airplanes on hand October 31, an increase of 2,009 during the month.

Summary of Suitable Types of Army Airplanes
October 31, 1942
 (Without reference to condition)

Type	On Hand 12-31-41	On Hand 10-31-42	Increase Since 12-31-41	Increase During October
<u>Tactical</u>				
<u>Combat:</u>				
Bombers, heavy	295	1,592	1,297	162
Bombers, medium	827	1,786	959	202
Bombers, light	799	962	163	87
Fighter	2,381	4,645	2,264	476
Total combat	4,302	8,985	4,683	927
<u>Service combat:</u>				
<u>Transport:</u>	224		1,283	
Heavy		68		20
Medium		937		71
Light		502		308
Communications	706	3,022	2,316	-63
Total tactical	5,232	13,514	8,282	1,263
<u>Trainers</u>	7,498	15,016	7,518	746
Total planes	12,730	28,530	15,800	2,009

B. Personnel of the Army Air Forces

The active duty strength of the Army Air Forces, including personnel assigned from other services, totaled 1,261,172 on November 4, 1942, as compared with 1,090,000 at the end of September.

Active Duty Strength of Army Air Forces
November 4, 1942

	November 4, 1942			Minimum Requirements for 273 Groups by Dec. 1943
	Officers	Enlisted Men	Total	
Pilots	28,120	1,561	29,681	60,462
Aviation cadets	86,300	--	86,300	99,323
Glider pilots	290	--	290	850
Bombardiers	3,016	932	3,948	6,591
Navigators	3,646	--	3,646	8,034
Observers	652	--	652	1,157
Engineers	1,949	--	1,949	4,930
Gunners and armament	959	14,430	15,389	3,769
Meteorologists	460	--	460	3,348
Communications	1,027	--	1,027	2,801
Photographic	407	--	407	1,406
Radar	26	--	26	439
Student officers	6,090	--	6,090	--
Other, Army Air Forces	36,677	823,431	860,108	1,362,206
Total, Army Air Forces	169,619	840,354	1,009,973	1,555,306
Assigned from other branches	21,770	229,429	251,199	----
Total	191,389	1,069,783	1,261,172	1,555,306

C. Flying Training

During September, 13,251 graduated from flying training schools:

	<u>Graduated</u> <u>During Sept.</u>	<u>In Training</u> <u>at End of Sept.</u>
Pilots	3,098	30,661
Navigators	804	2,237
Bombardiers	1,155	2,456
Observers	44	148
Glider pilots	1,321	3,799
Gunners (flexible)	6,829	9,126
	<u>13,251</u>	<u>48,427</u>

Bureau of AeronauticsA. Airplanes

On November 23, the Navy reported a total of 10,755 airplanes on hand. 4,780 of these are tactical combat types.

Navy Airplanes on Hand, Nov. 23, 1942

	<u>On Hand</u>
<u>Tactical Combat</u>	
Scout bomber	867
Torpedo bomber	484
Patrol bomber (2-eng.)	
Boat	739
Landplane	40
Patrol bomber (4-eng.)	
Boat	31
Landplane	30
Observation scout	1,554
Fighter	1,035
Subtotal	<u>4,780</u>
<u>Tactical Non-Combat</u>	
Utility	225
Utility (multi-engine)	97
Transport	123
Transport (multi-engine)	<u>127</u>
Subtotal	572
<u>Training</u>	
Trainer, primary	2,810
Trainer, advanced	<u>2,568</u>
Subtotal	5,378
<u>Experimental</u>	<u>25</u>
Grand total	10,755

B. Naval Aviation Cadet Training

A total of 10,914 enlisted men entered pre-flight training from January through October of this year and 29,436 were awaiting training at the end of October. During this period, 7,161 were graduated from intermediate flight training and commissioned. The October rate was a little over 1,000.

III. ARMYProcurement of Equipment

The following table shows the status of the procurement of selected ordnance materiel on November 1, 1942.

Status of Procurement of Selected Critical Ordnance Materiel*
(Includes Defense Aid and Navy Items Procured by the Army)

Type of Equipment	Production, 1942				
	Actual			Forecast	Required
	Sept.	Oct.	1-1-42 to 10-31-42		
<u>Aircraft</u>					
Gun, 20mm	4,507	6,197	46,849	60,852	32,065
Gun, 37mm	664	758	4,648	6,393	4,566
<u>Antiaircraft</u>					
Gun, 90mm	383	492	2,301	2,738	2,750
Gun, 40mm	1,355	1,429	5,774	8,627	9,567
Gun, 37mm	349	214	1,575	2,203	3,000
<u>Combat Vehicles</u>					
Tank, light (less armament)	1,068	1,537	7,578	10,467	10,588
Tank, medium (less armament)	1,183	945	9,247	12,726	14,000
<u>Artillery</u>					
Gun, 155mm (H.S., S.P., and new)	39	82	723	875	1,117
Gun, 75mm (A.T.)	1	81	891	1,391	2,167
Gun, 37mm (A.T. and S.P.)	1,400	1,607	11,459	14,783	17,000
Howitzer, 105mm (S.P. and field)	368	400	4,419	5,100	5,817
Howitzer, 75mm (S.P., field, and pack)	56	265	976	2,060	3,147
Mortar, 60mm and 81mm	426	935	7,891	9,956	10,713
<u>Small Arms</u>					
Garand rifle	74,720	80,500	588,511	759,791	1,281,566
Other rifles, cal. .30 & .303	88,463	96,873	582,527	971,553	3,380,047
Machine gun, cal. .30	38,972	32,939	240,340	313,347	198,682
Machine gun, cal. .50	31,277	38,266	262,489	343,244	288,543

*Proof firing may not be complete, and self-propelled guns lack motor carriage.

Distribution of Stocks

The following table shows the distribution and issue of selected ordnance items for the period July 1, 1940 to November 1, 1942 from stocks on hand at the beginning of the period plus deliveries during the period:

Distribution of Selected Ordnance Items July 1, 1940 to November 1, 1942

	Issued to U. S. Troops	In Storage in U. S.	Transfers (Navy, Lend Lease, etc.)	Total
<u>Aircraft</u>				
Gun, 20mm	4,097	25,650	16,754	46,501
Gun, 37mm	1,945	2,520	5	4,470
<u>Antiaircraft</u>				
Gun, 90mm	1,644	279	270	2,193
Gun, 40mm	3,821	588	932	5,341
Gun, 37mm	1,430	69	62	1,561
<u>Combat Vehicles</u>				
Tank, light (less armament)	3,039	126	4,404	7,569
Tank, medium (less armament)	2,483	22	5,839	8,344
<u>Artillery</u>				
Gun, 155mm (H.S., S.P., & new)	851	2	106	959
Gun, 75mm (A.T.)	839	5	34	878
Gun, 37mm (A.T. and S.P.)	9,004	2,345	580	11,929
Howitzer, 105mm (S.P. & field)	3,662	343	413	4,418
Howitzer, 75mm (S.P., field, and pack)	739	25	500	1,264
Mortar, 60mm and 81mm	12,468	619	3,099	16,186
<u>Small Arms</u>				
Garand rifle	844,788	16,674	107,213	968,675
Other rifles (cal. .30 & .303)	1,670,100	151,896	1,815,183	3,637,179
Machine gun, cal. .30	126,165	64,686	83,135	273,986
Machine gun, cal. .50	138,086	99,036	63,732	300,854

War Construction Program by the Corps of Engineers

The Chief of Engineers has authorized \$8.3 billion for 2,416 emergency projects under its Major War Construction Program in the U. S. It has other programs of construction, maintenance, and real estate acquisition totaling \$1.5 billion. The status of the Major War Construction Program is set forth below.

Status of the Major War Construction Program
October 31, 1942

A. By Stages of Completion

Status	Number of Projects	Estimated Cost	Percent of Total Cost
Completed	1,207	\$4,072,709,000	49
Under Construction	971	4,176,832,000	50
Not started	238	95,217,000	1
Total	2,416	\$8,344,758,000	100

B. By Types of Work

Type	Estimated Cost		Construction in Place						
	Million Dollars	% of Total	Million Dollars	Percent of Estimated Cost					
				%	0	25	50	75	100
Air Force Facilities	\$2,497	30	\$1,852	74					
Ground Force Facilities	2,347	29	2,116	88					
Storage and Shipping Facilities	847	10	769	91					
Manufacturing Plants	2,608	31	2,133	82					
Total, Oct. 31	\$8,345	100	\$6,870	82					
Total, Sept. 30	8,239		6,339	77					
Increase	\$ 106		\$ 531						

Civilian employment on the foregoing program was 798,000 persons on October 31 — a decrease of 95,000 during October.

Military Personnel

The estimated increase in the active duty strength of the Army during November was 480,000, bringing the total to 4,895,000 on December 1.

Distribution of the Active Duty Strength of the Army

	Nov. 1 Actual	Dec. 1 Estimated	Nov. Increase	Approved for Dec. 31, 1943
Commissioned officers	305,645	331,900	26,255	675,000
Warrant officers	6,726	8,100	1,374	
Enlisted men & selectees	4,078,928	4,526,000	447,072	7,533,000
Subtotal	4,391,299	4,866,000	474,701	
Army Nurse Corps	16,134	18,470	2,336	
W.A.A.C.	6,379	8,600	2,221	
Army Specialist Corps	1,015	1,470	455	
Total	4,414,827	4,894,540	479,713	

Commissioned officers and enlisted men overseas at the beginning of December were estimated at 937,000, an increase of 96,131 over Nov. 1.

Disposition of Active Duty Commissioned Officers and Enlisted Men

	Nov. 1 Actual	Dec. 1 Estimated	November Increase
Army Ground Forces	1,231,787	1,391,550	159,763
Army Air Forces	1,015,497	1,148,300	132,803
Services of Supply	838,231	951,000	112,769
Overseas	840,869	937,000	96,131
In ships	54,295	50,700	-3,595
In staging areas	112,977	88,100	-24,877
In defense commands	290,917	291,250	333
Total	4,384,573	4,857,900	473,327

Battle Casualties

Preliminary figures on battle casualties, including the Philippine Scouts but not the Philippine Army, from December 7, 1941 to October 31, 1942 total 34,159 -- 1,684 killed, 2,407 wounded, and 30,068 missing. Of those killed, 17 percent were officers. Only 8 percent of the wounded and missing were officers.

Battle Casualties, December 7, 1941 - October 31, 1942
(Preliminary)

Theater of Operation	Killed	Wounded	Missing
S.W. Pacific (including P.I.)	1,223	1,859	29,517
Central Pacific (inc. Hawaii)	274	411	111
South Pacific	24	10	62
North and Northwest Pacific	1	4	1
Far Eastern-Asiatic	82	15	52
European	15	42	76
African-Middle Eastern	10	9	76
Other	61	58	168
Total	1,684	2,407	30,068

Status of Selective Service Registrants

The status of Selective Service registrants liable for military service is shown in the table below. The figures are subject to revision.

Status of Militarily Liable Selective Service Registrants
October 31, 1942

Inducted	3,108,000
Enlisted	1,139,000
Deceased	200,000
I, Awaiting Local Board Physical	1,052,000
I-A, Awaiting Induction	1,092,000
I-B, Limited Service	546,000
II-A, Essential Men in Non-War Occupations	536,000
II-B, Essential Men in War Occupations	556,000
III-A, Dependents	15,731,000
III-B, Dependents and Employed in War Occupations..	1,366,000
IV-B, C, D, E, F	2,185,000
Total	27,511,000

IV. NAVYOctober Vessel Completions

1,565 Navy vessels, including one 10,000-ton cruiser, ten destroyers, and five submarines, were completed in October.

Completions of Naval Vessels During September and October

<u>Type of Vessel</u>	<u>September Completions</u>	<u>October Completions</u>		
<u>Combatant Vessels</u>				
Light cruisers	1	1		
Destroyers	8	10		
Submarines	2	5	11	16
<u>Patrol Craft</u>				
Sub-chasers (110 and 173 ft.)	31	33		
Motor torpedo boats	17	11		
Fairmile-type motor vessels	4	2	52	46
<u>Landing Craft</u>				
Tank landing ship	0	1		
Infantry landing craft (large)	1	25		
Tank landing craft	135	22		
Personnel landing craft with ramp	0	221		
Vehicle landing craft	908	166		
Mechanized landing craft	0	225		
Tracked landing vehicle (unarmored)	80	57		
Tracked landing vehicle (armored)	0	1		
Rubber landing craft (large)	0	159	1,124	878
<u>Lend-Lease Program</u>				
Ocean-going rescue tugs	1	1		
Motor-driven mine sweepers	5	6		
Tank landing craft (MKV)	20	31		
Aircraft rescue boats	7	5	33	43
<u>Mine Craft</u>			15	19
<u>Auxiliary Vessels</u>				
Coastal transports	0	5		
Fleet tugs	1	0	1	5
<u>District Craft</u>			17	26
<u>Special Small Boats</u>			190	532
Total			1,443	1,565

Combatant Vessel Program

Five battleships, one aircraft carrier, eight light cruisers, 78 destroyers, and 42 submarines have been completed since the beginning of the defense program in July 1940.

Summary of Combatant Ship Construction Program
November 1, 1942

Type of Vessel	Program*	Completed to 11-1-42	Balance in Program
Battleship	17	5	12
Aircraft carrier	37	1	36
Large cruiser	6	0	6
Heavy cruiser	25	0	25
Light cruiser	52	8	44
Destroyer	367	78	289
Submarine	235	42	193
Escort vessel	750	0	750
Total	1,489	134	1,355

*Under construction July 1, 1940 and since added.

Of the 1,355 vessels remaining to be completed on November 1, construction on 921 had not started.

Status of Construction Program of Combatant Vessels—Nov. 1, 1942

Type of Vessel	Balance in Program	No Progress	Percent Complete				
			0-5	5-25	25-50	50-75	75-100
Battleship	12	5*	0	3	1	1	2
Aircraft carrier	36	10	6	7	5	5	3
Large cruiser	6	4*	0	0	2	0	0
Heavy cruiser	25	17	0	4	0	2	2
Light cruiser	44	19	2	12	4	4	3
Destroyer	289	139	8	42	37	33	30
Submarine	193	106	24	25	16	10	12
Escort vessel	750	621	93	32	4	0	0
Total	1,355	921	133	125	69	55	52

*Suspended.

Navy, Marine Corps, and Coast Guard Personnel

The total active duty military personnel of the Navy, Marine Corps, and Coast Guard was 1,467,455 on November 23. Total active duty strength has increased about 1,000,000 since Pearl Harbor.

Active Duty Military Personnel of the
Navy, Marine Corps, and Coast Guard—Nov. 23, 1942

	Officers	Enlisted Men	Nurses	Total
<u>Navy (Est.)</u>				
Regulars	18,627	301,223	1,090	320,940
Reserves	83,246	715,442	1,640	800,328
Total	101,873	1,016,665	2,730	1,121,268
<u>Marine Corps</u>				
Regulars	3,843	87,694	—	91,537
Reserves	8,196	119,241	—	127,437
Total	12,039	206,935	—	218,974
<u>Coast Guard</u>				
Regulars	2,473	27,932	—	30,405
Reserves	2,282	94,526	—	96,808
Total	4,755	122,458	—	127,213
Grand total	118,667	1,346,058	2,730	1,467,455

V. MERCHANT SHIPPING

Gains and Losses — United Nations

United Nation merchant vessels reported lost during the four-week period ending November 22 totaled 1,143,000 dwt. This compares with 726,700 dwt. reported lost during the four-week period just prior — an increase of 57 percent. Gains from new construction for the two four-week periods were 979,500 dwt. and 1,029,200 dwt., respectively. The United Nations had about 43,000,000 dwt. under their control on Nov. 1.

The average weekly loss for the four-week period ending November 22 was 286,000 dwt. as compared with 290,000 dwt. in May which had the highest weekly average of any month this year. See Chart 8 for weekly variations.

Cumulative losses since December 1, 1941 total 11,428,000 dwt. as compared with gains of 8,401,000 — a net loss of 3,027,000 dwt.

U. S. Controlled Vessels and Production

Merchant vessels under U. S. control totaled 13,500,000 dwt. on November 1, or 31 percent of that of the United Nations. Losses of vessels under U. S. control totaled 147,000 dwt. or 14 percent of the total loss for the period.

Eighty-four merchant vessels aggregating 893,000 dwt. were delivered during November by U. S. shipbuilders. This compares with 890,000 dwt. delivered in October.

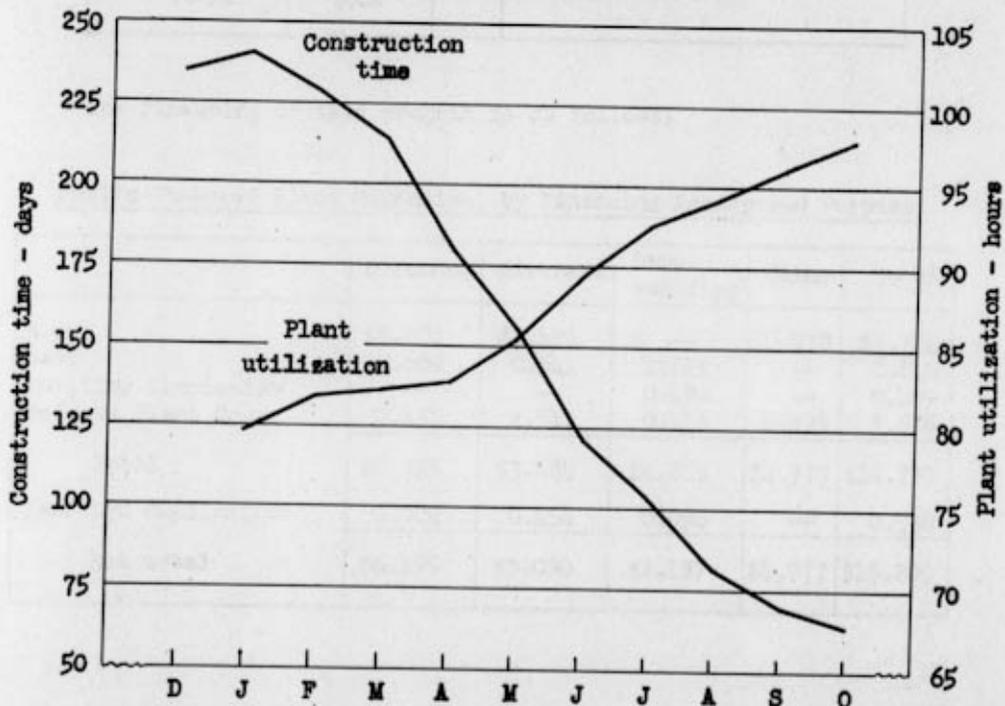
November Merchant Ship Deliveries by U. S. Shipyards

Account of	Number and Deadweight Tonnage					
	Dry Cargo		Tankers		Total	
	No.	DWT.	No.	DWT.	No.	DWT.
Maritime Commission	75	783,290	5	54,252	80	837,542
British	2	20,200	-	-	2	20,200
Private	-	-	2	34,794	2	34,794
Total	77	803,490	7	89,046	84	892,536

Construction Time for Liberty Ships

Construction time from keel laying to delivery for the Liberty-type cargo vessel has been reduced from an average of 235 days in December 1941 to 66 days in October 1942. During the same period, utilization of shipyards has increased from an average of 79 hours per week to 99 hours per week. Three yards which averaged 52 days per ship in September were operating the equivalent of 110 hours per week. The three yards which had the lowest plant utilization, averaging 71 hours, required an average of 124 days per ship.

Construction Time and Plant Utilization in Ten Shipyards
Building Liberty Cargo Vessels
December 1, 1941 to October 31, 1942



VI. WAR INDUSTRIAL FACILITIES

Public-financed Facilities Program

The public-financed war industrial facilities program amounted to \$16.2 billion at the end of October. Only a small increase occurred during the month. According to broad purposes, this program breaks down roughly as follows:

Public-Financed Plant Expansion, by Broad Purposes

Purpose	Est. Cost Billion \$	%	Percent of Total			
			25	50	75	100
Ordnance	6.2	37				
Aircraft	3.0	19				
Shipbuilding	2.2	14				
Other	4.8	30				
Total	16.2					

The financing of this program is as follows:

Public-Financed Plant Expansion, by Financing Agency and Purpose

	Ordnance	Aircraft	Ship- building	Other	Total
Army	\$5.080	\$0.426	\$ —	\$0.278	\$5.784
Navy	0.680	0.541	1.619	—	2.840
Maritime Commission	—	—	0.489	—	0.489
Defense Plant Corp.	0.455	2.517	0.155	4.499	7.626
Total	\$6.215	\$3.484	\$2.253	\$4.777	\$16.739
Less DPC duplication	0.020	0.454	0.056	—	0.530
Net total	\$6.195	\$3.030	\$2.197	\$4.777	\$16.209

Privately Financed Facilities Program

Certificates of necessity have been issued for privately financed plant expansions totaling \$3.4 billion.

Status of Facilities Financed by Public Funds

Only 12 percent of \$14½ billion of war industrial facilities financed by public funds was reported 100 percent complete on September 30.

Status of War Industrial Facilities Financed by Public Funds
September 30, 1942

Type of Product	Esti- mated Cost (Millions)	Percentage in Selected Stages of Completion					
		100%	76- 99%	51- 75%	26- 50%	0- 25%	Not Reported
Aircraft	\$2,781	8	18	27	12	33	2
Ship construction & repair	1,733	17	28	34	10	6	5
Combat and motor vehicles	406	5	33	27	15	19	1
Guns	794	24	25	18	12	17	4
Ammunition, etc.	1,064	24	41	13	14	5	3
Explosives and assembling	2,798	21	29	18	16	16	-
Iron and steel	1,279	4	11	5	12	37	31
Non-ferrous metals	1,002	2	14	19	13	42	10
Machine tools	149	13	17	25	12	32	1
Machinery and equipment	445	7	16	19	28	29	1
Chemicals	1,147	3	6	8	8	62	13
Petroleum and coal products	230	7	-	-	-	74	19
Miscellaneous manufacturing	240	15	5	27	12	40	1
Non-manufacturing	206	2	4	3	26	49	16
Total	\$14,274	12	21	20	13	27	7

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

The above table excludes certain commitments for the purchase of machine tools which are included in the breakdown on the preceding page.

VII. PRODUCTION

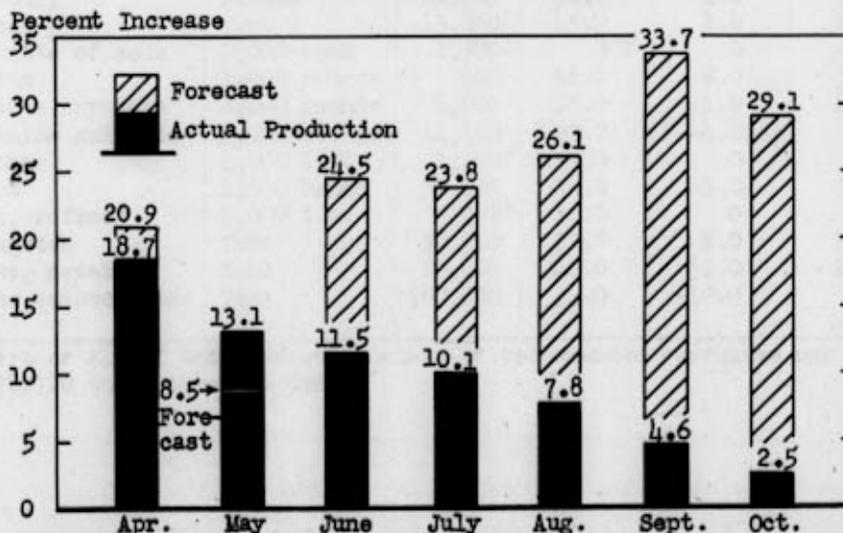
There are set forth below, quotations or summaries of pertinent comments on the war production program. These have been taken from the November report of the Office of Progress Reports to the War Production Board:

1. Munitions output for 1942 will probably aggregate \$46 billion, 15 percent short of objectives. For planes, ordnance, and naval ships, only about three-quarters of our goal will be reached.
2. From one-fifth to one-fourth of the major munitions programs for 1942-43 have been completed. To achieve the current two-year objectives, we must double the October rate of munitions output by the middle of next year.
3. The revised Army Supply Program of November 12 cut back the 1942-43 objectives by about one-fourth.
4. Programs for 1943 are now being reduced to bring them in closer conformity with experience and our economic potential. Prior to adjustments, objectives for 1943 aggregated \$93 billion. While objectives have been cut substantially, the process of revision is not yet complete.
5. October deliveries of Army ordnance exceeded September output only by a small margin, whereas an advance of about one-fourth had been scheduled. Production of guns and their equipment was relatively better than was the production of the ammunition for these guns.
6. An outstanding deficit appeared in the self-propelled artillery group. Schedules doubled between September and October but actually a decline in production was experienced because of the lack of essential parts to complete deliveries of finished items.
7. The September record reflects the continuing difficulties being experienced by many contractors in shifting into acceptable production of steel cartridge cases.
8. Although in number the plane goal for next year is a little more than twice the scheduled production in 1942, the total airframe weight is three times as large as this year's indicated output.

9. The importance of comprehensive scheduling cannot be over-emphasized. Upon it largely must rest our expectations for maximum war production in 1943. Scheduling to date has been inadequate for planning and control of production. It even fails to provide accurate forecasts of what can be expected in the immediate future.
10. All the productive factors in munitions processing — facilities, materials, and labor — have been increasing and the limit is by no means approached. To obtain corresponding increases in delivered finished munitions is the task of centrally directed production control.
11. Increasingly, large quantities of critical materials have been flowing into the military programs. Hence, lack of materials provides no easy answer to the problems of adequate flow of finished munitions. Inadequate control over the productive processes frequently manifests itself in a lack of materials or parts in specific plants.
12. Month-to-month scheduling is getting worse. At the beginning of October, forecasts called for production for the month at a rate equal to 129.1 percent of September. Actual production was only 102.5 percent. The following chart shows this relation for several months back.

Total Munitions

Comparison of Percent Increase in Production, Monthly
April-October, 1942 with Percent Increase of Forecast*
Over Prior Month's Production



*Forecast as of first of each month.

VIII. STOCKPILE AND PUBLIC PURCHASES OF BASIC WAR COMMODITIES

Strategic and critical materials are purchased by the Government:

(1) for stockpiles to be used only in case of an emergency with respect to the specific items concerned; (2) for stockpiles to be released only by WPB; and (3) for resale to industry currently upon receipt. The following table shows the status of selected items as of November 14:

Stockpile Status of Selected Commodities

Commodity	Unit of Measure	Recommended Purchase Program	Percent of Purchase Program		
			Stockpile Inventory Nov. 14, 1942	Inventory Increase Since 10-17-42	Inventory Increase Since Pearl Harbor
Antimony, metal	Tons	27,000	41.0%	3.0%	12.0%
Chrome ore	1,000 l.t.	1,950	31.0	2.0	17.0
Copper, refined	1,000 tons	600*	20.0	-0.2	8.0
Diamonds, indus.	1,000 carats	22,140	12.0	4.0	9.0
Diamond dies	Dies	23,000	39.0	0	25.0
Manganese ore	1,000 l.t.	3,300	28.0	-3.0	14.0
Manila fiber	1,000 bales	2,037	7.0	-1.0	-0.5
Mercury	Flasks	85,000	38.0	-1.6	32.0
Mica	Tons	13,850	45.0	2.0	25.0
Nitrate of soda	1,000 tons	1,700	0**	0	-0.5
Opium	1,000 pounds	640	36.0	8.0	36.0
Quartz crystals	1,000 pounds	4,000	82.0	-1.0	44.0
Quinine sulphate	1,000 av. oz.	12,250	67.0	-4.0	8.0
Rubber	1,000 l.t.	1,900*	19.0	0	1.0
Silk	1,000 bales	50-100	14.0	-1.0	6.0
Tin, refined	1,000 l.t.	307*	18.0	0	2.0
Tungsten	Tons	30,500	37.0	5.0	12.0
Zinc, metal	Tons	80,000	44.0	31.0	44.0
Zinc concentrates	Tons	700,000	14.0	-10.0	4.0

*Part or all of this amount consists of recommended purchases per annum.

**178,770 tons stored in Chile.

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

During November, the Office of Economic Stabilization announced the following requests: From the WPB, a vigorous program of simplification of production and distribution. From the Bureau of the Budget, a review of current subsidies related to economic stabilization. From the Office of Civilian Supply, a study to determine bed-rock civilian needs.

Taxes: Various agencies are preparing estimates and laying the ground work for a new fiscal program to be presented in January.

Prices—Cost of Living: The cost of living increased 1 percent between September and October, primarily because of a more than seasonal increase in food costs before October 5 when an additional 30 percent of the family food bill was brought under control. Increase since January 1941 (base used in the Little Steel formula) is about 18 percent. In applying this formula, NWLB has used only the increase prior to May 15, which is 15 percent.

OPA is in process of substituting dollar-and-cents prices for March ceilings, a much more flexible arrangement. OPA received a letter from Director Byrnes laying down certain principles for keeping subsidies to a minimum.

Prices—Farm: Continued increase in demand for farm products is expected. Ceilings on agricultural wages have been lifted, pending study of the effect of farm wages on farm production and of increase in farm wages on price ceilings. Prices received by farmers rose 6 points in October to 169 (1910-14 = 100), the highest level since October 1920 and 22 percent above last year. November remained unchanged at 169.

Wages and Salaries: NWLB began to set up machinery to regulate wages and salaries under \$5,000 a year. Procedure has been worked out between NWLB and OPA for handling wage increases which may affect price ceilings. Treasury is going ahead with plans to control salaries over \$5,000.

War Bonds: November sale of bonds totaled \$735 million.

Rationing: New programs: (1) Coffee, effective November 29; (2) gasoline, nation-wide plan effective Dec. 1, and "A" coupons in East reduced in value from 4 to 3 gallons; (3) fuel oil, registration in October and November. New rationing techniques promised: (1) Point rationing for related groups of commodities, such as meat, and (2) nation-wide extension of ration banking system for retailers after successful experiment in upstate New York. Items which may soon need to be rationed: (1) Meat, (2) dairy products, and (3) perhaps clothing, particularly shoes.

Consumer Credit: New estimates show total short-term consumer debt dropped to \$6.5 billion by September 1942, a decline of \$3.2 billion compared with peak in September 1941.

X. WAR FINANCES

Appropriations and Other Financing

The Government's war program (appropriations, contract authorizations, and corporation commitments) amounted to \$239 billion at the end of November. The distribution of this program according to agencies and expenditures is as follows:

	<u>Billion Dollars</u>		<u>Percent</u>
	<u>Program</u>	<u>Expenditures</u>	
Army	133	34.0	25
Navy, including Coast Guard..	67	18.0	27
Maritime Commission	7	2.0	26
Defense Housing	2	0.5	27
Other defense activities	13	4.0	31
RFC	<u>17</u>	<u>5.0</u>	30
Total	239	63.5	26

War Expenditures

Total Federal expenditures for war purposes amounted to \$6.1 billion in November, an increase of 7 percent over the October rate. The following table shows the monthly and equivalent annual rate of expenditure for war purposes for selected months:

	<u>Billion Dollars</u>	
	<u>Monthly Rate</u>	<u>Equivalent Annual Rate</u>
December 1941	1.8	21.9
January 1942	2.2	25.7
March 1942	3.0	35.5
June 1942	4.1	48.5
Sept. 1942	5.3	65.3
October 1942	5.7	65.9
November 1942	6.1	76.0

XI. LABOR AND MANPOWER

Current Employment and Unemployment

Total employment in nonagricultural establishments increased by 207,000 from mid-September to mid-October, according to preliminary estimates of the Bureau of Labor Statistics.

	Oct. 1942	Change from	
		Sept. 1942	Oct. 1941
Employment in nonagricultural establishments	38,555,000	207,000	2,502,000
Manufacturing employment	15,297,000	64,000	1,700,000
Federal Government executive service	2,756,200	165,300	1,237,100
WPA employment	381,300	-19,800	-659,200
Unemployment (including persons employed on WPA, NYA, and CCC)	1,600,000	-100,000	-2,300,000

Training for War Jobs

Preliminary reports of the Office of Education indicate:

	Pre-Employment and Refresher Courses	Supple- mentary Courses	Engineering, Science, and Management Courses
Total New Registrations:			
August	113,862	95,531	19,259
September	111,436	104,248	64,476
Number Concluding Training:			
August	136,840	98,681	36,882
September	129,727	100,602	51,293
Number in Training:			
September 1	178,157	154,990	73,710
September 30	159,866	158,636	86,893

Turnover and Absenteeism

Turnover for all manufacturing improved in September. Total accession rates rose 15.8 percent and total separation rates rose 14.7 percent from August levels. Total accessions for all manufacturing in September were 9.15 per hundred employees, while total separations were 8.10 per hundred.

Absenteeism in private shipyards in October was almost as high as in September. In 207 yards, man-hours lost from this cause averaged 8.2 percent in October.

In view of the current interest in turnover, it is pertinent to point out that during 1917-18, turnover in what we now call war industries approximated 20 to 25 percent of the labor force per month as compared with less than 10 percent at present.

Industrial Disputes

The number of strikes affecting war production decreased during October. There was a substantial decrease in the number of workers involved and the number of man-days idle.

	<u>September</u>	<u>October</u>
Strikes in progress	187	115
Workers involved	80,799	42,320
Man-days idle	318,892	167,865

Number of Labor Cases Pending

	<u>Oct. 1</u>	<u>Nov. 1</u>	<u>Dec. 1</u>
National War Labor Board	409 ^{1/}	581 ^{1/}	2/
U. S. Conciliation Service	1,614	1,780	1,885
National Mediation Board	160	177	143
National Railroad Adjustment Board ..	6,137 ^{2/}	6,148	6,204

^{1/} Exclusive of so-called "wage agreement" cases which do not involve a labor dispute.

^{2/} Not available.

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

XII. ADMINISTRATIVE DEVELOPMENTS

This chapter, covering the high lights of recent administrative developments in our war organization, exclusive of Army and Navy, is included for the first time in this report. It has been developed by staff members of the Bureau of the Budget who are in close touch with the current administrative problems.

War Production Board

The Controlled Materials Plan, a priorities reform designed to assure the flow of steel, copper, and aluminum into essential uses, was announced November 2. The Plan is still in process of revision; on many points it lacks clarity, and the administrative measures necessary to carry through the plan have not been worked out.

On November 11, a general reorganization of the Office of Program Vice Chairman was announced. This order, in effect, was a reorganization, at the instance of Program Vice Chairman Eberstadt, of almost the entire WPB, excluding only those few parts which report directly to the Chairman. Although the details of the reorganization remain to be spelled out and installed in practice, fundamentally it simply carried further along trends that had been started in the July reorganization. Hence, the important development is not the reorganization but the introduction into WPB of a new personality, the Program Vice Chairman, and his potential role in the WPB and in the entire production organization.

The organizational adjustments in WPB have not made plain the functions of Vice Chairman Wilson or his relationships to Program Vice Chairman Eberstadt. In the determination of the role of Vice Chairman Wilson in scheduling production, fundamental issues have been raised concerning the interrelations of WPB and the procurement agencies. Although progress has been made in clarifying several of the chief issues involved, considerable work remains to be done in working out the detailed inter-agency procedures and coordination of effort under the guiding decisions already made.

War Shipping Administration

Relationships between WSA and the Coast Guard continue to be strained as a result of the conflict over control of licensing requirements.

The Service Division of Recruitment and Manning is taking over control of seamen's rest homes as the result of a failure of the United Seaman's Service to handle the job.

The controversy as to the handling of lend-lease cargo reached settlement, with WSA rather than the Army being placed in primary control. Such cargo is to be forwarded only at the direction of WSA and is to be consigned to WSA. Meanwhile the field staff of WSA has been expanded considerably in an effort to reduce shipping delays at foreign ports.

Office of Price Administration

Securing compliance with price rationing and rent regulations continues to be the chief problem of OPA. Progress is being made in the completion of plans for registering retail food establishments, the delegation of compliance and enforcement programs to the Legal Division, and initial steps toward the standardization and simplification of manufactured commodities.

Typical of the problems encountered is that of establishing dollar and cents prices for commodities. While considerable progress has been made, complete conversion of price regulations to a dollar and cents basis is at least six months away. Meanwhile, much effort is expended on "spot" adjustments of pressing nature.

The place of local boards in the enforcement picture continues to be a problem. There is evidence of growing dissatisfaction on the part of local boards because of inadequate administrative services and personnel, general public confusion as to the future, and the need for simplifying rationing procedures. Ration coupon banking, better organization of volunteer services, and improved correlation of the work of various Federal agencies with respect to rationing are all essential.

For better integrating rent functions with price and rationing, OPA is contemplating placing responsibility on local boards and handling adjustment cases and tenant complaints.

Combined Boards

1. Shipping: The Combined Shipping Adjustment Board continued to wrestle with the problem of meeting schedules of vessel employment, particularly in the Atlantic. The outbound sailings in August, September, and October were considerably below schedule and progressively declined at a time when Atlantic needs were growing. The War Shipping Administration is giving special study to this problem for report to the Combined Shipping Adjustment Board.

Indicative of the difficulty of the Combined Shipping Adjustment Board in securing combined strategic guidance, is its insistence that a proposal of the Joint Chiefs for diverting certain shipping to the Southwest Pacific be first cleared with the Combined Chiefs of Staff because of strategic implications for both the United Kingdom and the United States.

2. Food: The Combined Food Board is devoting increased attention to the food relief program for North Africa, although it reflects some uncertainty and confusion as to how its functions will fit in the over-all relief picture. A special committee on North Africa has been established, although its objectives are not definitely defined. Preliminary recommendations on surplus North African wheat, oil, and other products have been made, and the chief needs of the areas pointed out in very general terms.

Apparently the Board is not seeking a direct hand in the administration of the North African food programs but is seeking adequate information and means of correlating decisions with regard to the area to the over-all United Nations programs.

3. Raw Materials: The Combined Raw Materials Board is devoting itself to (1) studies of raw materials supplies for the Combined Production and Resources Board and (2) spot decisions on specific materials in short supply. A clear delineation of functions between the CRMB and the CPRB has not yet been formulated. More and more the Combined Raw Materials Board appears to be assuming the form of a subcommittee of the Combined Production and Resources Board.
4. Production: An eloquent commentary on the continuing moribund state of the Combined Production and Resources Board is the recently apparent inclination of the British to take their proposals elsewhere in our Government.

Formerly, the United Kingdom, which stands to gain most from an effective Board, was its staunchest supporter. Recently, however, the British member of the Board in his visit to this country has

almost ignored it. Instead he has chosen to carry on negotiations directly with military officials, appealing to sources other than CPRB when disagreement arose. Presumably this was felt necessary because of the present impotence of the Board.

The CPRB, although it has been in existence nearly six months, has made little progress toward the important objectives designed for it by the President and Prime Minister.

Relief, Rehabilitation, and Reconstruction

The principal recent developments in international administration relate to this Government's plans for relief, rehabilitation, and reconstruction in occupied territories, as accelerated by the African campaign. The Board of Economic Warfare, the Office of Lend-Lease Administration, and the Department of State have for some months been laying plans in these fields.

While the administrative pattern for North Africa is not yet clear, it is apparent that it does follow the preliminary plans. North African plans are focused in the Department of State (Office of the Special Assistant to the Secretary in charge of relief and reconstruction problems). The Office of Lend-Lease Administration provides the financing and procurement while the Board of Economic Warfare is to restrict its activities to the stimulation of increased production of strategic materials in the areas concerned and procurement of these materials through the Department of Commerce. The Department of Agriculture will be charged with Agricultural Rehabilitation. The Department of State will coordinate all these activities.

Governor Lehman's task will be concerned mainly with the United Nations' aspect of the administration of the relief programs, and under present plans his office will not begin to function in any considerable degree until the United Nations Relief and Rehabilitation Administration is established. The point at which the United Nations Relief Administration will take over from the U. S. agencies has not yet been defined.

There is considerable question as to the ability of the Office of Lend-Lease Administration to carry out a difficult operating assignment involving the use of complex distribution systems and to procure materials in a market which is already crowded with buyers. This is the first operating assignment which the Lend-Lease Administration has had and involves a radical change in the role of the Administration from one of policy screening and record keeping to one of direct operations. The relationship between the new Special Assistant to the Secretary of State and the remainder of the Department of State is not entirely clear.

In view of the extreme importance of relief, rehabilitation, and reconstruction in the winning of the war and stabilization of the peace, it is apparent that further clarification of agency responsibilities in these fields is a matter of pressing importance.

1. Inspection of Military Airplanes
2. Naval Ship Armaments
3. Construction Program on Battleships and Aircraft Carriers
4. Construction Program on Large and Heavy Cruisers
5. Construction Program on Light Cruisers
6. Construction Program on Destroyers and Destroyers
7. Construction Program on Escort Vessels
8. Design and Plans of Merchant Ocean Vessels Available to the United States
9. Delivery of Merchant Tugs
10. Status of War Relocation Program
11. War Relocation

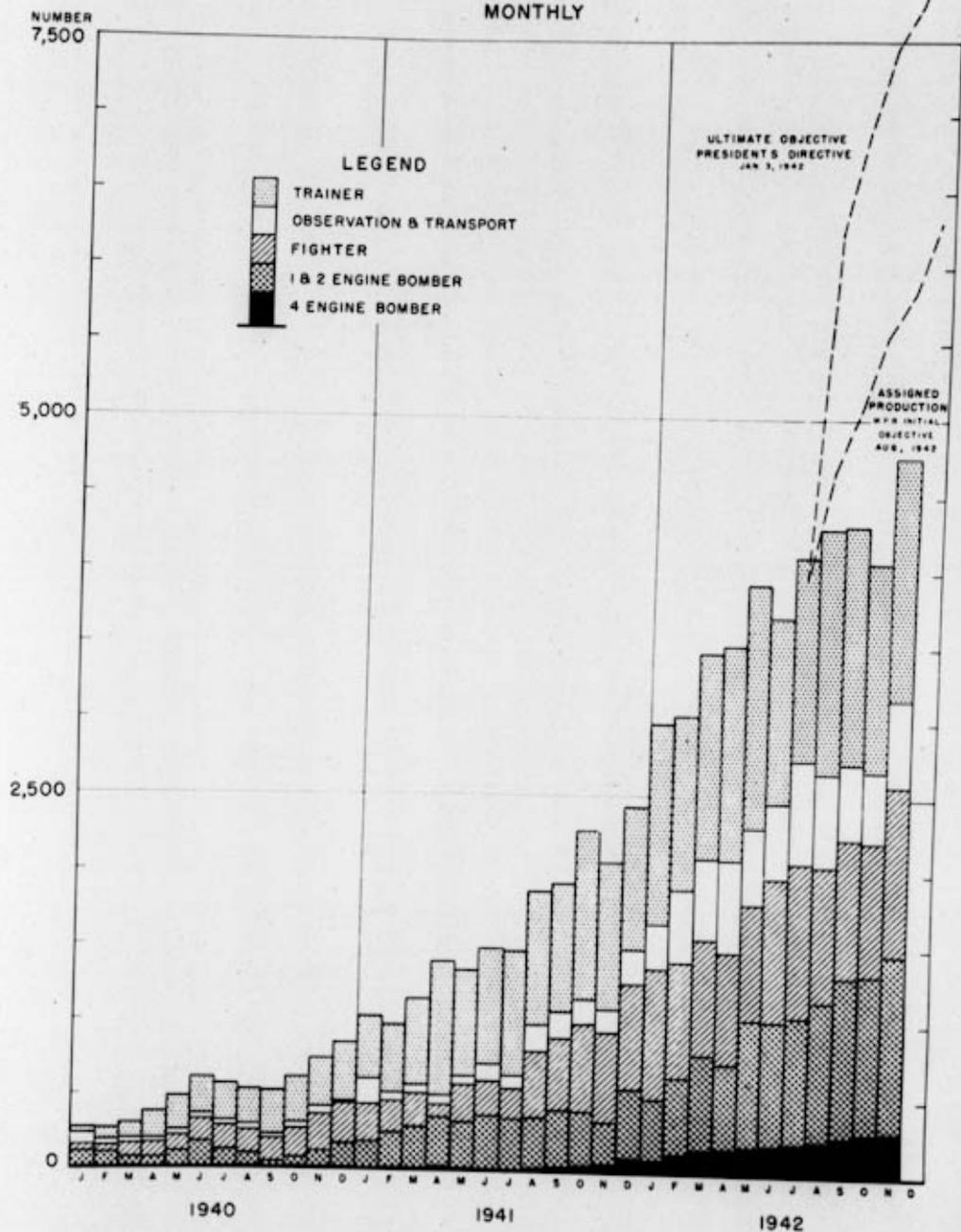
XIII. PROGRESS CHARTS

1. Acceptances of Military Airplanes
2. Total Army Strength
3. Construction Progress on Battleships and Aircraft Carriers
4. Construction Progress on Large and Heavy Cruisers
5. Construction Progress on Light Cruisers
6. Construction Progress on Destroyers and Submarines
7. Construction Progress on Escort Vessels
8. Gains and Losses of Merchant Ocean Vessels Available to the United Nations
9. Deliveries of Merchant Ships
10. Status of Basic War Commodities Program
11. War Expenditures

CHART I

ACCEPTANCES OF MILITARY AIRPLANES

MONTHLY



SOURCE: WAR PRODUCTION BOARD

CHART 2

TOTAL ARMY STRENGTH

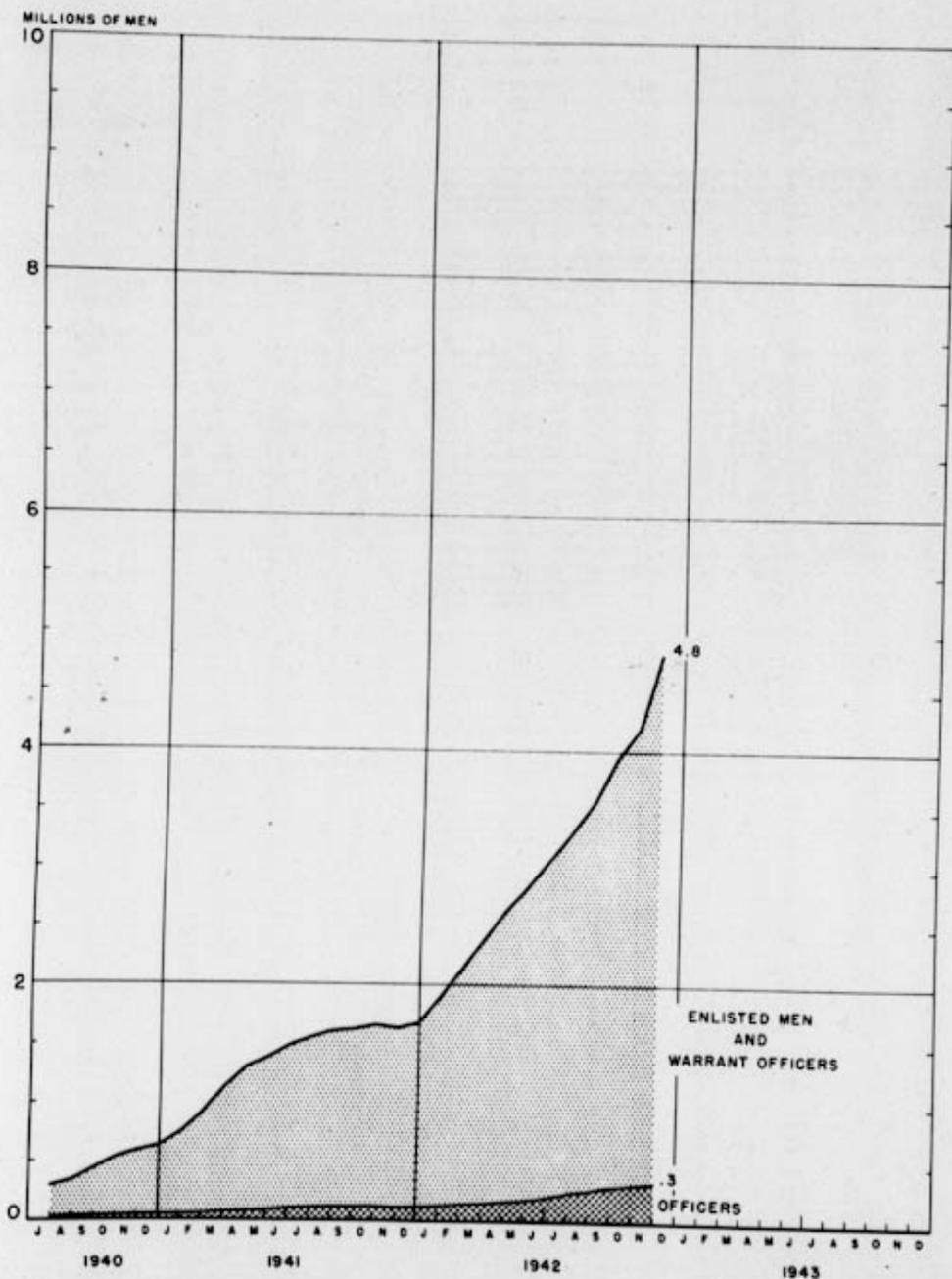


CHART 3

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

JULY 1, 1940 TO NOVEMBER 1, 1942

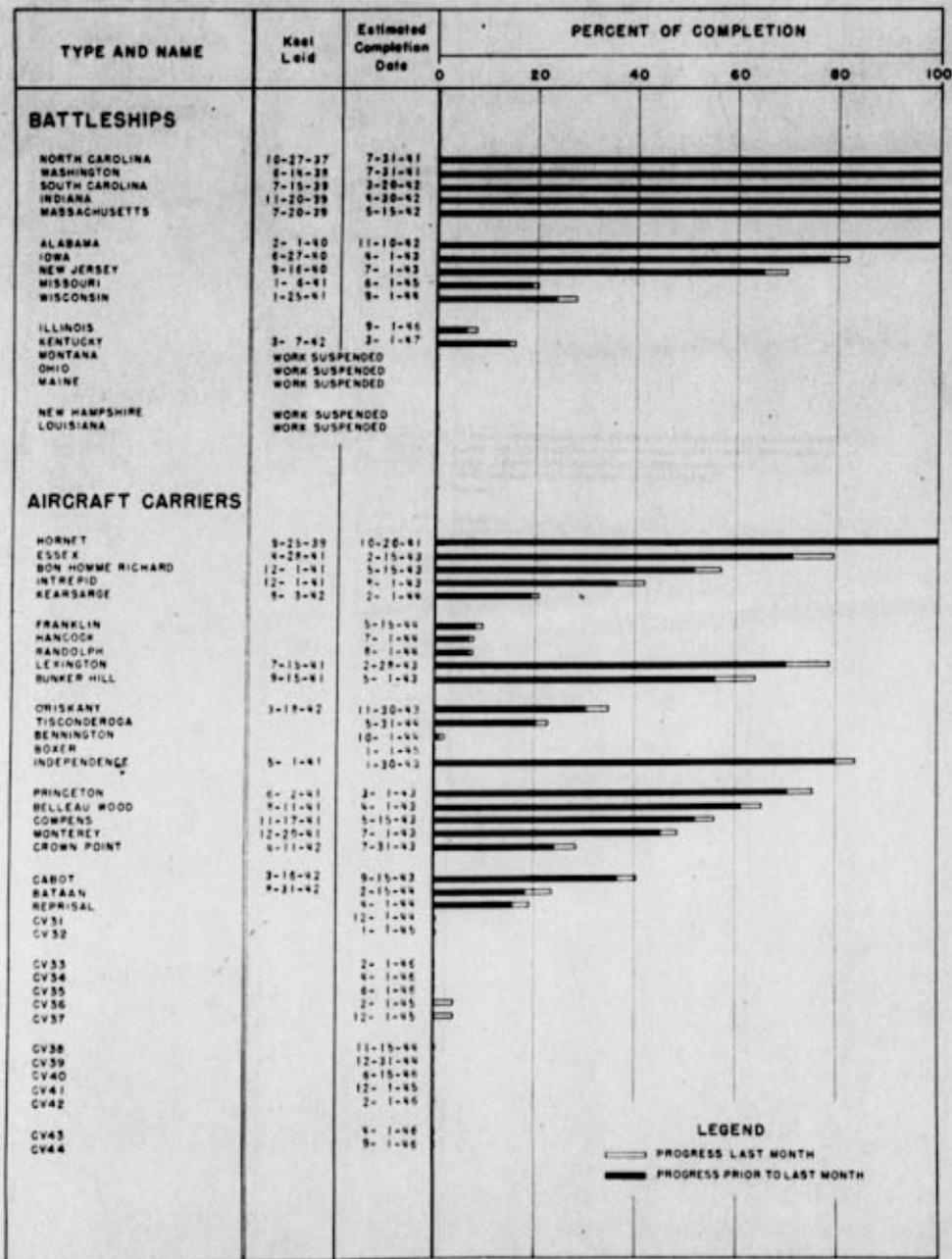


CHART 4

CONSTRUCTION PROGRESS OF LARGE AND HEAVY CRUISERS

JULY 1, 1940 TO NOVEMBER 1, 1942

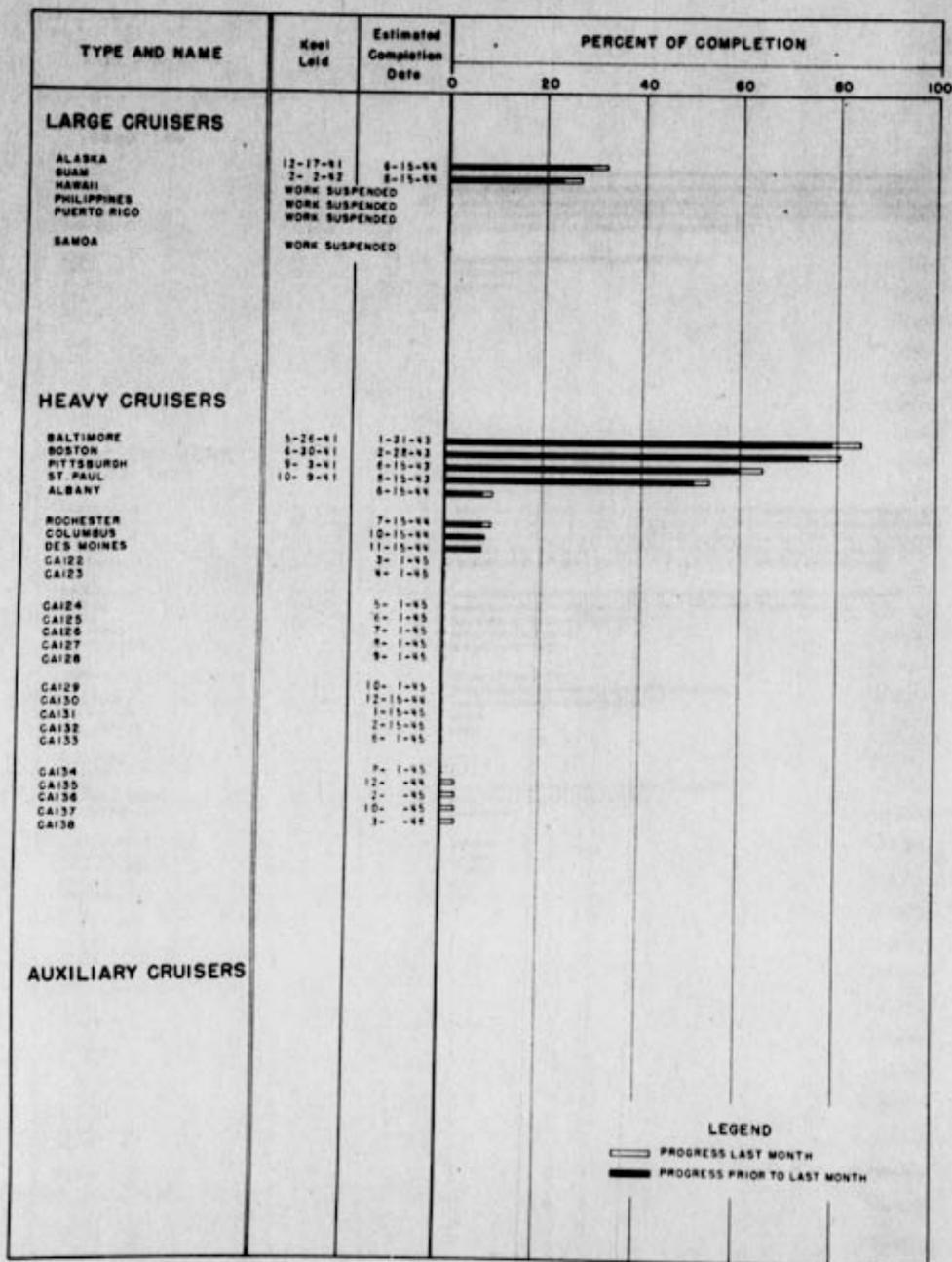


CHART 8

CONSTRUCTION PROGRESS OF LIGHT CRUISERS

JULY 1, 1940 TO NOVEMBER 1, 1942

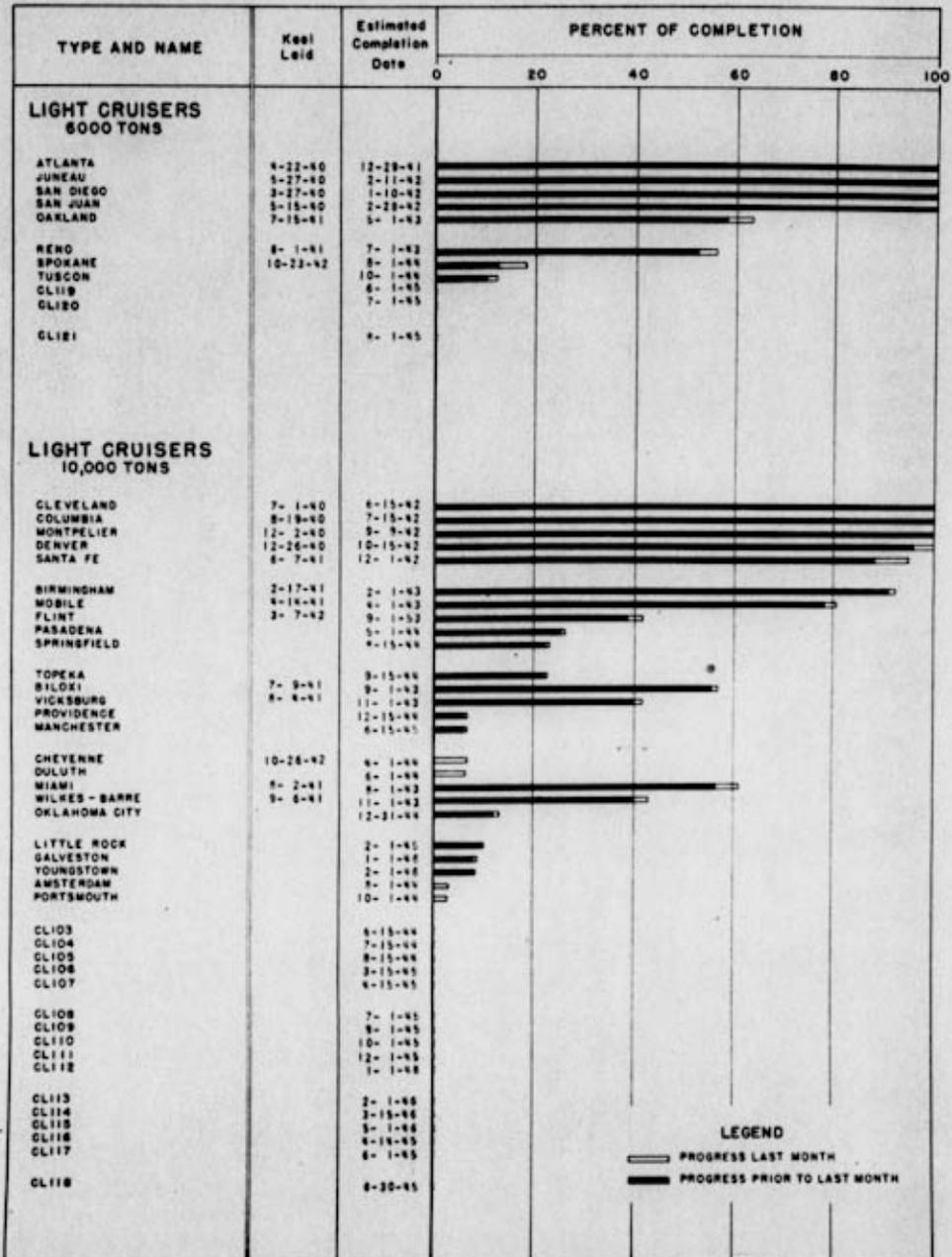


CHART 6

CONSTRUCTION PROGRESS ON DESTROYERS AND SUBMARINES

JULY 1, 1940 TO NOVEMBER 1, 1942

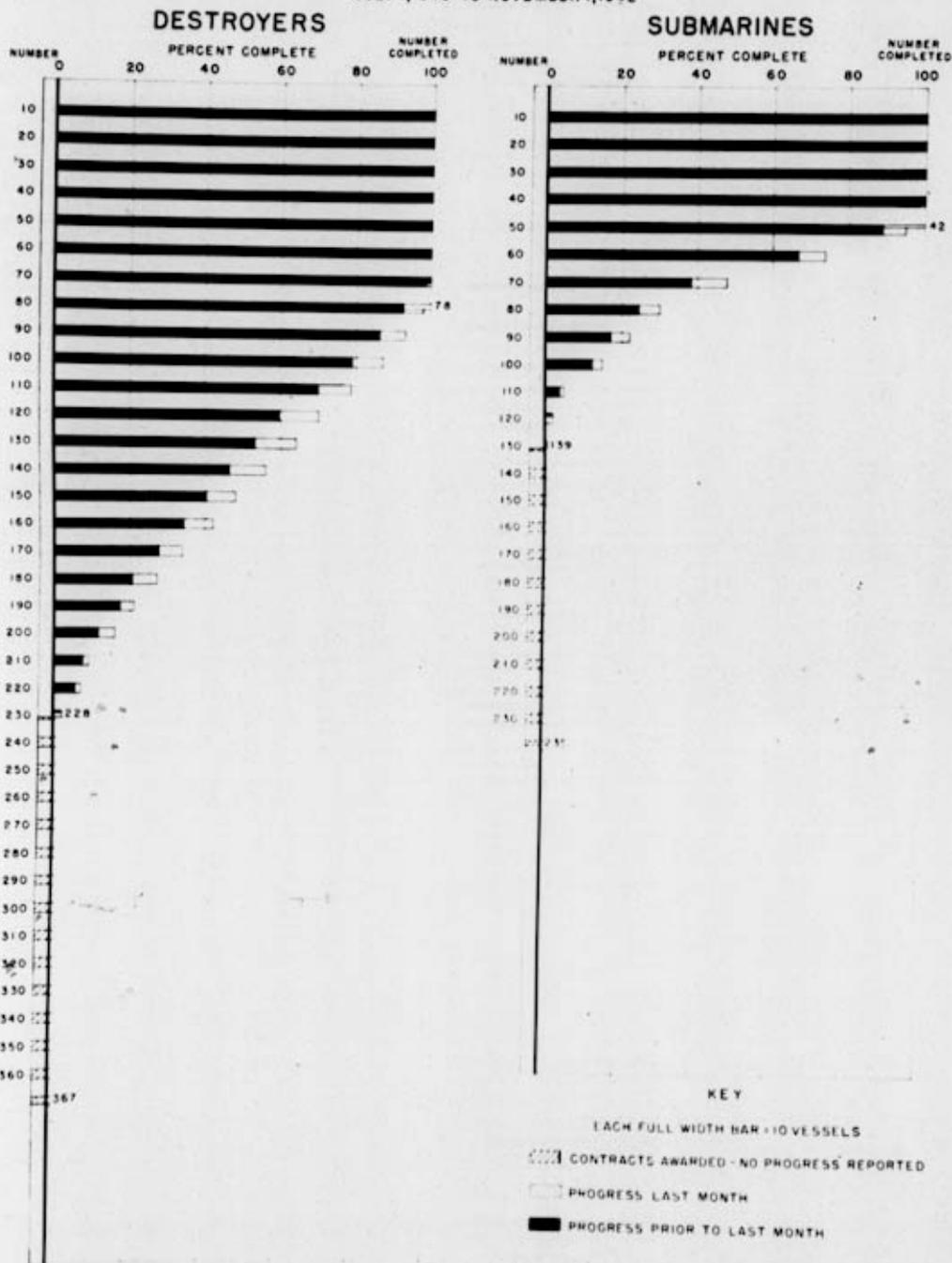


CHART 7

CONSTRUCTION PROGRESS ON ESCORT VESSELS

JULY 1, 1940 TO NOVEMBER 1, 1942

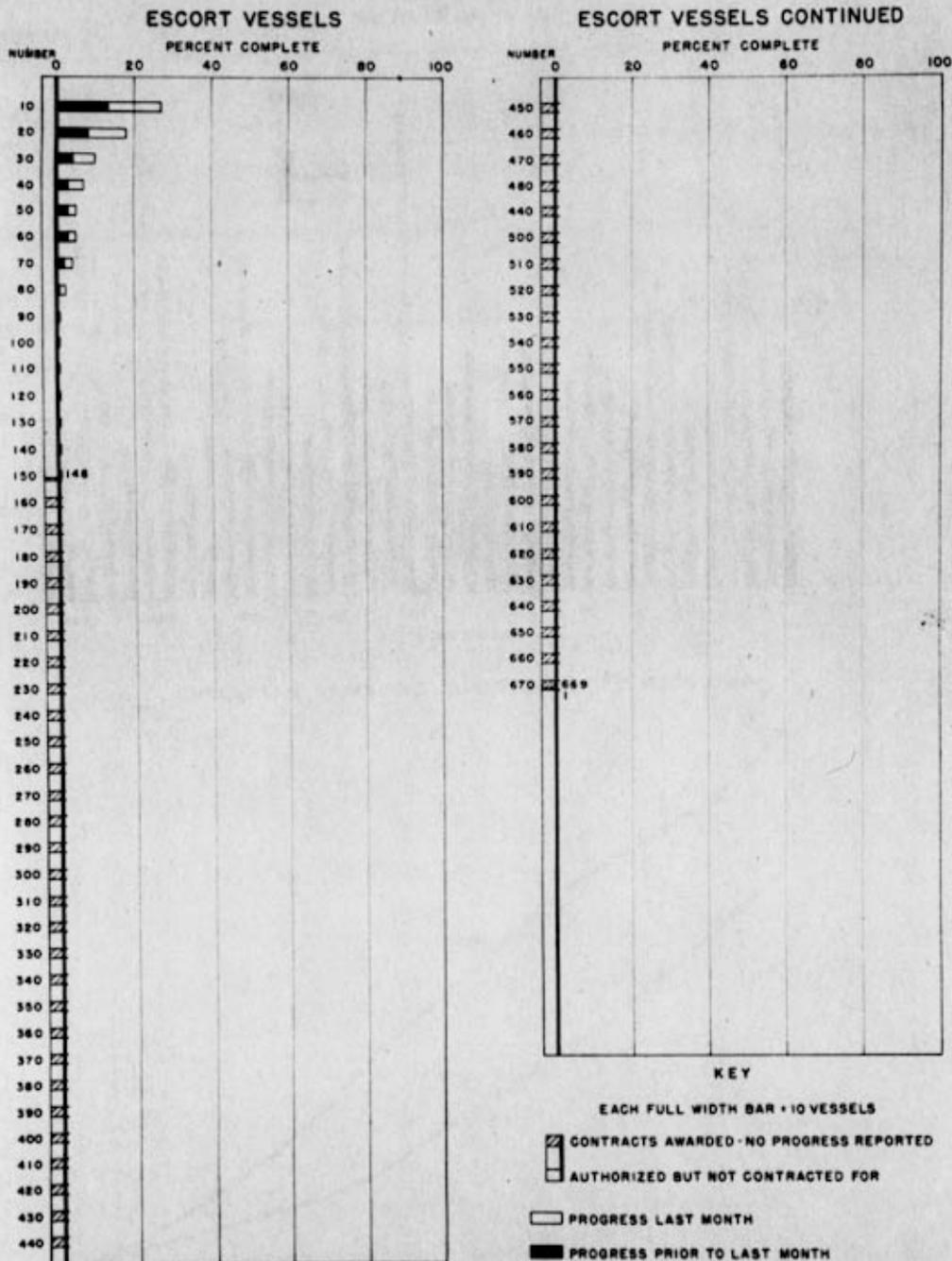
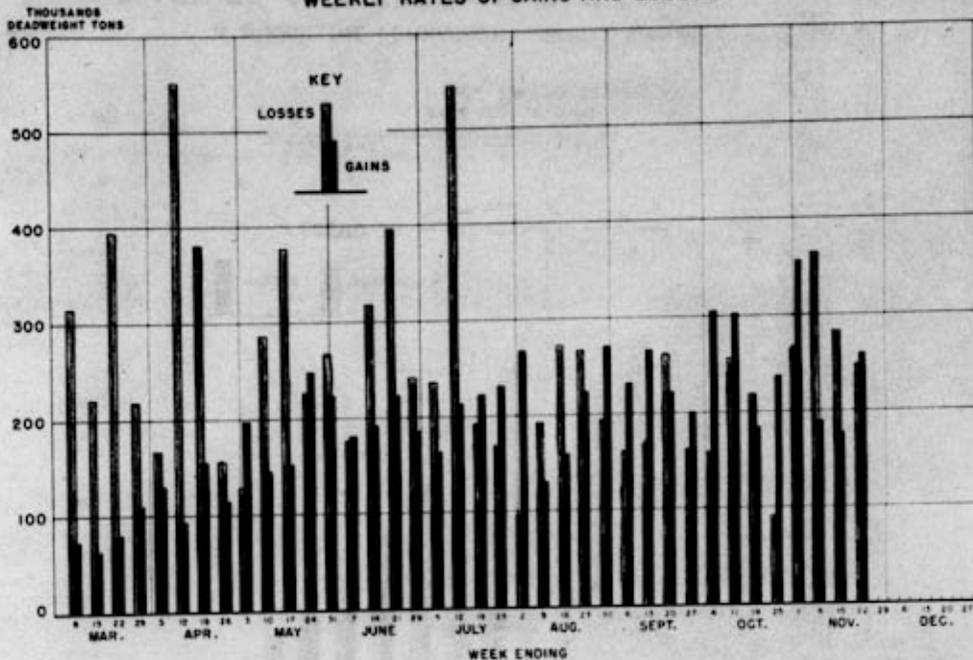


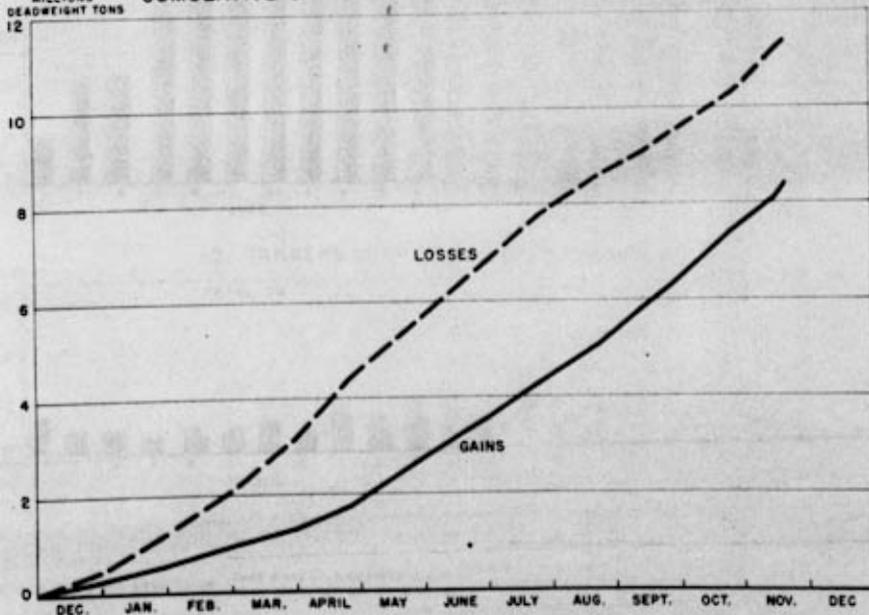
CHART 8

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

WEEKLY RATES OF GAINS AND LOSSES



MILLIONS DEADWEIGHT TONS
CUMULATIVE GAINS AND LOSSES SINCE DECEMBER 1, 1941



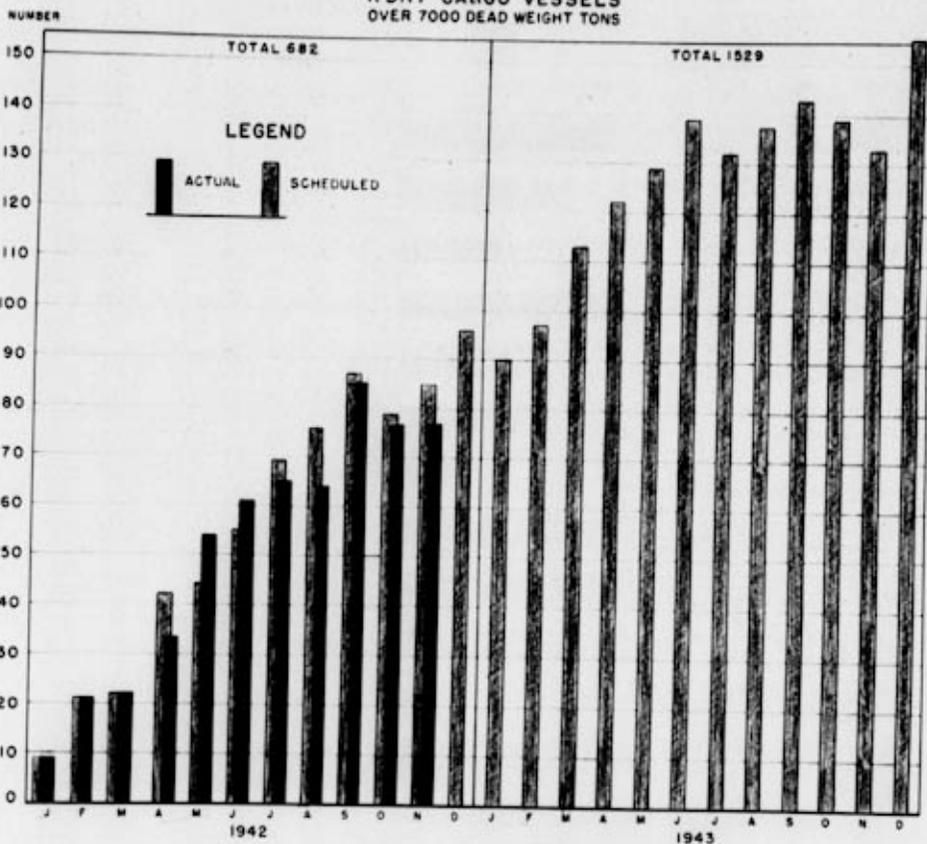
1942

CHART 9

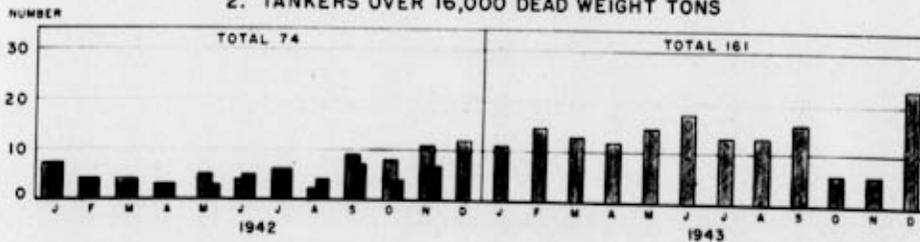
DELIVERIES OF MERCHANT SHIPS BY U.S. SHIPBUILDERS

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 10

STATUS OF BASIC WAR COMMODITIES PROGRAM SELECTED CRITICAL AND STRATEGIC MATERIALS

(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED PURCHASE PROGRAM)

AS OF NOV. 14, 1942

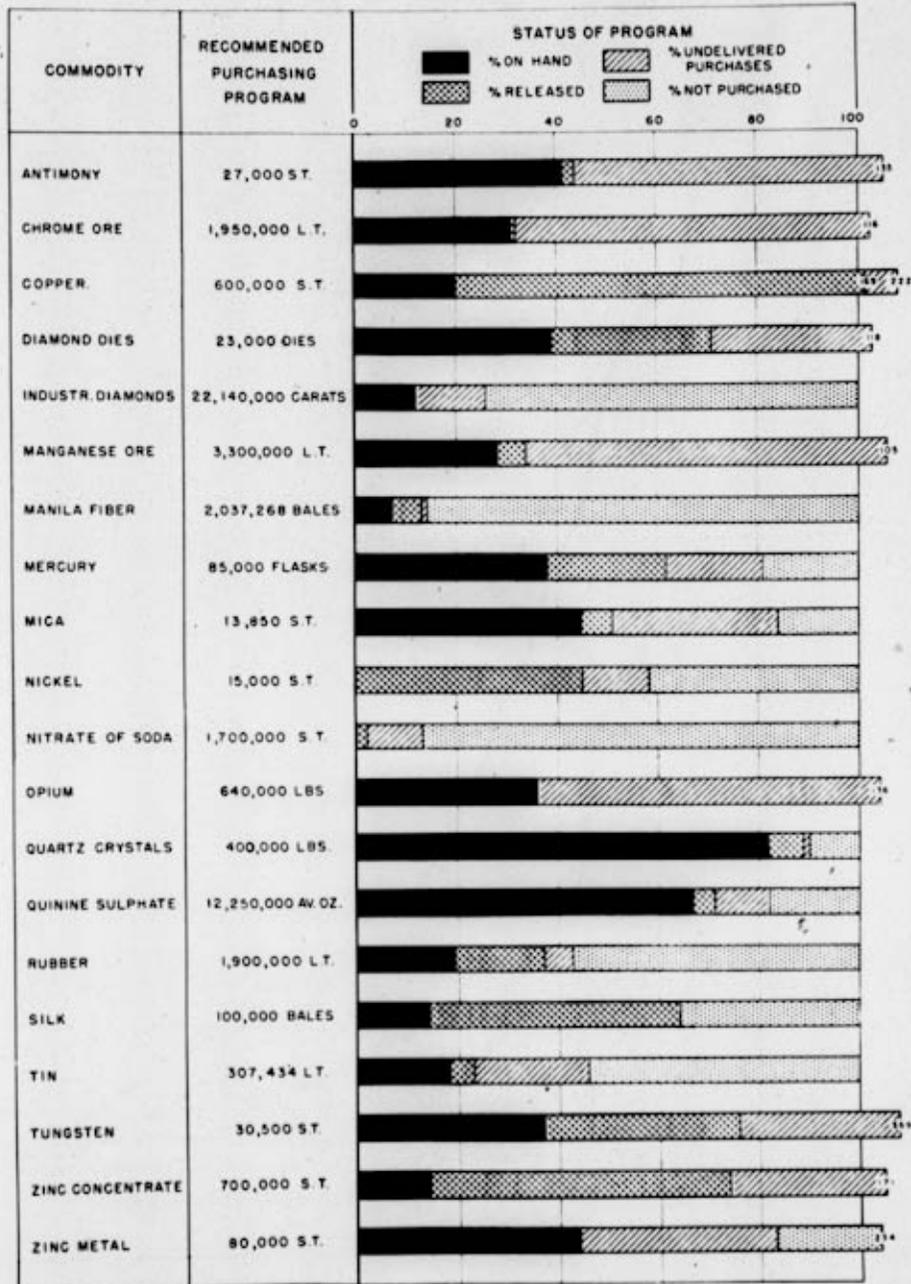
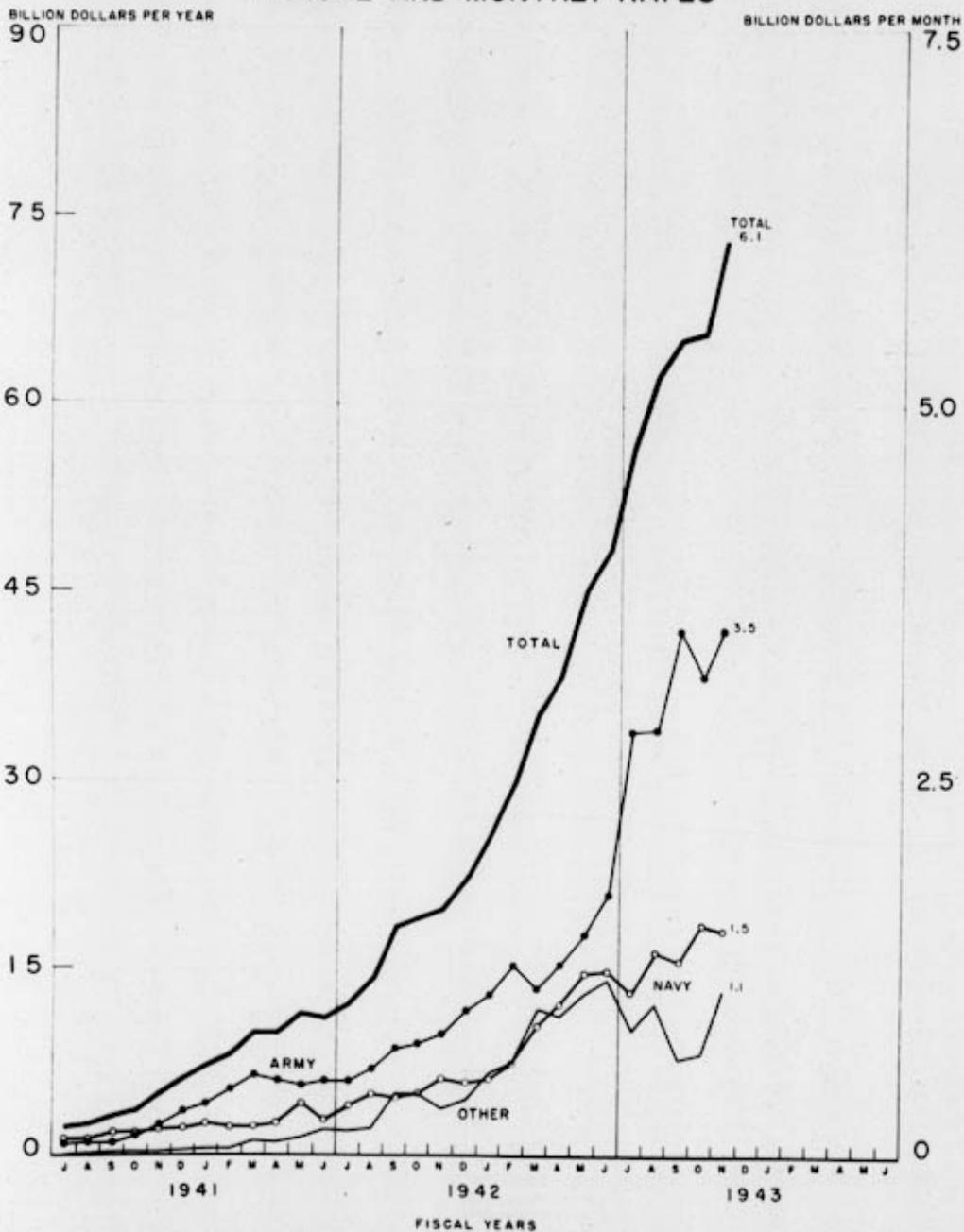


CHART II

WAR EXPENDITURES ANNUAL AND MONTHLY RATES



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