Report 40

[redacted]

NATIONAL WAR PROGRAM

MONTHLY PROGRESS REPORT

January 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

[redacted]

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

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

File

Feb 14 1944

For the personal attention of the President.

H. D. S.

#40

PSF Box 96

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I. SUMMARY

Aircraft Production: 90.3 million pounds of military airframes were accepted in January. The number of aircraft accepted was 8,789, of which 1,340 were four-engine bombers. (Pages 2-3)

Army Air Forces: 26,013 first-line combat planes were on hand on January 31. Active-duty personnel of the Army Air Forces totaled 2,373,882 on January 1, and 88,161 were pilots. (Pages 4-6)

Navy Aeronautical Program: The Navy had 15,634 combat airplanes on hand on January 1. Navy, marine Corps, and Coast Guard military aviation personnel totaled 283,804 on January 1, and 38,185 were pilots. (Pages 7-9)

Active Military Strengths:

	Total All Classes
Dec. 31, 1943:	
Army	7,482,434
Navy, Marine Corps, and Coast Guard	2,959,128
Total, Armed Forces	10,441,562
Jan. 31, 1944:	
Army (estimated)	7,550,000

(Pages 14-15, 28-29)

Selected Ordnance Production

	November	December	Total 1943
Torpedoes, submarine	794	741	7,860
Medium tanks	1,186	1,070	21,245
Guns, 90mm antiaircraft	44	95	3,526
Guns, 155mm (field)	56	44	598
Carbines	530,245	519,613	2,959,345

(Pages 12-13, 27)

Navy Ship Construction: 762 combatant vessels were completed from July 1, 1940 through December 31, 1943: 8 battleships, 17 aircraft carriers, 69 aircraft carrier escorts, 4 heavy cruisers, 16 light cruisers, 236 destroyers, 306 destroyer escorts, and 106 submarines. (Pages 17-24)

Merchant Shipping: From January 1 to 23, the United Nations reported construction of 789,200 dwt. of merchant vessels, including military types, while losses reported were 104,800 dwt.

II. AERONAUTICAL PROGRAM

January Aircraft Production

Preliminary reports indicate that 90.3 million pounds of airframes (spares included, gliders excluded) were accepted in January — an increase of 5 percent over December.

The number of military aircraft accepted in January was 8,789, as compared with 8,802 in December. There were 1,340 four-engine bombers accepted, including 54 B-29's.

Aircraft Acceptances

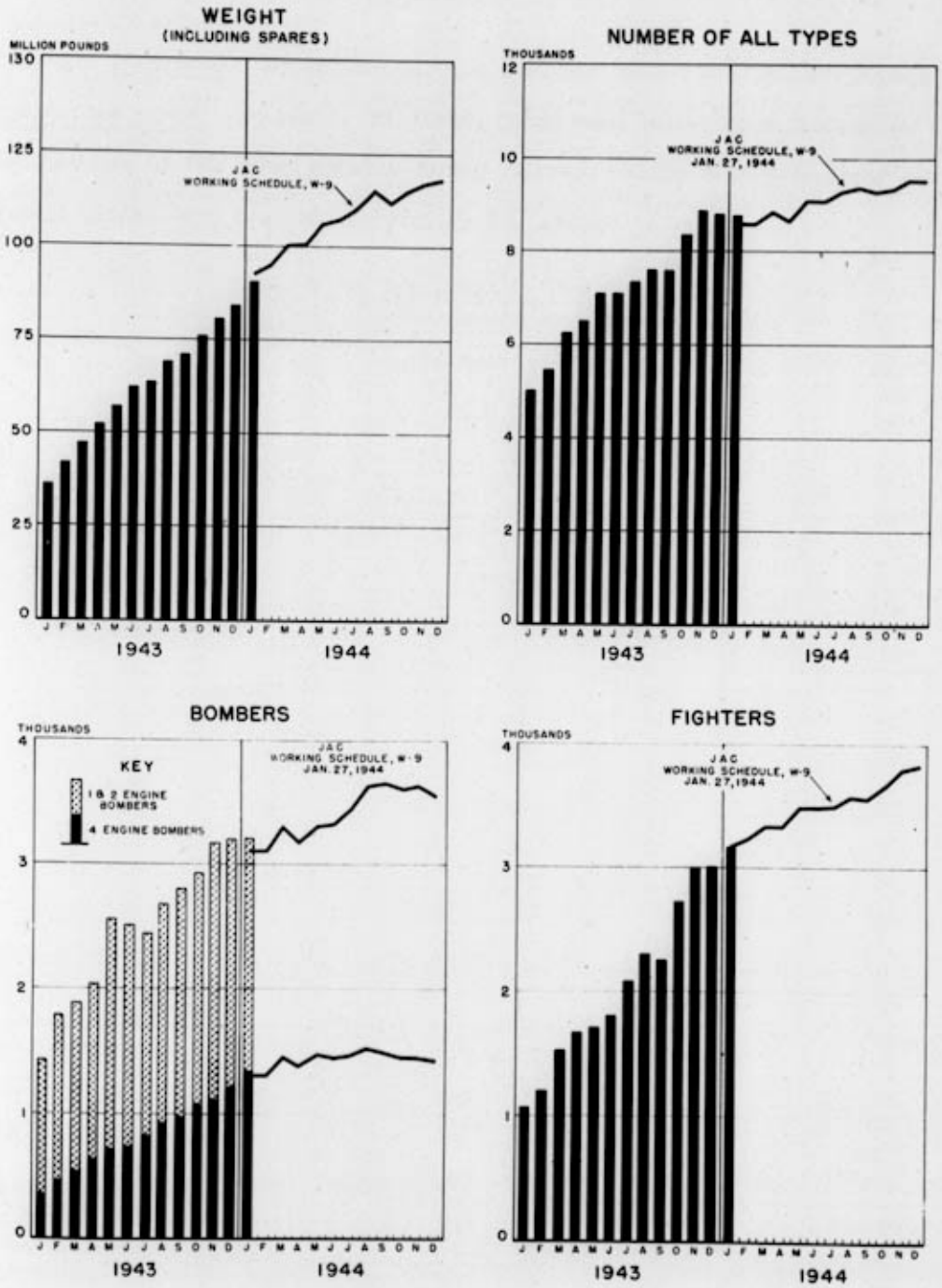
Type	December 1943	January 1944	W-9 Sched. February*
Bomber, 4-eng., long-range	35	54	57
Bomber, 4-eng., other	1,189	1,286	1,279
Bomber, 2-eng.	1,042	1,012	1,046
Bomber, 1-eng.	923	866	768
Fighter	3,008	3,173	3,240
Reconnaissance	27	43	18
Total combat	6,224	6,434	6,408
Transport, 4-engine	18	23	38
Transport, 2- and 1-eng.	746	745	752
Total tactical	6,988	7,202	7,198
Trainer	1,332	1,142	996
Liaison	460	421	345
Rotary wing	1	1	9
Target and drone	21	23	69
Grand total	8,802	8,789	8,617

*Revised Jan. 27, 1944.

Working Schedule W-9 of the J.A.C. was issued in January. This schedule, as revised January 27, programs 109,530 planes for production in 1944, a reduction of approximately 7,000 planes or 6 percent below the W-8 schedule. Due to the fact that the reduction was principally in the lighter

CHART I

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Army Air Forces

A. Airplanes. On January 31, the Army Air Forces had on hand 26,013 first-line combat airplanes. Of these, 7,825 were four-engine bombers — an increase of 731 heavy bombers during January. Fifty-four percent of the combat planes were overseas on January 31, 1944.

Airplanes of the Army Air Forces on Hand
Dec. 31, Jan. 31, and Gains and Losses in January

Type	On Hand Dec. 31 1943	January		On Hand Jan. 31 1944	Jan. Net Gain
		Gains	Losses*		
Combat					
Bomber, heavy, long-range	76	52	0	128	52
Bomber, heavy	7,018	1,209	530	7,697	679
Bomber, medium	3,768	384	201	3,951	183
Bomber, light	1,099	150	84	1,165	66
Fighter	11,328	1,826	670	12,484	1,156
Reconnaissance	528	84	24	588	60
Total combat	23,817	3,705	1,509	26,013	2,196
Transport					
Heavy	449	77	37	489	40
Medium	2,685	210	47	2,848	163
Amphibian	29	1	0	30	1
Utility	3,303	283	151	3,435	132
Total transport	6,466	571	235	6,802	336
Total combat & transport	30,283	4,276	1,744	32,815	2,532
Trainers	26,051	904	422	26,533	482
Communications	4,267	324	707	3,884	-383
Total, all types	60,601	5,504	2,873	63,232	2,631

*Includes losses from enemy action, survey, etc.

A.A.F. Airplanes in Continental U.S. and Overseas — Jan. 31, 1944

Location	Bomber			Fighter	Transport	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,119	1,783	529	5,247	4,349	29,974	46,001
Overseas	3,706	2,168	636	7,237	2,453	1,031	17,231
Total	7,825	3,951	1,165	12,484	6,802	31,005	63,232

B. Personnel of the Army Air Forces. The active-duty strength of the Army Air Forces, including personnel assigned from other services, totaled 2,373,882 on January 1 — a decrease of 9,488 during December and 96 percent of requirements for the 273-group program by December 31, 1944. Pilots on active duty were 74 percent of required strength by the end of 1944.

Active-Duty Strength of the Army Air Forces, January 1, 1944 and Minimum Requirements for 273 Groups by December 1944

Type of Personnel	Officers	Enlisted	Total	Minimum Requirements for 273 Groups by Dec. 1944
Pilots (includes glider and service)	86,544	1,617	88,161	118,736
Aviation cadets	—	114,336	114,336	84,382
Pre-aviation cadets	—	137,562	137,562	—
Bombardiers and navigators	30,304	480	30,784	41,611
Observers	733	--	733	887
Engineers	7,541	—	7,541	5,926
Mechanics	—	238,756	238,756	289,244
Armorers	—	61,041	61,041	83,005
Communications	4,240	—	4,240	6,265
Radio operators	—	43,988	43,988	76,040
Other, Army Air Corps	90,053	996,374	1,086,427	1,054,708
Total, Army Air Corps	219,415	1,594,154	1,813,569	1,760,804
Assigned from other branches	54,932	505,381	560,313	706,157
Total, Army Air Forces	274,347	2,099,535	2,373,882	2,466,961

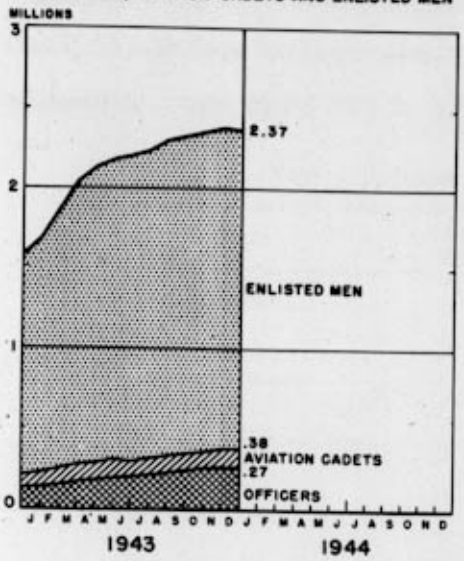
C. Flying Training. During December, 7,276 pilots were graduated from advanced training. Since the beginning of the war emergency, a total of 95,913 pilots have completed advanced training.

ARMY AIR FORCES MILITARY PERSONNEL

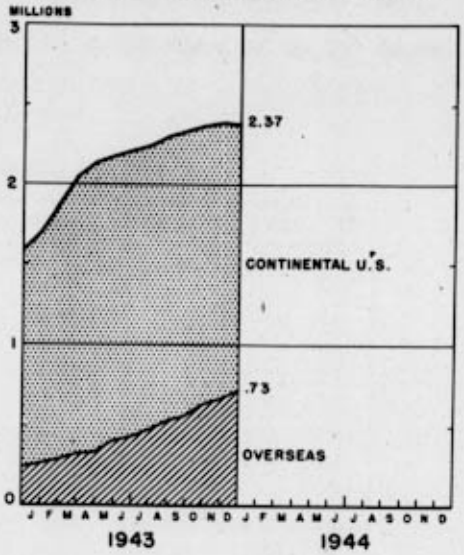
(INCLUDES PERSONNEL ASSIGNED FROM THE ASF AND AGF)

1. TOTAL STRENGTH

OFFICERS, AVIATION CADETS AND ENLISTED MEN

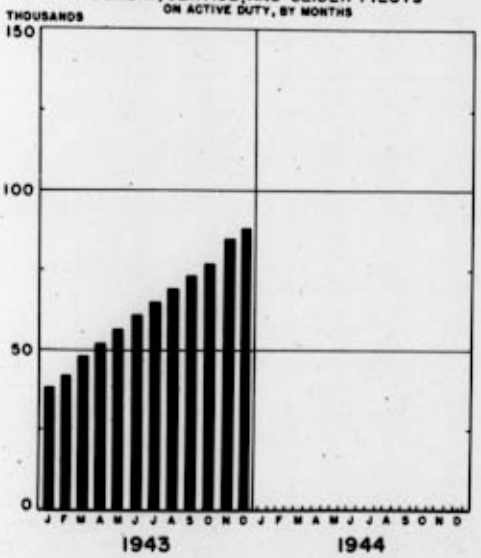


OVERSEAS AND CONTINENTAL U.S. STRENGTH

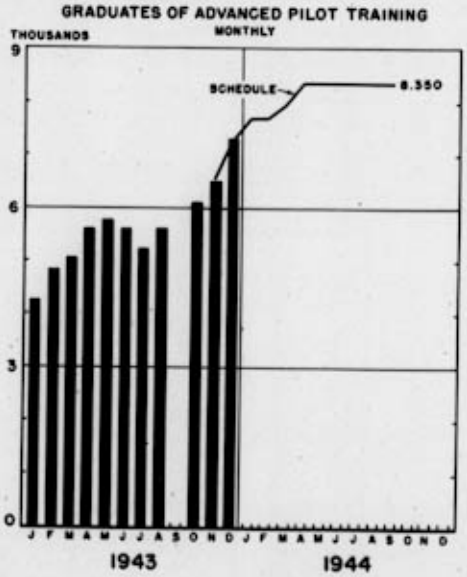


2. PILOTS AND PILOT TRAINING

COMBAT, SERVICE, AND GLIDER PILOTS
ON ACTIVE DUTY, BY MONTHS



GRADUATES OF ADVANCED PILOT TRAINING
MONTHLY



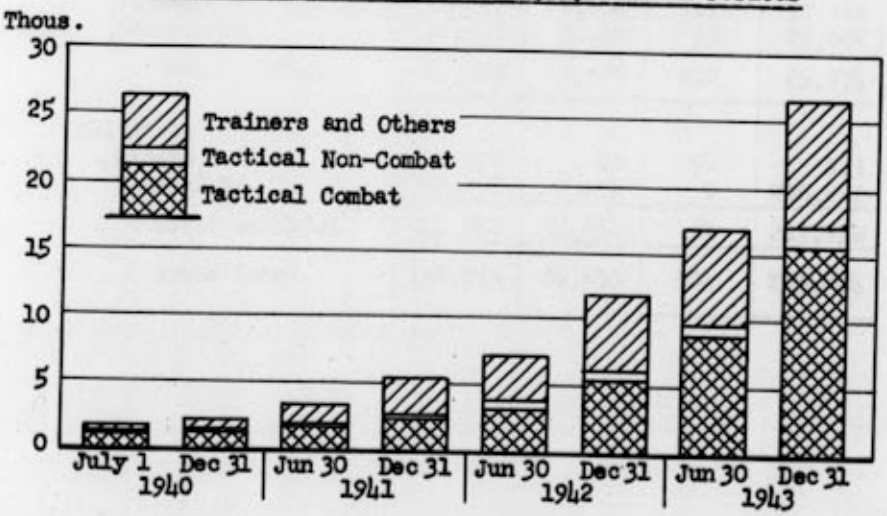
Bureau of Aeronautics

A. Airplanes. On December 31, 1943, the Navy, Marine Corps, and Coast Guard reported a total of 26,485 useful airplanes on hand. Of these, 15,634 were tactical combat types -- an increase of 14,437 tactical combat planes since July 1, 1940.

Navy Airplanes on Hand, by Type

Type	July 1 1940	Dec. 31 1941	Dec. 31 1942	Dec. 31 1943
Tactical Combat:				
Fighter	189	514	1,253	5,516
Scout bomber	399	709	983	3,958
Torpedo bomber	114	100	582	2,227
Patrol bomber—boat	217	448	869	1,299
Bomber—landplane:				
4-engine	0	0	51	313
2-engine	0	18	102	809
Observation scout	278	682	1,594	1,512
Subtotal	1,197	2,471	5,434	15,634
Tactical Non-Combat	151	303	624	1,397
Training	364	2,459	5,714	9,141
Experimental and Misc.	32	27	41	313
Grand total	1,744	5,260	11,813	26,485

Number of Navy Planes on Hand, by 6-Month Periods



B. Personnel. The active-duty strength of the Navy, Marine Corps, and Coast Guard military aviation personnel increased from 10,727 on July 1, 1940 to 283,804 on December 31, 1943. This total comprised 198,973 Navy personnel, 84,530 Marine Corps, and 301 Coast Guard, and included 38,185 pilots.

Growth of Military Aviation Personnel
of the Navy, Marine Corps, and Coast Guard
July 1, 1940 Through Dec. 31, 1943

Branch	July 1 1940	Dec. 31 1941	Dec. 31 1942	Dec. 31 1943
Navy	8,621	24,611	91,167	198,973
Marine Corps	2,043	6,435	30,553	84,530
Coast Guard	63	88	127	301
Total	10,727	31,134	121,847	283,804

Active-Duty Military Aviation Personnel
of the Navy, Marine Corps, and Coast Guard
December 31, 1943

Type of Personnel	Navy	Marine Corps	Coast Guard	Total
Officers:				
Pilots	28,799	8,266	147	37,212
Non-pilots	25,187	3,412	63	28,662
Total officers	53,986	11,678	210	65,874
Enlisted:				
Pilots	789	93	91	973
Non-pilots	144,198	72,759	0	216,957
Total enlisted	144,987	72,852	91	217,930
Grand total	198,973	84,530	301	283,804

C. Distribution of Navy Airplanes. On November 30, there were approximately 3,420 Navy airplanes in the Atlantic area, either on hand or en route, and 6,454 in the Pacific.

Approximate Disposition of Airplanes of the Navy and Marine Corps November 30, 1943

Class of Plane	Atlantic Area		Pacific Area		Other Planes	Total
	On Hand	En Route	On Hand	En Route		
Tactical Combat						
Fighter	489	129	1,797	442	1,834	4,691
Scout bomber	417	73	1,303	184	1,661	3,638
Torpedo bomber	333	21	857	115	771	2,097
Patrol bomber--boat	397	29	366	19	433	1,244
Bomber--land	460	37	318	30	214	1,059
Observation scout	411	11	288	31	748	1,489
Subtotal	2,507	300	4,929	821	5,661	14,218
Tactical Noncombat						
Utility	95	2	94	11	350	552
Transport	48	0	155	8	568	779
Subtotal	143	2	249	19	918	1,331
Training	364	11	356	15	8,078	8,824
Miscellaneous	50	43	65	0	99	257
Grand total	3,064	356	5,599	855	14,756	24,630

III. ARMY

Ordnance

In January 1943 the Army Ordnance Program called for 1943 production valued at $16 billion. At the end of the year this figure had been reduced by $4.2 billion to $11.8 billion, which amount was substantially the value of items delivered. The reduction was due mainly to:

1. Bringing requirements into line with productive capacity.
2. Crystallization of strategic and logistic plans, together with the favorable progress of the war.
3. Marked reduction in procurement costs.

Deliveries for the following selected items during 1943 were less than 90 percent of the year-end requirements:

Item	% of 1943 Requirements Delivered	Undelivered 1943 Requirements	December Delivery Rate
Trucks			
4 ton, 6 x 6	82%	1,748	879
6 ton, 6 x 6	87	965	637
10 ton, 6 x 6	87	300	230
Ammunition (Thous. Rounds)			
90mm antiaircraft	76	1,133	621
75mm field	87	1,475	2,021
75mm howitzer	87	1,493	1,445
105mm howitzer	88	1,951	2,280
Bombs			
Fragmentation, parachute	89	104,519	313,894

The 1944 requirements, as revised February 1, call for production totaling $9.4 billion. This is $2.5 billion below 1943.

The chart on the following page shows how the magnitude of the Army Ordnance Production Program shifted during 1943 for the calendar years 1943 and 1944.

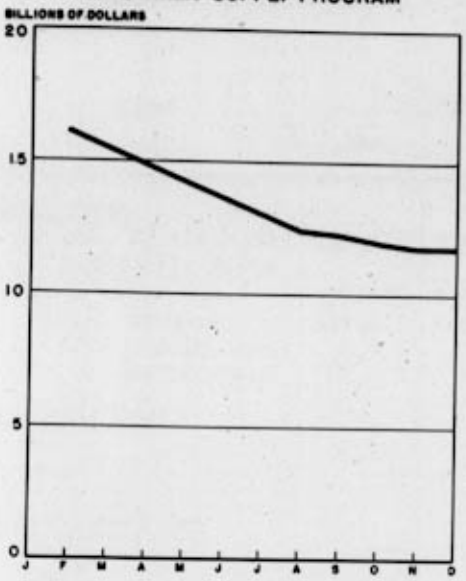
CHART 3

CHANGES IN VALUE OF ARMY SUPPLY PROGRAM

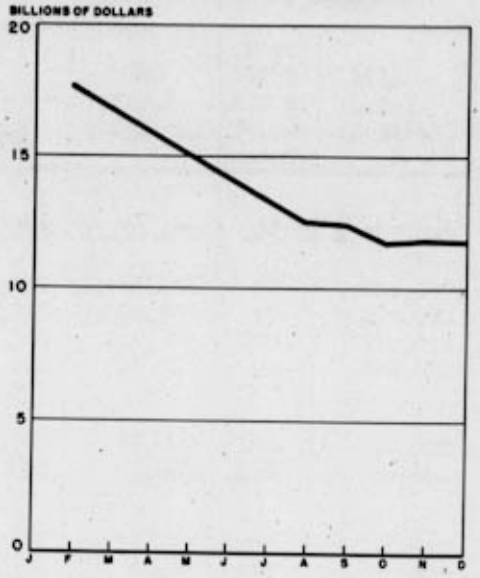
ORDNANCE DEPARTMENT

(EXCLUDING NAVY REQUIREMENTS)

1943 ARMY SUPPLY PROGRAM



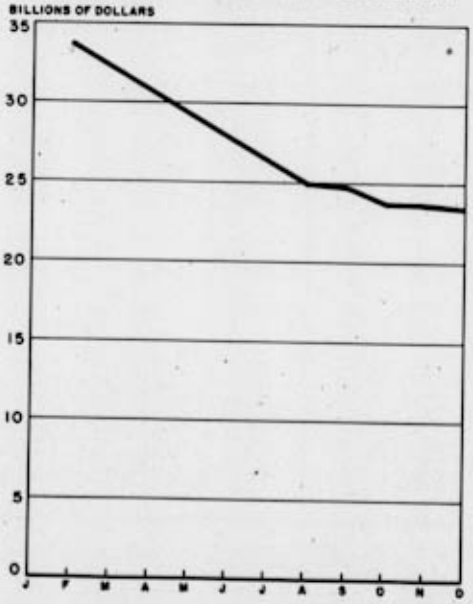
1944 ARMY SUPPLY PROGRAM



VALUE OF ARMY SUPPLY PROGRAM

MONTH	1943	1944	1943 AND 1944
FEBRUARY	16,075	17,610	33,685
AUGUST	12,412	12,543	24,955
SEPTEMBER	12,284	12,465	24,749
OCTOBER	12,040	11,720	23,760
NOVEMBER	11,860	11,840	23,700
DECEMBER	11,832	11,682	23,514

ARMY SUPPLY PROGRAM – 1943 & 1944



Procurement Summary of Selected Critical Ordnance Materiel
(Includes International Aid and Navy Items Procured by Army)

Item	Deliveries		1943 A.S.P. (12-31-43)	% of 1943 A.S.P. Delivered	1944 A.S.P. (12-31-43)
	Dec.	1943			
Small Arms					
.30 cal. US rifle, M1	125,515	1,220,748	1,180,030	103	1,247,000
.30 & .303 cal. rifle (all other U.S.)	130,215	1,623,091	1,761,808	92	465,000
.30 cal. carbine	519,613	2,959,345	3,000,507	99	2,953,000
.30 cal. machine gun	4,857	182,367	202,205	90	124,000
.50 cal. machine gun	53,078	640,164	645,721	99	736,000
Aircraft Gun*					
20mm	2,414	70,000	70,000	100	12,000
37mm	450	6,837	3,642	188	10,141
Antiaircraft Gun*					
40mm	777	13,485	13,443	100	1,500
90mm	95	3,526	3,472	102	600
Artillery*					
60mm and 81mm mortar	2,178	24,289	23,669	103	21,309
75mm howitzer (SP, field, and pack)	283	4,177	3,956	106	4,151
105mm howitzer (SP and field)	268	5,628	5,515	102	5,373
155mm howitzer	165	1,469	1,366	107	2,754
155mm field gun	44	598	596	100	736
Combat Vehicle					
Light tank	473	4,063	4,026	101	3,800
Medium tank	1,070	21,245	21,315	100	13,574
Heavy Duty Truck					
4 ton, 6 x 6	879	8,098	9,846	82	12,000
4-5 ton, 4 x 4	148	4,546	4,819	94	8,074
6 ton, 6 x 6	637	6,424	7,389	87	10,849
10 ton, 6 x 4	465	4,638	4,943	94	12,287
10 ton, 6 x 6	230	2,056	2,356	87	1,197

*Proof firing may not be completed.

Procurement Summary of Selected Bombs and Ammunition
(Includes International Aid and Navy Items Procured by Army)

Item	Deliveries		1943 A.S.P. (12-31-43)	% of 1943 A.S.P. Delivered	1944 A.S.P. (12-31-43)
	Dec.	1943			
Small Arms Ammunition (Million rounds)					
All .30 cal.	837	11,373	11,264	101	9,501
All .50 cal.	256	4,400	4,541	97	2,287
Aircraft Ammunition (Thousand rounds)					
For 20mm gun	14,016	173,392	168,847	102	169,153
For 37mm gun	1,483	8,348	8,023	104	14,833
Antiaircraft Ammunition (Thousand rounds)					
For 40mm gun	2,892	26,365	25,871	102	35,646
For 90mm gun	621	3,525	4,658	76	8,542
Artillery Ammunition (Thousand rounds)					
For 60mm and 81mm mortar	1,850	20,558	19,959	103	34,484
For 75mm field gun	2,021	15,749	17,224	87	12,369
For 75mm howitzer	1,445	9,789	11,282	87	20,932
For 105mm howitzer	2,280	14,899	16,850	88	34,505
For 155mm howitzer	265	3,453	3,140	110	2,728
For 155mm field gun	72	1,498	1,409	106	1,550
Bombs					
250 lb. G.P.	24,989	770,271	771,044	100	0
500 lb. G.P.	190,318	1,535,417	1,535,854	100	1,494,376
1,000 lb. G.P.	53,141	632,918	646,816	98	170,869
2,000 lb. G.P.	7,887	140,286	140,000	100	0
4,000 lb. G.P.	300	3,341	3,339	100	1,363
1,000 lb. semi-A.P.	184	281,808	300,000	94	50,000
1,600 lb. A.P.	1,047	10,611	10,938	97	0
Cluster, fragmentation	170,927	1,067,350	1,056,160	101	1,500,000
Fragmentation, parachute	313,894	842,481	947,000	89	1,950,000

Military Personnel

A. Strength. The active duty strength of the Army increased 67,566 during January to an estimated total of 7,550,000 on February 1.

Distribution of the Army Active-Duty Strength, by Class
January 1, February 1, and Increase

Class of Personnel	Jan. 1 Actual	Feb. 1 Estimated	January Incr.
Commissioned officers	621,035	626,647	5,612
Warrant and flight officers	27,583	27,831	248
Enlisted men and selectees	6,738,879	6,799,730	60,851
WAC	57,731	58,251	520
Subtotal	7,445,228	7,512,459	67,231
Army Nurse Corps	37,206	37,541	335
Total	7,482,434	7,550,000	67,566

During January the Army active-duty strength overseas increased 236,278 to a total of 2,721,715 or 36 percent of the total Army strength.

Assignment of Army Active-Duty Military Personnel
January 1, February 1, and Increase

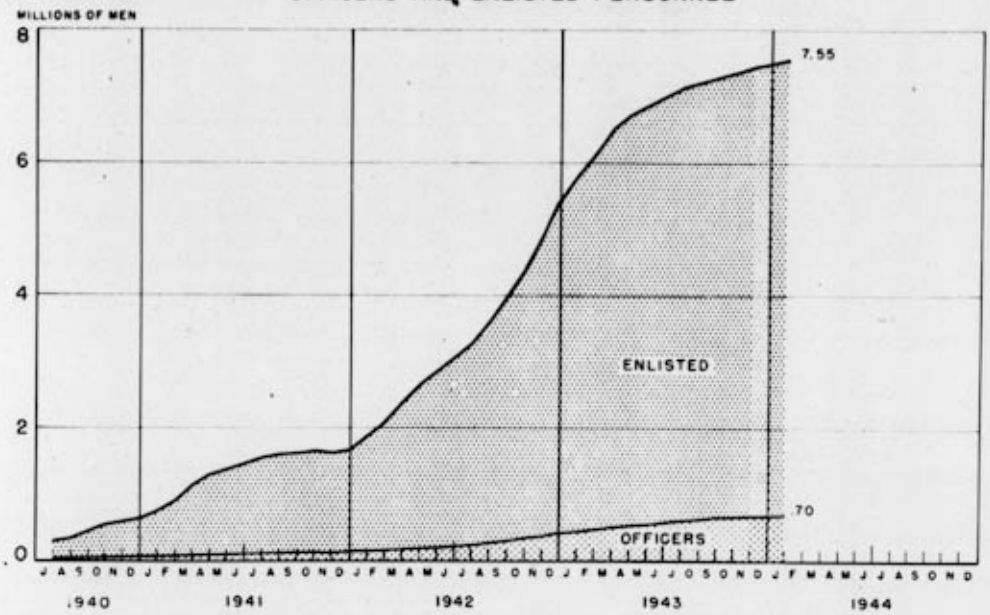
Assignment of Personnel	Jan. 1 Actual	Feb. 1 Estimated	January Increase
Army Ground Forces in U.S.	1,770,417	1,726,763	-43,654
Army Air Forces in U.S.	1,602,653	1,534,842	-67,811
Army Service Forces in U.S.	1,245,537	1,200,909	-44,628
In defense commands in U.S.	160,261	160,261	0
In staging areas	85,491	96,920	11,429
In ships	132,638	108,590	-24,048
Overseas	2,485,437	2,721,715	236,278
Total	7,482,434	7,550,000	67,566

On February 1, the total active-duty military personnel was distributed as follows: Ground Forces, 3,113,594 or 41 percent; Air Forces, 2,316,588 or 31 percent; and Service Forces, 2,119,818 or 28 percent.

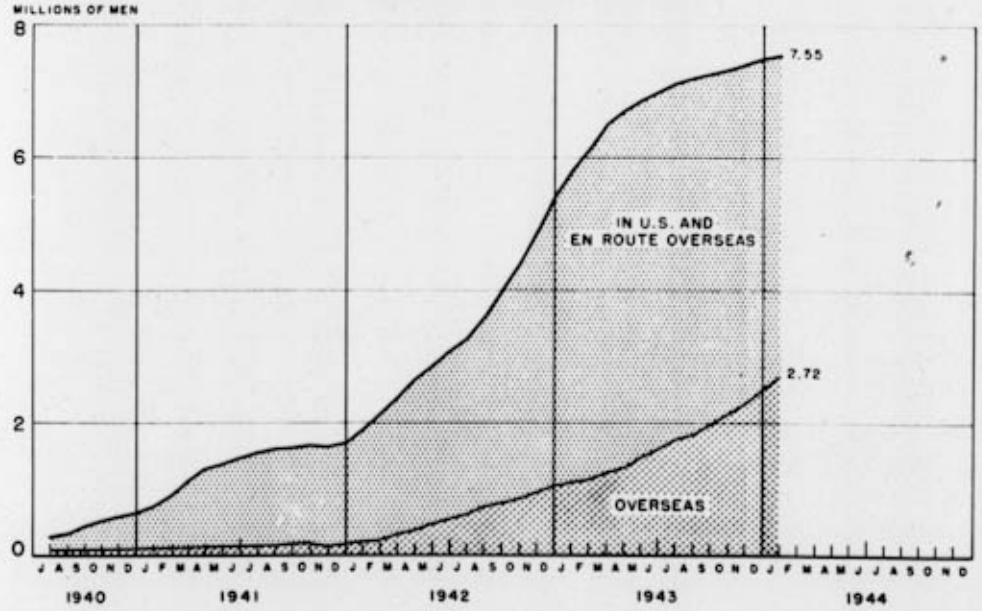
CHART 4

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL



PERSONNEL IN U.S. AND OVERSEAS



B. Army Casualties. To January 1, 1944 the Army has reported 104,746 battle casualties — 14,654 or 14 percent were officers.

Battle Casualties Reported
Dec. 7, 1941 Through Dec. 31, 1943

	Total to Dec. 31	December Increase
Killed	17,142	1,808
Wounded	39,917	4,868
Missing	24,137	412
Prisoner of war	23,550	972
Total	104,746	8,060

C. Army Separations and Transfers--Enlisted Personnel. Based on the number of cases completely processed, physical disqualifications accounted for 52,834 separations from the enlisted ranks of the Army during November. Total deaths, separations, and transfers for the month were 70,401 as compared with 91,296 in October.

Enlisted Personnel Deaths, Separations, and Transfers for November 1943
(Based on Number of Cases Completely Processed)

	Air Corps	Infantry	Other	Total
Casualties:				
Battle*	1,676	2,413	591	4,680
Non-battle deaths	467	187	556	1,210
Retirement	300	863	2,626	3,789
Honorable Discharge:				
Physical disqualification	8,996	11,849	31,989	52,834
Over 38 years of age	9	17	120	146
Convenience of the Government	18	15	67	100
Other discharges	403	409	1,114	1,926
Other than honorable	249	372	1,606	2,227
Transfers to inactive status	683	269	2,186	3,138
Total	12,801	16,394	41,206#	70,401

*Includes dead, captured, missing in action, and interned.
#Total includes 351 WAC's not distributed as to cause of separation.

IV. NAVY

Summary, July 1, 1940 Through December 1943

Congressional authorizations for Navy ship construction since June 14, 1940 totaled 13,835,286 tons, of which 3,742,000 tons were for combatant vessels. New construction completed during the period totaled 3,709,861 tons, and conversions amounted to 2,567,164 tons.

The number of combatant vessels completed was 762, while losses and transfers amounted to 268. There were substantial net gains in all classes except heavy cruisers. The Navy had two less of these on December 31, 1943 than on July 1, 1940.

Publicly announced losses include: 1 battleship, 4 aircraft carriers, 1 aircraft carrier escort, 6 heavy cruisers, 3 light cruisers, 39 destroyers, and 18 submarines.

Deliveries of airplanes for Navy use increased from 510 in the second half of 1940 to 11,421 in the second half of 1943. Airframe weight of delivered planes (excluding spares) was 1,385,000 pounds in the former period, compared with 64,396,000 pounds in the latter. Total deliveries in the 3½ years amounted to 32,729 planes of 163,719,000 pounds airframe weight.

Personnel strength of the Navy, Marine Corps, and Coast Guard increased from 203,126 to 2,959,128 during the 3½ years under review. Navy personnel multiplied 15 times, the Marine Corps 14 times, and the Coast Guard 12 times.

Aviation personnel in the three Navy services expanded from 10,727 on July 1, 1940 to 283,804 on December 31, 1943 — more than 26 times the former strength.

Completions of Navy Vessels

In the 3½ years from July 1, 1940 through December 31, 1943, Navy ships totaling 6.3 million tons were completed, including 2.3 million tons of combatant vessels, 1 million tons of landing craft, 2.1 million tons of auxiliaries, and 836,000 tons of mine craft, patrol craft, and district craft.

Physical Completions of Naval Vessels
July 1, 1940 Through Dec. 31, 1943
(Includes Lend-Lease Vessels and Conversions)

Type	Number	Tonnage
Combatant Vessels:		
Battleship	8	300,000
Aircraft carrier	17	308,500
Aircraft carrier, escort	69	538,815
Heavy cruiser	4	53,600
Light cruiser	16	136,000
Destroyer	236	443,740
Destroyer escort	306	392,525
Submarine	106	159,713
Total combatant	762	2,332,893
Patrol craft	1,239	207,218
Mine vessels	764	237,806
Auxiliaries	691	2,076,762
Landing craft	23,976	1,031,655
District craft	1,802	390,691
Grand total	29,234	6,277,025

Status of Construction of Selected Naval Vessels

Of 1,007 combatant vessels on order on 31 December, 18 percent had been launched, 24 percent were on the ways, and 58 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels, Dec. 31, 1943
(Includes Lend-Lease Vessels)

Type	New Construction on Order				Estimated to Complete	
	Not Yet on Ways	On Ways	Launch-ed	Total	1st Half 1944	2nd Half 1944
Combatant Vessels:						
Battleship	2	1	1	4	1	1
Aircraft carrier	11	12	1	24	3	5
Aircraft carrier, escort	24	16	11	51	34	10
Large cruiser	0	1	2	3	1	1
Heavy cruiser	15	10	0	25	0	5
Light cruiser	23	15	5	43	5	10
Destroyer	150	42	30	222	53	56
Destroyer escort	195	93	106	394	186	130
Submarine	165	48	28	241	36	44
Total combatant	585	238	184	1,007	319	262
Patrol craft	72	128	183	383	291	62
Mine craft	65	86	91	242	103	115
Auxiliaries	118	70	87	275	122	91
Landing craft*	1,968	161	53	2,182	1,130	1,025
District craft	312	140	97	549	262	202
Grand total	3,120	823	695	4,638	2,227	1,757

*LST, LSD, LSM, LCI(L), and LCT(6).

Progress of construction of combatant vessels is shown on the charts immediately following.

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

PROGRESS JULY 1, 1940 TO DECEMBER 1, 1943 — PROGRESS FOR DECEMBER 1943

TYPE AND NAME	Keel Laid	Estimated Completion Date
BATTLESHIPS		
NORTH CAROLINA	10-27-37	7-31-41
WASHINGTON	6-14-38	7-31-41
SOUTH CAROLINA	7-15-38	3-20-42
INDIANA	11-20-39	4-30-42
MASSACHUSETTS	7-20-39	5-15-42
ALABAMA	2- 1-40	8-16-42
IOWA	6-27-40	3-28-43
NEW JERSEY	6-1[illegible]-40	6-30-43
MISSOURI	1- 6-41	7-24-44
WISCONSIN	1-25-41	5-31-44
ILLINOIS	2- 1-44	7-31-46
KENTUCKY	4-15-44	6-30-46
MONTANA	WORK SUSPENDED	
OHIO	WORK SUSPENDED	
MAINE	WORK SUSPENDED	
NEW HAMPSHIRE	WORK SUSPENDED	
LOUISIANA	WORK SUSPENDED	
AIRCRAFT CARRIERS		
HORNET (LOST)	4-[illegible]-39	10-20-41
ESSEX	4-[illegible]-41	12-30-[illegible]
YORKTOWN	12- 1-41	4-15-42
LEXINGTON	7-15-41	7-17-42
BUNKER HILL	9-15-41	5-24-42
INDEPENDENCE	1-14-43	2-25-43
PRINCETON	6- [illegible]-43	2-25-43
BELLEAU WOOD	7-[illegible]-43	3-30-43
COWPENS	11-[illegible]	5-28-43
MONTEREY	12-28-43	4-17-43
LANGLEY	4-11-42	8-31-[illegible]
INTREPID	12- 1-41	8-16-[illegible]
CABOT	3-16-42	7-24-[illegible]
BATAAN	8-31-42	11-17-[illegible]
WASP	3-19-42	11-5-[illegible]
HORNET	[illegible]- 3-42	11-29-43
SAN JACINTO	10-26-42	12-15-43
FRANKLIN	12- 7-42	1-31-44
TICONDEROGA	2- 1-43	5- 5-44
RANDOLPH	5-10-43	9- 1-44
HANCOCK	1-26-43	4- [illegible]
BENNINGTON	12-15-42	9-17-44
BOXER	9-13-43	[illegible]
BON HOMME RICHARD	[illegible]-43	12- [illegible]
CROWN POINT	7-21-43	7-11-44
KEARSARGE	3- 1-44	12-31-45
ORISKANY	5- 1-44	3- 1-46
REPRISAL	7- 1-44	5- 1-46
ANTIETAM	3-15-43	2- 1-45
VALLEY FORGE	9-18-43	12-31-45
SHANGRI-LA	3- 1-44	12- 1-45
LAKE CHAMPLAIN	7- 4-44	2- 8-46
TARAWA	10- 2-44	2- 1-46
CVB41	3-15-45	6-15-45
CVB42	6- 1-44	10- 1-45
CVB43	6-19-44	1-20-46
CV 45	7- 4-44	2-28-46
CV 46	10- 2-44	2- 1-46
CV 47	3-15-45	7- 1-46
CVL 48	6- 1-44	6- 1-44
CVL 49	7- 1-44	3- 1-46

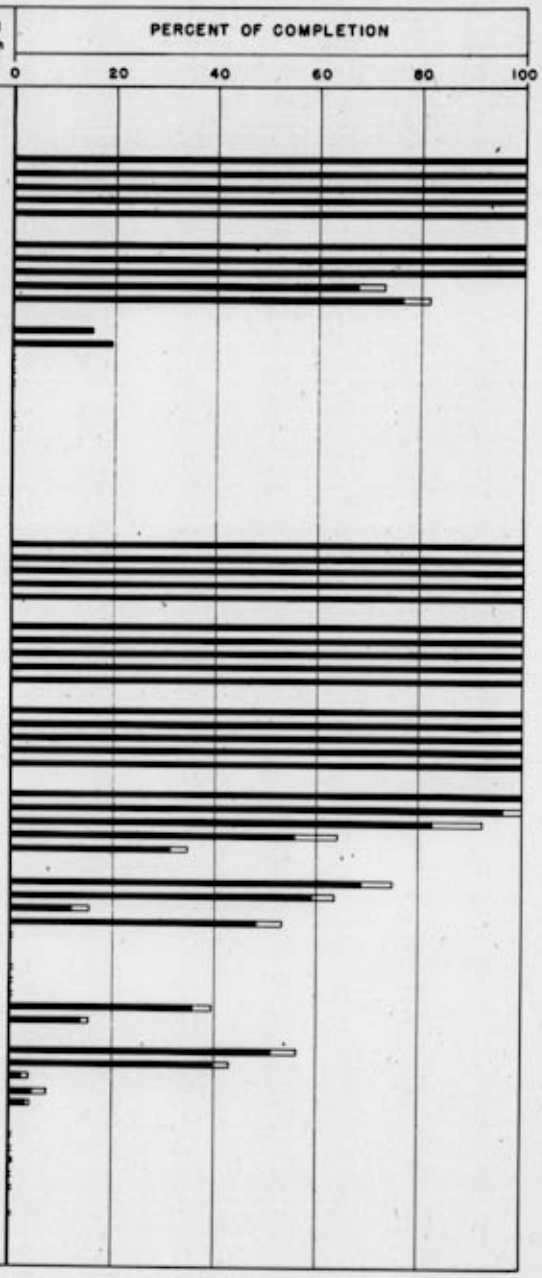


CHART 6

CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

PROGRESS JULY 1, 1940 TO JANUARY 1, 1944

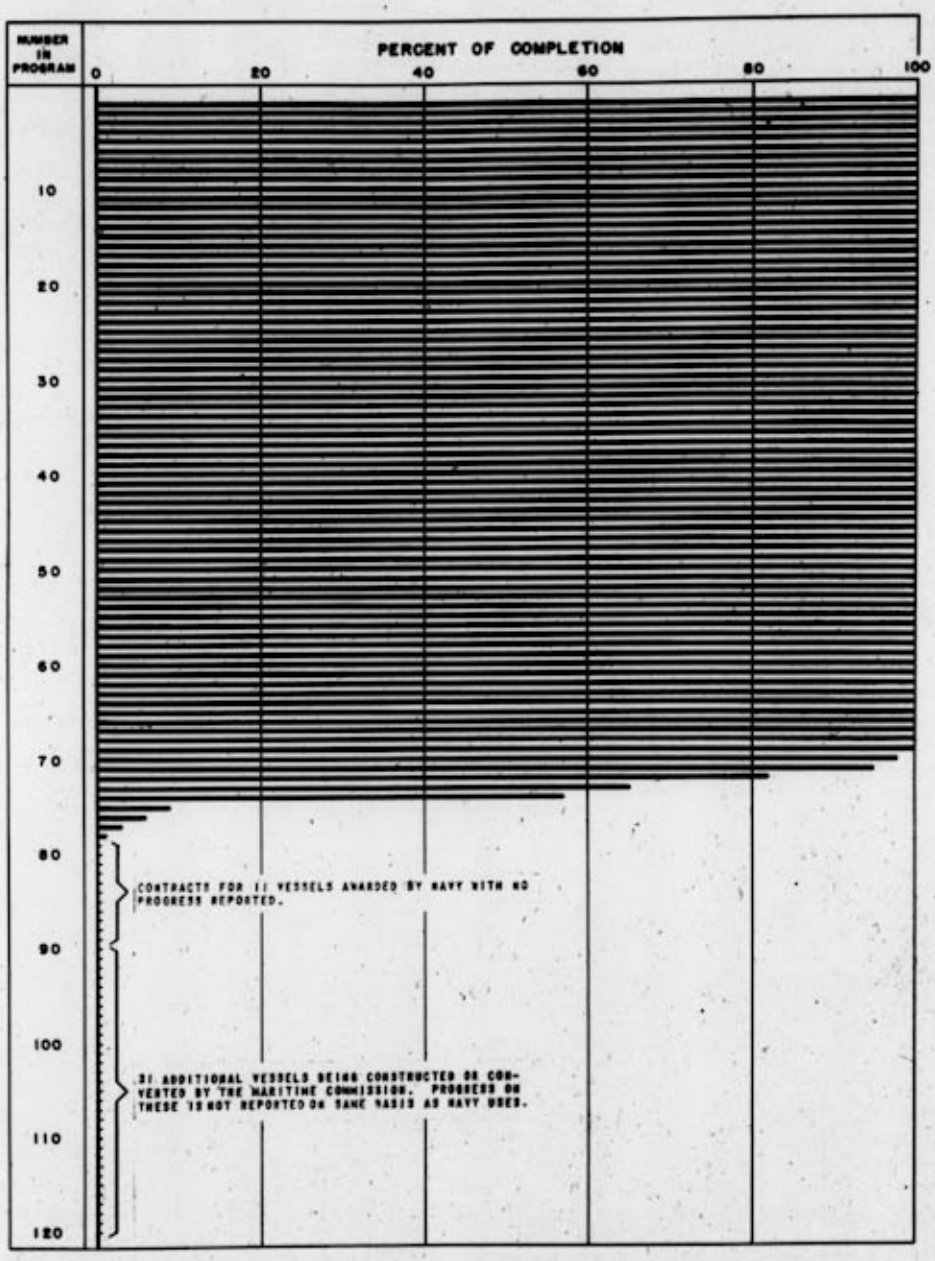


CHART 7

CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

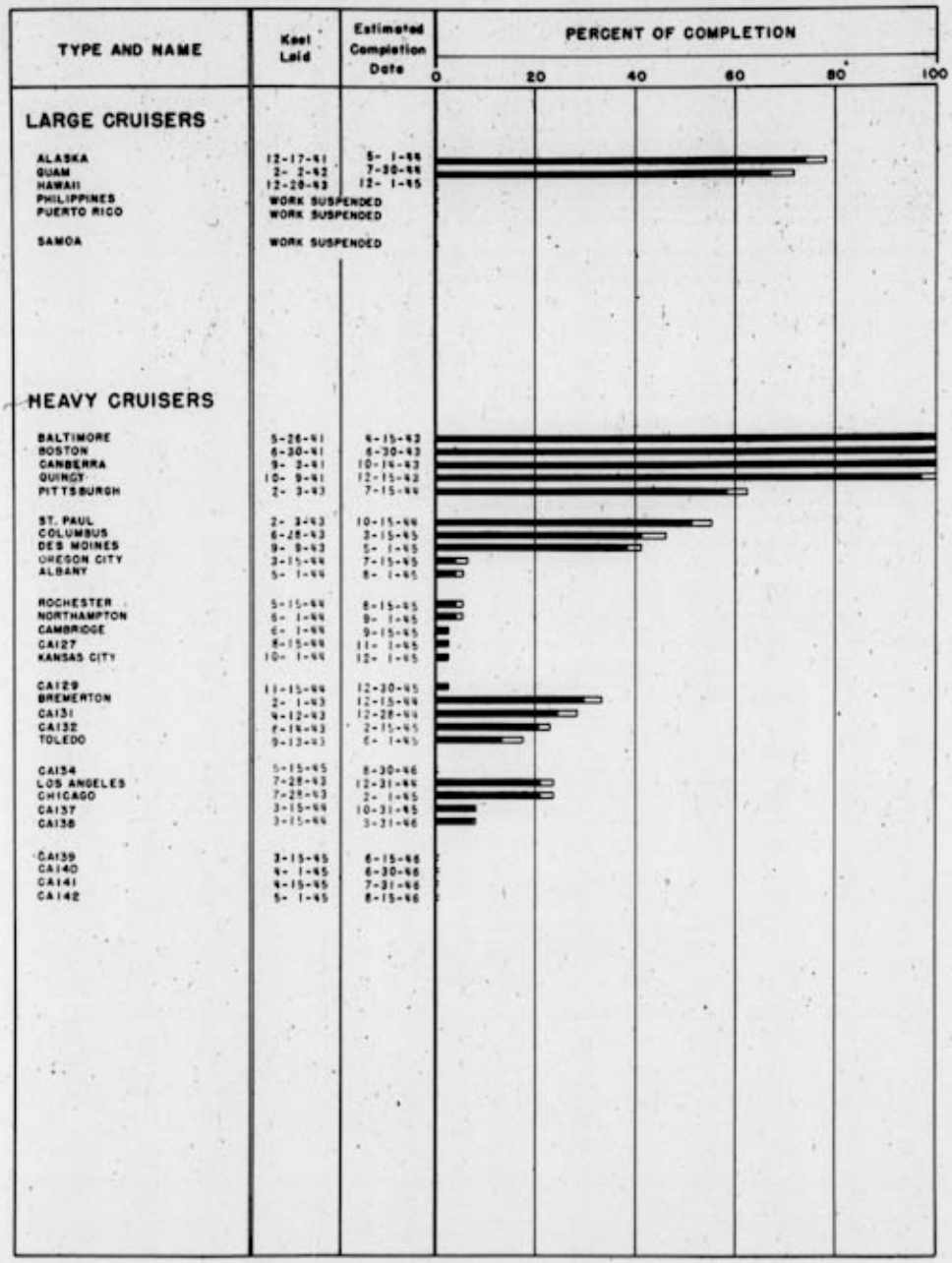


CHART 8

CONSTRUCTION PROGRESS ON LIGHT CRUISERS

PROGRESS JULY 1, 1940 TO DECEMBER 1, 1943 — PROGRESS FOR DECEMBER 1943

TYPE AND NAME	Keel Laid	Estimated Completion Date
LIGHT CRUISERS 6000 TONS		
ATLANTA	4-22-40	12-29-41
JUNEAU	5-27-40	2-11-42
SAN DIEGO	3-27-40	1-10-42
SAN JUAN	5-15-40	2-28-42
OAKLAND	7-15-41	7-17-43
RENO	8- 1-41	12-28-43
FLINT	10-23-42	10- 1-44
TUCSON	12-23-42	12- 1-44
JUNEAU	9-15-44	11-18-45
SPOKANE	11-15-44	1-18-46
FRESNO	11-15-45	3-15-46
LIGHT CRUISERS 10,000 TONS		
CLEVELAND	7- 1-40	6-15-42
COLUMBIA	8-10-40	7-15-42
MONTPELIER	12- 2-40	9- 9-42
DENVER	12-26-40	10-15-42
SANTA FE	6- 7-41	11-24-42
BIRMINGHAM	2-17-41	1-29-43
MOBILE	4-14-41	3-26-43
BILOXI	7- 9-41	8-31-43
HOUSTON	8- 4-41	12-20-43
MIAMI	8- 2-41	12-28-43
TOPEKA	4-21-43	10- 1-44
VINCENNES	3- 7-42	1-21-44
PASADENA	2- 6-43	6- 1-44
PROVIDENCE	7-27-43	12-30-44
MANCHESTER	5-15-44	8- 1-45
VICKSBURG	10-26-42	6-12-44
DULUTH	11- 9-42	8- 1-44
SPRINGFIELD	2-13-43	8-15-44
ASTORIA	9- 6-41	6- 1-44
OKLAHOMA CITY	12- 8-42	2- 1-45
LITTLE ROCK	3- 6-43	6- 1-45
GALVESTON	2-28-44	11- 1-45
YOUNGSTOWN	5-29-44	2- 1-46
AMSTERDAM	3- 3-43	10-14-44
PORTSMOUTH	6-28-43	12-30-44
WILKES-BARRE	12-14-42	4-15-44
ATLANTA	1-25-43	8-15-44
DAYTON	3- 8-43	9-15-44
FARGO	8-23-43	3-15-45
HUNTINGTON	10- 4-43	4-15-45
NEWARK	1- 1-44	7- 1-45
NEW HAVEN	2- 1-44	9- 1-45
BUFFALO	3- 1-44	10- 1-45
WILMINGTON	8- 1-44	2- 1-46
VALLEJO	9-15-44	4- 1-46
HELENA	11- 1-44	5- 1-46
CL114	11- 8-44	6- 1-46
CL115	1- 8-45	7- 8-46
TALLAHASSEE	12-20-43	5-15-45
CHEYENNE	1-31-44	8-15-45
NORFOLK	4- 8-44	10-15-45
CL143	2-15-45	8-15-46
CL144	3- 8-45	9-15-46
CL145	6-15-45	12- 1-46
CL146	8- 8-45	2- 1-47
CL147	10- 8-45	3-30-47
CL148	3- 5-45	7- 1-46
CL149	6- 4-45	10- 1-46

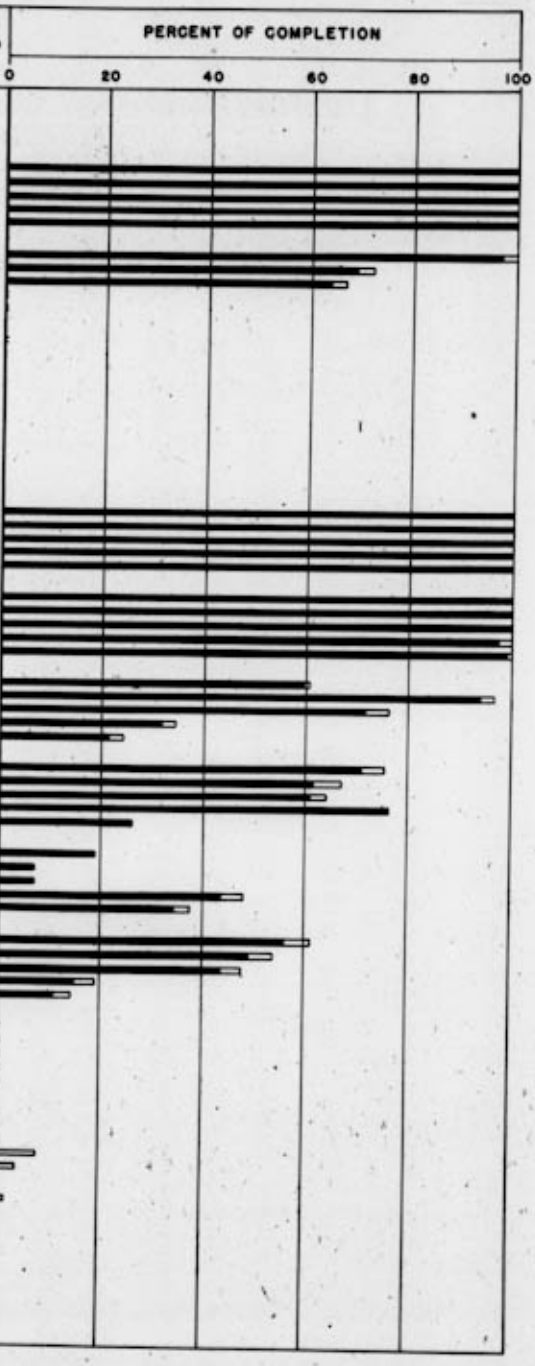
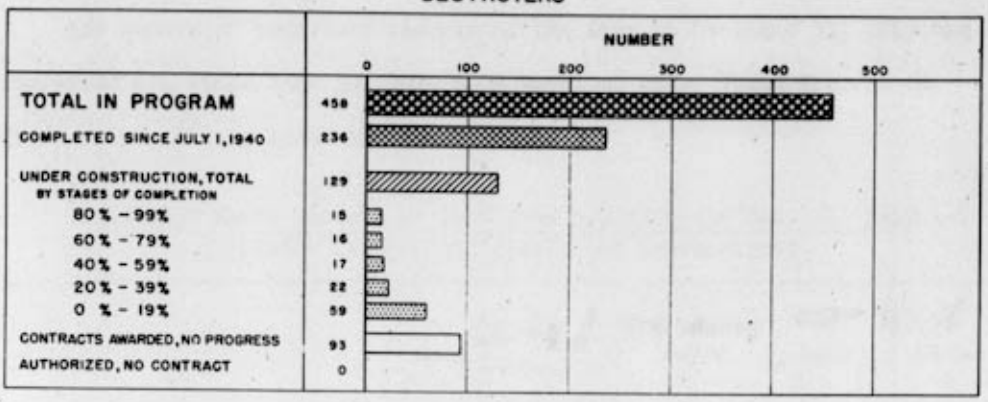


CHART 9

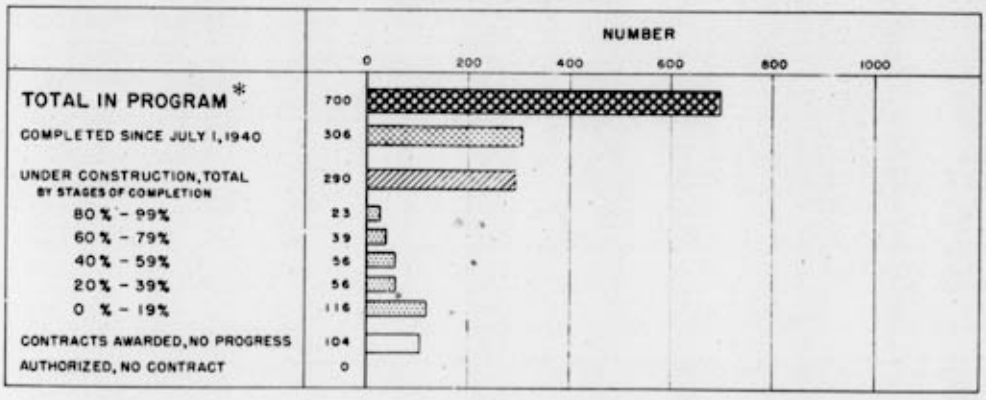
DESTROYERS, ESCORT VESSELS AND SUBMARINES CONSTRUCTION PROGRAM

JANUARY 1, 1944

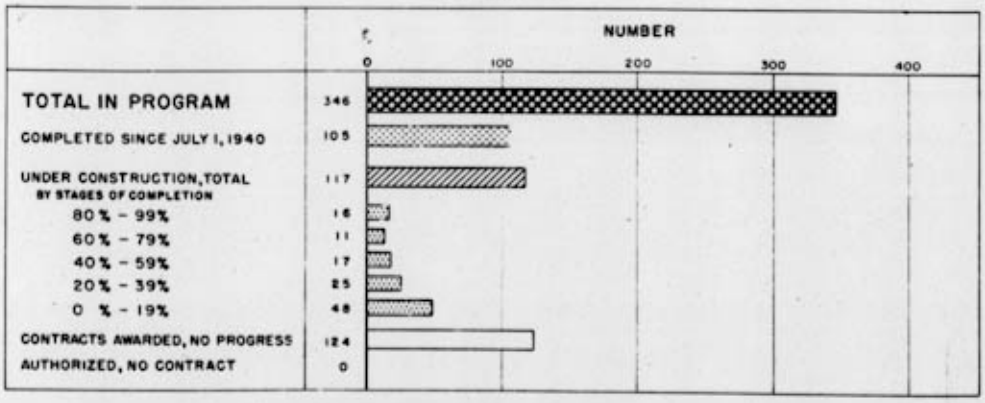
DESTROYERS



ESCORT VESSELS



SUBMARINES



* 205 VESSELS WERE CANCELED IN SEPTEMBER AND AN ADDITIONAL 100 SINCE OCTOBER 1.

Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on December 31, 1943 had increased 494 since June 30, 1940 to a total of 877. These figures reflect only publicly announced losses.

Selected Naval Vessels on Hand June 30, 1940 and Dec. 31, 1943
(Includes Lend-Lease Vessels and Conversions)

Type	On Hand June 30 1940	New Completions	Publicly Announced Losses, Transfers, & Reclassifications	On Hand Dec. 31 1943	Net Gain or Loss
Combatant Vessels:					
Battleship	15	8	1	22	7
Aircraft carrier	6	17	4	19	13
Aircraft carrier, escort	0	69	34	35	35
Heavy cruiser	18	4	6	16	-2
Light cruiser	19	16	3	32	13
Destroyer	225	236	126	335	110
Destroyer escort	0	306	66	240	240
Submarine	100	106	28	178	78
Total combatant	383	762	268	877	494
Patrol craft	36	1,239	200	1,075	1,039
Mine craft	36	764	245	555	519
Auxiliaries	136	691	166	661	525
Landing craft	0	23,976	7,318	16,658*	16,658*
District craft	475	1,802	255	2,022	1,547
Grand total	1,066	29,234	8,452	21,848	20,782

*Excludes plastic surf and rubber boats; also special and standard small boats.

Analysis of Losses, Transfers, and Reclassifications

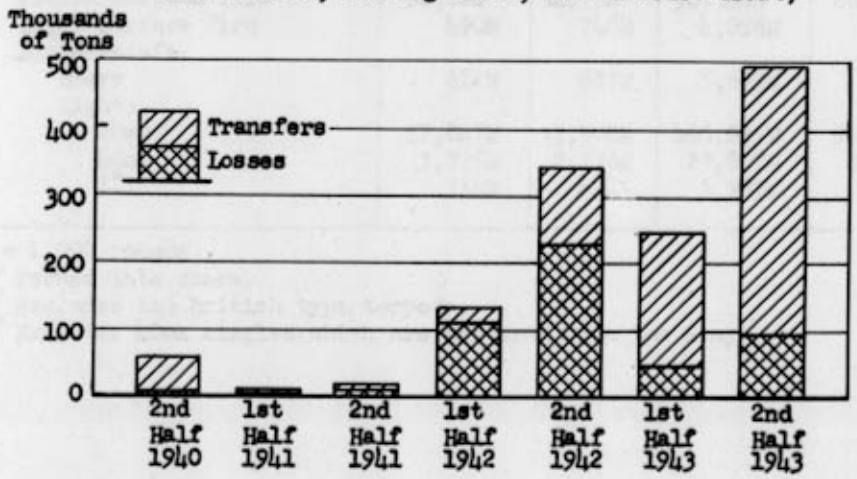
A total of 72 combatant vessels have been announced as lost by the Navy and 158 others transferred for the period from July 1, 1940 through December 1943.

Publicly Announced Losses and Transfers
July 1, 1940 Through December 1943

Type	Losses	Transfers	Total
Combatant Vessels:			
Battleship	1	0	1
Aircraft carrier	4	0	4
Aircraft carrier, escort	1	33	34
Heavy cruiser	6	0	6
Light cruiser	3	0	3
Destroyer	39	50	89
Destroyer escort	0	66	66
Submarine	18	9	27
Total	72	158	230

The following chart shows losses and transfers, by half-year periods, for all classes of naval vessels:

Tonnage of Navy Ships Lost or Transferred
July 1, 1940 Through December 1943
(Including combatant vessels, mine craft, patrol craft, auxiliaries, landing craft, and district craft)



Production of Naval Ordnance Materiel

Deliveries scheduled for 1944 for the selected items listed below are in most cases substantially higher than actual deliveries during 1943.

Deliveries of Selected Ordnance Materiel for 1943, and 1944 Schedule
(Includes Defense Aid and Army Items Procured by the Navy)

Item	Actual Deliveries, 1943			Scheduled Deliveries 1944
	November (Revised)	December	Jan. 1 to Dec. 31	
Torpedoes 1/				
Surface craft	205	209	594	5,356
Submarine 2/	794	741	7,860	12,735
Aircraft 2/	855	909	6,762	8,635
Surface Fire Guns				
Heavy, 12" & 16"—turret	1	1	6	10
Medium, 8" & 6"—turret	9	4	42	90
Light, 4"	10	12	68	171
Antiaircraft Guns				
Heavy, 3" & 5"—mounted barrel	773	841	8,554	10,363
Light, 40mm and 20mm—mounted barrel 3/	4,704	4,313	54,952	58,014
Fire Control Equipment				
Gun directors	330	331	3,616	6,986
Radar fire control	66	57	881	895
Gun sights, Mk 14	2,192	3,023	23,884	38,125
Ammunition				
Heavy surface fire	4,871	3,701	37,388	114,100
Medium surface fire	52,220	34,754	327,485	685,800
Light surface fire	490M	748M	4,098M	8,604M
Antiaircraft:				
Heavy	612M	637M	5,693M	8,415M
Light:				
20mm	37,847M	37,508M	468,039M	540,000M
40mm	3,775M	2,776M	29,807M	87,000M
1"1	316M	434M	6,997M	6,000M

M = 1,000 rounds.
1/ Turned into store.
2/ Excludes the British type torpedo.
3/ Excludes 40mm singles which are procured from the Army.

Personnel

A. Strength. The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 203,126 on July 1, 1940 to 2,959,128 on December 31, 1943 — an increase of 1,357 percent. Of the total on 31 December, 587,650 were regulars, 2,307,305 male reserves, and 63,966 female reserves.

Strength of the Naval Services, Dec. 31, 1943

	Navy	Marine Corps	Coast Guard	Total
Officers	226,301	28,193	10,528	265,022
Officer candidates	120,472	10,723	1,569	132,764
Enlisted personnel	2,035,268	366,253	159,821	2,561,342
Total	2,382,041	405,169	171,918	2,959,128

Note: Strengths approved by the President are:
Navy ..... 2,912,000 by Dec. 31, 1944
Marine Corps ..... 478,000 by Jan. 1, 1944
Coast Guard ..... 174,000 by Jan. 1, 1944

B. War Casualties. Through November 30, 1943, Navy war casualties (excluding the Marine Corps and Coast Guard) totaled 38,032 officers and enlisted men.

Navy War Casualties Through November 30, 1943

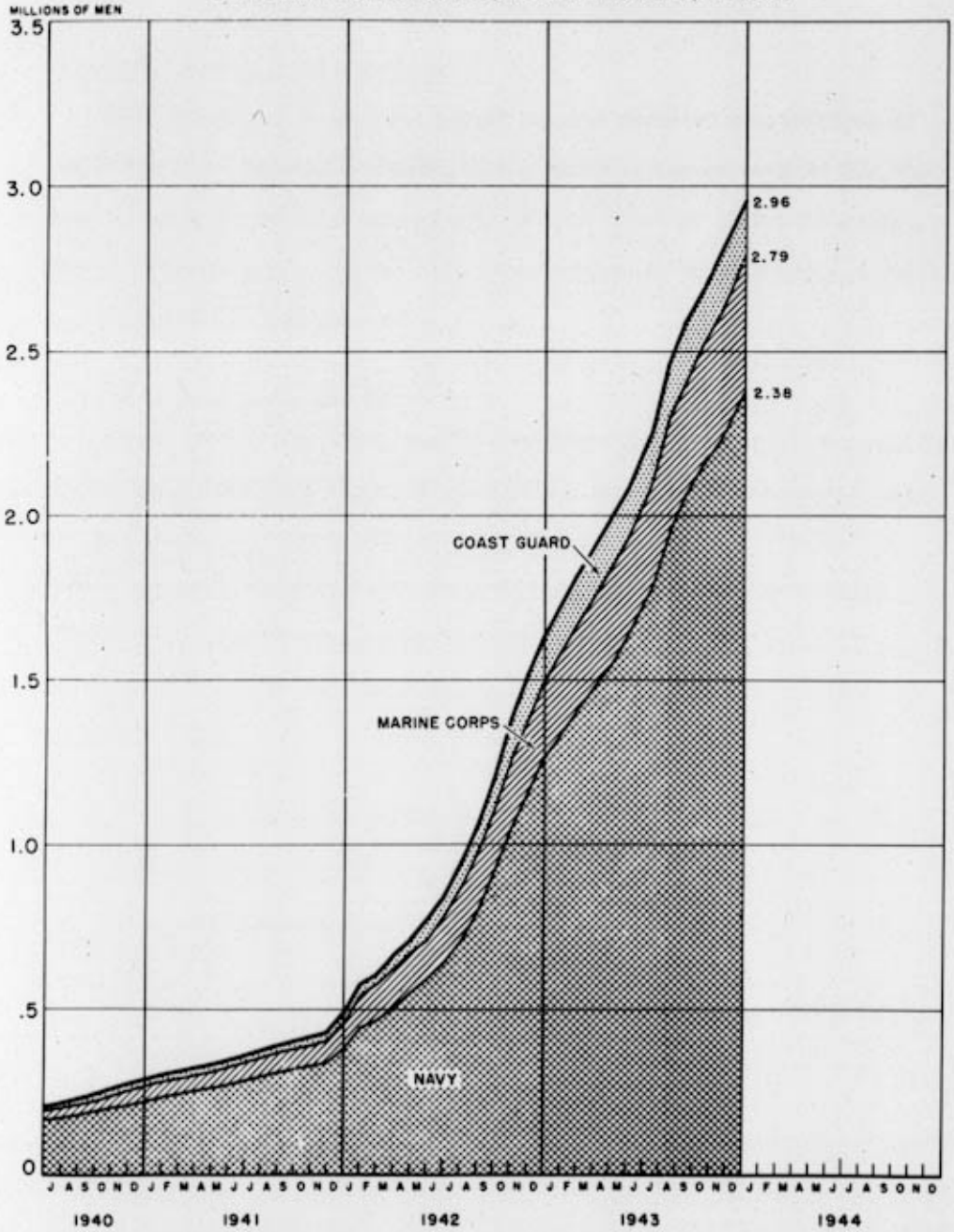
	Killed in Action	Wounded in Action*	Prisoners	Missing	Other Deaths	Total
Officers	1,092	950	375	745	1,375	4,537
Enlisted	8,860	10,200	1,996	7,701	4,738	33,495
Total	9,952	11,150	2,371	8,446	6,113	38,032

*Estimated. Includes those hospitalized, many of whom have returned to active duty.

CHART 10

TOTAL ACTIVE DUTY STRENGTH OF NAVY, MARINE CORPS AND COAST GUARD

OFFICERS, OFFICER CANDIDATES, ENLISTED PERSONNEL, & NURSES



V. MERCHANT SHIPPING

Gains and Losses, United Nations

From January 1 to 23, the United Nations reported construction of 789,200 dwt. of merchant vessels, while reported losses totaled 104,800. From December 1, 1941 to January 23, 1944, a total of 33.2 million dwt. were constructed, as compared with reported losses of 17.9 million dwt.— a net gain of 15.3 million dwt.

Deliveries by U.S. Shipbuilders

As of January 15, 1944, the ship construction program of the Maritime Commission places more emphasis on military types — transport and cargo-attack vessels — with a corresponding cutback in merchant types.

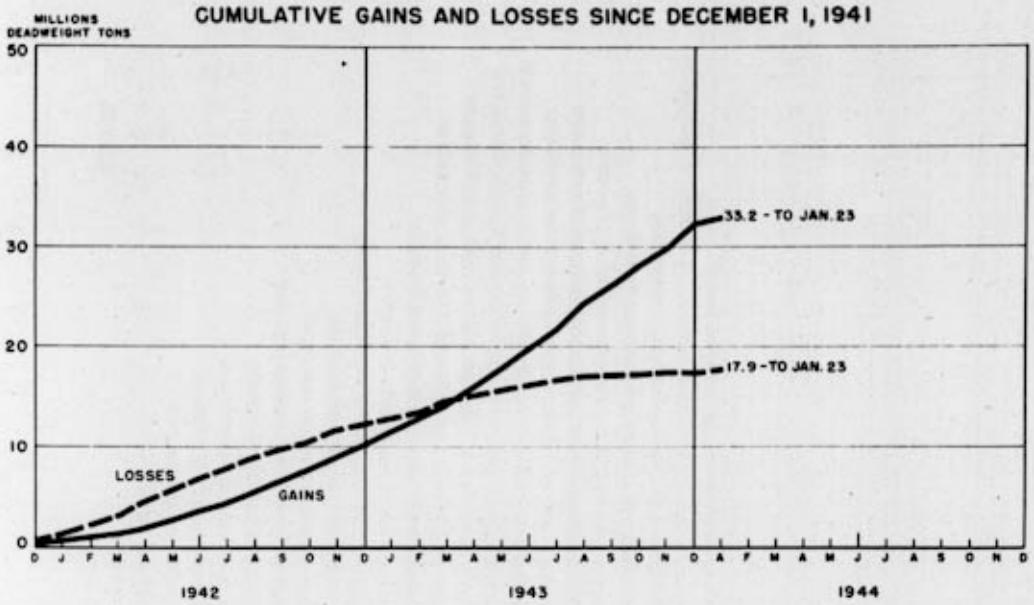
In January, U.S. merchant shipbuilders delivered 112 major-type vessels at 1,183,860 dwt., including 12 vessels for military use. The December 1943 deliveries were 182 vessels at 2,002,601 dwt., including military types.

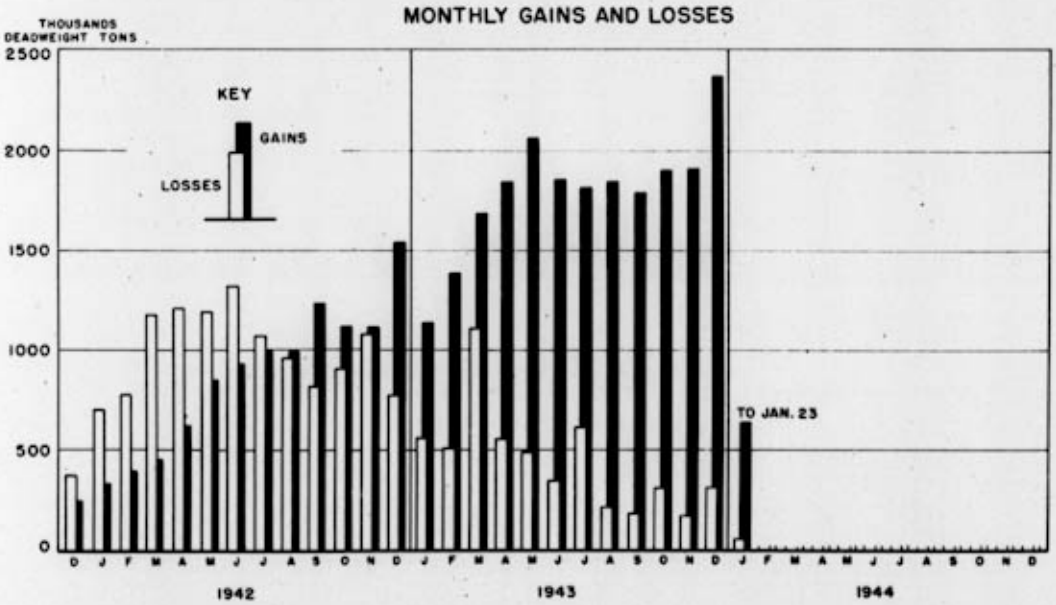
Vessels Delivered by U.S. Merchant Shipyards
December and January

Type	December 1943		January 1944	
	Number	Dwt.	Number	Dwt.
Dry cargo	136	1,449,559	86	924,498
Tanker	35	510,454	14	218,004
Military	11	42,588	12	41,358
Total	182	2,002,601	112	1,183,860

CHART II

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



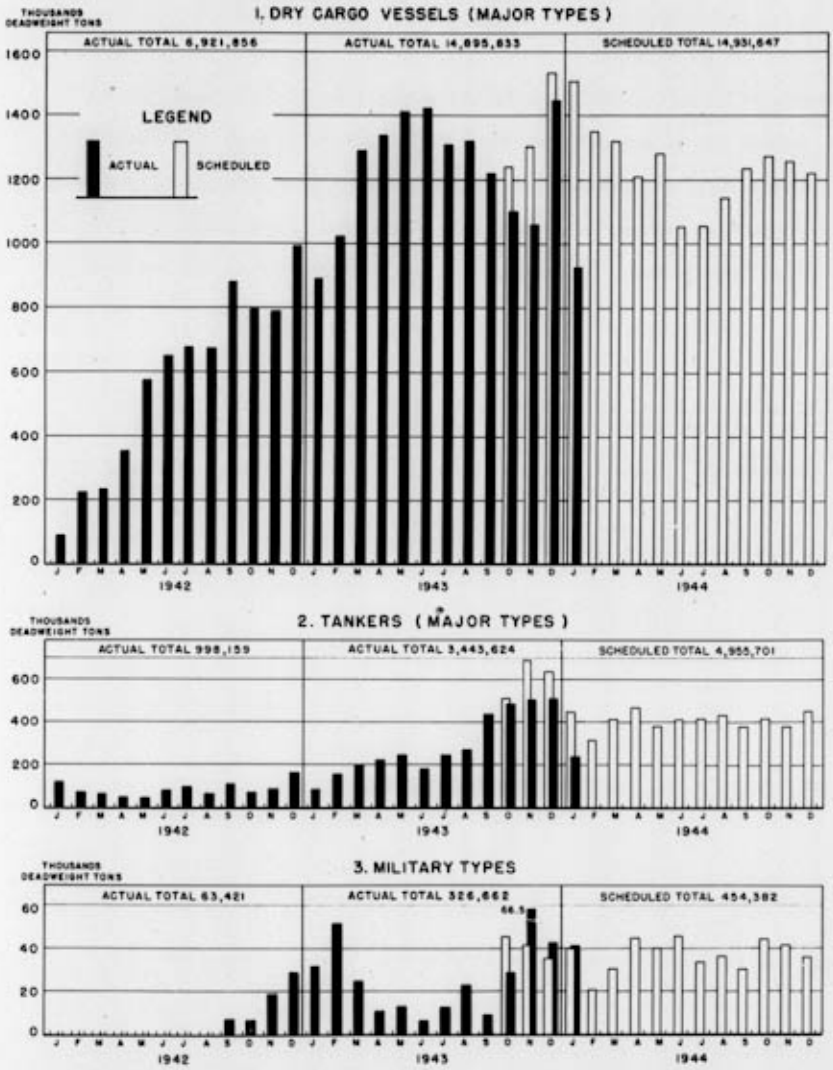


*BEGINNING WITH AUGUST 1943, MERCHANT VESSELS COMMISSIONED FOR MILITARY SERVICE ARE INCLUDED. LOSSES ARE ON A NOTIFICATION BASIS.

SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

CHART 12

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



SOURCE: MARITIME COMMISSION - SCHEDULE AS OF 8-31-43

VI. REVIEW OF PRODUCTION IN SELECTED WAR INDUSTRIES

(By the War Projects Unit of the Bureau of the Budget)

Production schedules of military aircraft are now curtailed to about three-fourths of peak goals adopted in December 1942, but actual output by weight in 1943 was nearly 2½ times that of 1942, and for 1944 is expected to be again nearly doubled; a field survey of operations suggests improvements for program control and labor usage and a redistribution of excessive obligated funds.

Aircraft

The peak program for aircraft production was formulated in December 1942. Subsequently, schedules have been repeatedly revised downward, to provide more realistic objectives. This was cited in the August report. Since that date, other curtailments in goals have followed. The December 1942 program and the schedules of August 1943 and January 1944 are summarized below:

Summary of Aircraft Schedules for 1943-44

Schedule	Scheduled Production			
	Number of Planes		Weight (million lbs.)	
	1943	1944	1943	1944
8-L issued 12-10-42	113,000	150,000	1,052	1,675
W-6 issued 8-12-43	93,500	127,000	846	1,455
W-9 issued 1-13-44	86,000 (actual)	109,000	740 (actual)	1,294
Current schedule, as % of Sched. 8-L	76%	73%	70%	77%

Attainment in 1943 and current goals for 1944 are about three-fourths of the peak program under Schedule 8-L, both in terms of number of planes and in weight of airframe.

Actual output of aircraft, in spite of the lag behind objectives, has increased at a remarkable rate. A summary of production appears below, classified by type of plane, showing actual production for the past three years and present schedule for 1944:

Summary of Aircraft Production, 1941-44

Type of Plane	Production Volume			
	1941	1942	1943	1944 (W-9)
By Number of Planes	Thousands of Planes			
Bombers--Heavy	0.3	2.6	9.6	17.1
Bombers--Medium, Light	3.8	10.1	20.0	23.7
Fighters	5.0	13.3	24.7	42.2
Transports	0.5	1.8	7.0	10.6
Trainers	9.3	17.6	19.7	10.2
Others	0.4	2.2	4.9	5.5
Total	19.3	47.6	85.9	109.3
By Weight of Airframes	Millions of Pounds			
Bombers--Heavy	6	67	256	508
Bombers--Medium, Light	38	115	221	291
Fighters	20	57	146	297
Transports	4	20	62	157
Trainers	21	42	51	32
Others	1	3	4	9
Total	90	304	740	1,294

The steady increase in size of planes for combat purposes, and their preponderance as a proportion of the total, is very striking. Although total weight of planes produced in 1943 was nearly 2½ times the output of 1942, the program for 1944 requires an output by weight which is again nearly doubled.

The following conclusions on operations in the aircraft industry have been reached by the War Projects Unit, based on its recent survey of production in the principal (Government-financed) assembly and modification plants:

Program Control: Change in plant assignments for production of particular models, without regard to specialized plant design for large or small planes, has in several cases disrupted and delayed production in major plants.

Production of obsolescent plane types is being continued to an undue extent, while one new experimental type (the RB-1 stainless steel cargo plane) has such limited production prospects during 1944 as to render questionable the justification of its further development, in view of prospective large production of other similar types.

Obsolete and surplus materials for aircraft production are accumulating in great volume with distribution within the industry declining, although stock inventories and procedures for their disposal are in process.

Plant Operation: Production performance varies widely among plants, even among those operated by the same company. The Pacific Coast trend toward "shadow" or "feeder" plants — as distinguished from subassembly contracting — to minimize the ill effects of concentration of labor necessary in great plants might profitably be extended in eastern centers.

Instances of poor management and supervision have adversely affected output but the situation is improving and is being aided by a trend from 3-shift to 2-shift operation. Labor difficulties still exist and will continue, since peak demand is forecast for mid-summer. It will be difficult to recruit further forces, in part because of wage differentials in favor of other industries. The solution may be aided by a number of devices, including further use of work incentives and service rewards, more attention to better working conditions for women (who constitute 38 percent of all employees), and a concerted effort to prevent the breakdown of employees' transportation by private automobiles, through some system of central overhaul and repair facilities.

Use of modification centers varies widely, from 30 percent of capacity to full use. This variation is largely unavoidable, since modification is to be regarded as an emergency function.

Funds and Costs: Funds obligated for existing contracts are far in excess of ultimate cost of production, and after review (now in process by the contracting agencies and the Bureau of the Budget) should be redistributed as a part of future budget requirements.

In at least five plants fixed-price contracts and cost-plus-fixed-fee contracts exist side by side. These should be converted to a single type of procurement in any given plant.

The unit cost of standard-type planes to the Government is decreasing. Marked reduction in costs and fees have been effected on both cost-plus-fixed-fee and unit-price contracts. Examples of price trend under both types of contract are shown on the following page:

Boeing at Seattle (B-17)
Cost-Plus-Fixed-Fee Contract

Contract Date	No. of Planes*	Estimated Unit Cost
June 2, 1941	300	$249,588
Sept. 3, 1941	435	243,368
Jan. 29, 1942	2,650	224,351**
Dec. 14, 1942	350	180,953
Dec. 28, 1942	600	153,986
Letter of intent	2,500	139,254

*The number of planes is not the number delivered, but the amount in that particular contract and includes planes undelivered from previous contract.

**The estimated cost was reduced to $180,953.

Consolidated-Vultee, San Diego (B-24)
Fixed-Price Contract

Contract Date	No. of Planes*	Estimated Unit Cost
April 26, 1939	7	$406,926
Sept. 30, 1939	94	271,957
Sept. 18, 1940	352	232,877
May 12, 1941	700	269,805
Feb. 19, 1942	1,200	238,728
June 29, 1942	750	175,000
April 14 and May 21, 1942	2,300**	139,000

*See first footnote above.

**Now being increased to 3,400.

VII. STOCKPILE AND PUBLIC PURCHASES OF BASIC WAR COMMODITIES

Strategic and critical materials are purchased by the Government: (1) for stockpiles to be used only in case of an emergency with respect to the specific items concerned; (2) for stockpiles to be released only by WPB; and (3) for resale to industry currently upon receipt. The following table shows the status of selected items as of January 15, 1944:

Status of Selected Stockpile Commodities -- January 15, 1944

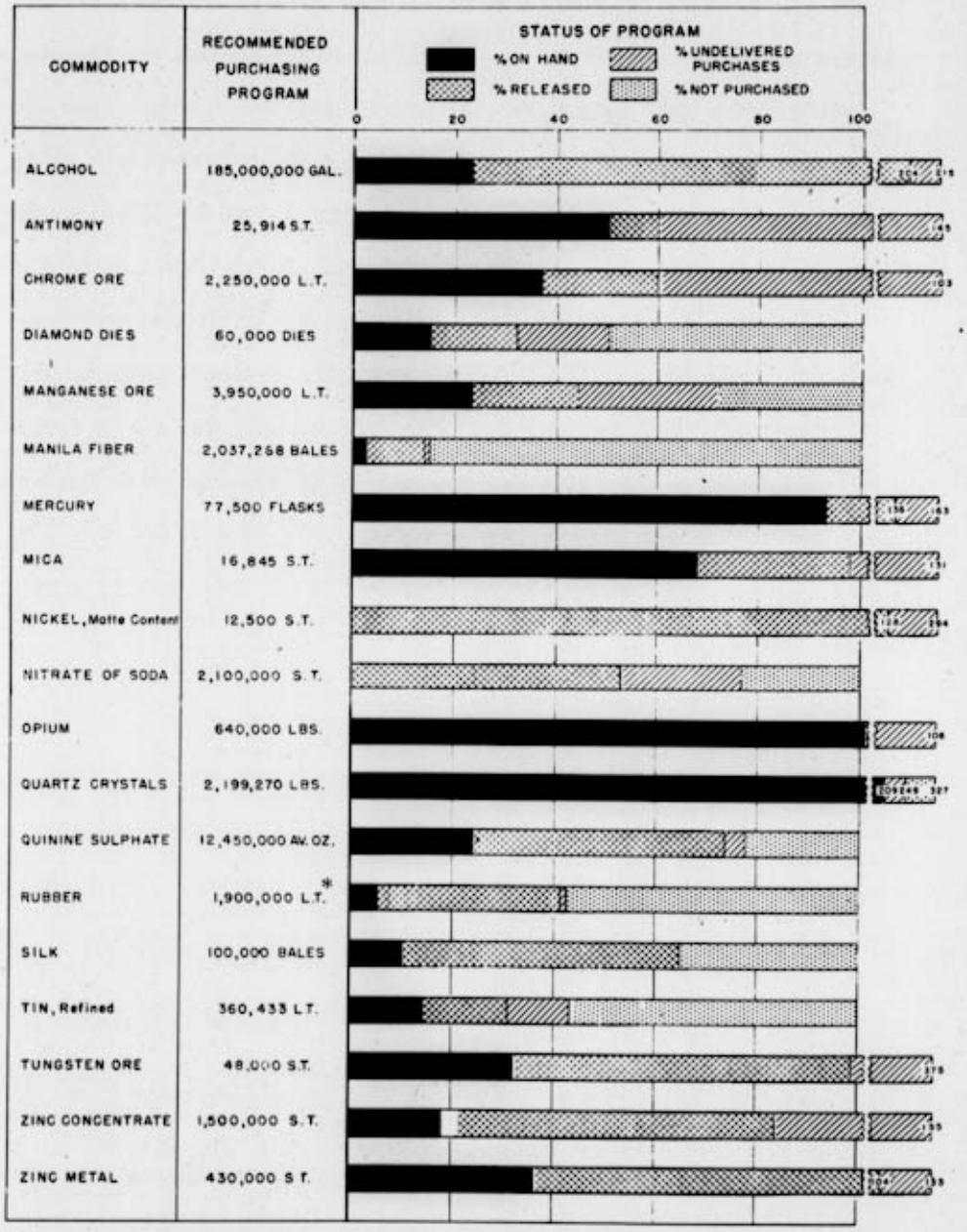
Commodity	Unit of Measure	Recommended Purchase Program	Percent of Purchase Program		
			Stockpile Inventory Jan. 15 1944	Inventory Increase Since Dec. 15	Inventory Increase Since Pearl Harbor
Alcohol	1,000 gal.	185,000	23%	0%	23%
Antimony, metal	Tons	25,914	50	1	19
Chrome ore	1,000 l.t.	2,250	37	2	24
Diamond dies	Dies	60,000	15	1	9
Manganese ore	1,000 l.t.	3,950	23	-1	11
Manila fiber	1,000 bales	2,037	2	0	-6
Mercury	Flasks	77,500	93	5	87
Mica	Tons	16,845	68	1	52
Nickel, content of matte	Tons	1/12,500	0	0	0
Nitrate of soda	1,000 tons	2,100	2/	0	-1
Opium	1,000 lbs.	640	101	0	101
Quartz crystals	1,000 lbs.	2,199	209	4	141
Quinine sulphate	1,000 av. oz.	12,450	24	0	-34
Rubber	1,000 l.t.	3/1,900	5	-1	-13
Silk	1,000 bales	50-100	10	0	2
Tin, refined	1,000 l.t.	1/ 360	14	0	0
Tungsten	Tons	48,000	32	1	16
Zinc concentrates	1,000 tons	1/1,500	18	-3	13
Zinc, metal	Tons	430,000	36	3	36

1/ Part or all of this amount consists of recommended purchases per annum.
2/ 88,770 tons stored in Chile.
3/ Latest program recommends purchase of all available.

STATUS OF SELECTED CRITICAL AND STRATEGIC MATERIALS

(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED PURCHASE PROGRAM)

AS OF JAN. 15, 1943



*LATEST PROGRAM RECOMMENDS PURCHASE OF ALL AVAILABLE

VIII. AGRICULTURE AND WAR FOOD ADMINISTRATION

Following record runs of hogs, with embargoes at a number of livestock markets earlier in the month, January closed with shipments better balanced with capacity of packing plants. More eggs than ever before will go to civilians this year, and more cocoa, chocolate, and coffee will be available in 1944. Civilians will get a pound less cheese and less butter in 1944. Total cash farm income for 1943 proved to be somewhat less than anticipated a few weeks ago. The index of prices received by farmers remained unchanged from December to January. The farm machinery outlook for 1944 is improved, but the container shortage, especially wooden containers, is serious and will require increased reuse. All farm deferments are undergoing review with the assistance of county extension agents.

Prices

Cash income from farm marketings declined in December from the November level but brought the 1943 total up to $19 billion. The total was $19.7 billion, including Government payments. These totals are about $200 million smaller than anticipated a few weeks ago and will probably result in some downward revision in the realized net income of farm operators, previously estimated at $12.5 billion for 1943. According to the new index of prices received by farmers, now being used by the Bureau of Agricultural Economics, the index of prices received at 196 was the same in January as in December (August 1909-July 1914 = 100). The old index would have shown 198 for January compared with 197 for December. The new index gives more weight to prices of livestock.

Farm Machinery and Supplies

Production of farm machinery and equipment has accelerated during the fall and winter, so the outlook in general for 1944 is now much improved. Some difficulty is being experienced in tractor production because of the competition for vital parts that are also in great demand for military vehicles and equipment.

The shortage of containers is being called to the attention of all concerned, with the warning that wooden containers will have to be re-used to the extent of 10 to 20 percent of the total 1944 needs.

For Victory gardeners the 1944 outlook is improved over a year ago for supplies of garden tools, fertilizers, and insecticides. There is now available about one-third more food-handling capacity in community lockers than at the end of 1941, and the 1944 program calls for expanding these facilities through the addition of 550 plants, or about 250,000 new lockers under a program approved by WPB.

Farm Labor

Total farm employment in 1943 averaged 10,263,000 persons compared with 10,397,000 in 1942.

All farm deferments are undergoing review by Selective Service local boards, following the Selective Service System announcement that farmers and farm workers having occupational deferment and whose activity does not conform to national aims may be called upon to increase their production goals or face cancellation of their Selective Service deferments. County agricultural agents are assisting with the review of these deferments.

Although farm wage rates generally remain at substandard levels, some have increased to such a degree as to have an inflationary effect. As a result, the War Food Administration expects this year to greatly expand the number of specific farm wage ceilings. The War Food Administrator has issued regulations which provide procedure for establishing and administering ceilings authorized by the revised regulations of the Director of Economic Stabilization.

Food Distribution

Representatives of organized labor groups met in Washington January 10 to discuss with officials of the War Food Administration and other Government agencies plans for expansion of in-plant feeding facilities for industrial workers. Before Pearl Harbor such services were available to less than 20 percent of the nation's industrial workers. At present the total is 33 percent, and the goal for 1944 is 60 percent.

To obtain the necessary quantities of canning beef for military use, the War Food Administration instructed packers operating under Federal inspection to set aside at least 80 percent of all canner and cutter beef for the Armed Forces. It may be necessary to extend Federal inspection to small packers and require them to set aside part of their production in order to get more beef for the Armed Forces.

The hog marketing situation was much improved at the end of January. Record runs had overtaxed packing plants earlier in the month and resulted in embargoes at a number of markets. The peak of the 1943-44 marketing is passed, and while there are still many hogs to be marketed, indications are that packers can handle them without too much difficulty.

Allocations of nearly all major commodities have been completed for 1944. There will be about a four-pound per capita increase of coffee over what civilians received in 1943 and a half pound more cocoa beans, which means more cocoa and chocolate for civilians. A record supply of eggs will go to civilians this year. The supply of fats and oils will be about the same as during the last six months. Civilians will get a pound less cheese than in 1943, but about the same as they are now receiving under rationing. About a pound of butter a month has been allocated civilians for 1944. The decrease was necessary to provide the Armed Forces with essential requirements.

IX. ECONOMIC STABILIZATION PROGRAM

War expenditures are now expected to reach a peak during the middle of 1944 and to decline thereafter. If this expectation should be realized, a resumption of civilian production on a substantial scale might be possible. Even then, civilian supplies in 1944 would be only slightly above 1943, since inventories are now greatly reduced. A general resumption of civilian production, furthermore, would require control over reconversion to prevent a stampede away from still needed war production.

Prices — Cost-of-living: The cost of living continued its upward climb from mid-November to mid-December, rising 0.2 percent. The continuation of the trend toward replacement of low-cost merchandise by more expensive price lines forced clothing prices up 0.8 percent, while a sharp increase in adjustments under OPA regulations raised the rental bill 0.1 percent.

Prices — Farm: No change occurred from December 15 to January 15 in the general level of prices received by farmers and in the index of prices paid. However, the all-commodity index for January is the highest for the month since January 1920. Support prices for 34 commodities recently announced by the War Food Administration may need to be supplemented by additional measures in order to achieve desired production and will be effective only if Congress authorizes a continuation of CCC subsidy programs.

Wages: Labor pressure to upset the Little Steel formula is reflected in the report of the labor members of the President's Committee on the Cost of Living, which attempts to prove that the cost of living has risen 43.5 percent since January 1, 1941 instead of the 23.4 percent shown by official BLS statistics.

Taxes: The revenue bill reported by the Conference Committee would yield a total of approximately $2.3 billion in a full year. This amount would be reduced by $1 billion in the coming year if an allowance were made for the postponement of the increase in social security contribution rates scheduled for January 1. Several objectionable features relating to renegotiation of war contracts have been removed from the bill.

Consumer Credit: Little further reduction in consumer credit is anticipated. A rise may occur in 1944 if durable consumer goods are brought back into production on a substantial scale later in the year or if pressure to relax credit regulations should be successful.

War Bonds: Sales of Series E bonds totaled $1.1 billion in January, about one-third of the quota for the Fourth War Loan Drive, which extends through February 29.

X. WAR FINANCES

Expenditures

Expenditures for war purposes during January were $7.4 billion, bringing the total for the first seven months of F.Y. 1944 to $50.8 billion, or 55 percent of the estimate of $92 billion for the fiscal year.

	Dec. 1943	Jan. 1944	7-Month Average for F.Y. 1944
		(Billions)	
Monthly rate	$7.0	$7.4	$7.3
Adjusted annual rate	83.7	89.3	86.9

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes increased $500 million in January to a total of $348.2 billion. Net expenditures against this amounted to $160.7 billion.

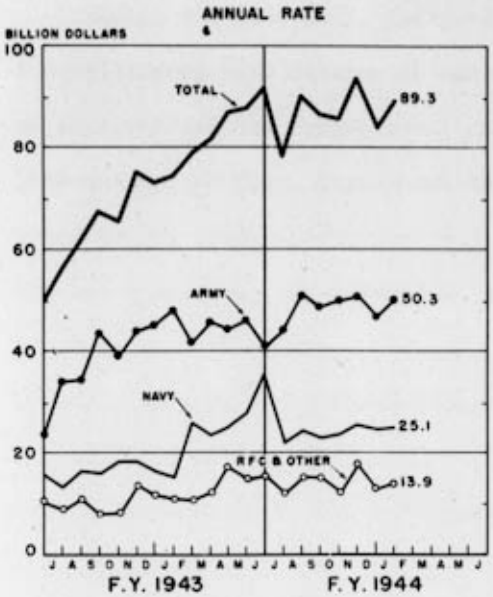
Appropriations and Expenditures, F.Y. 1941 Through Jan. of F.Y. 1944
(Billions)

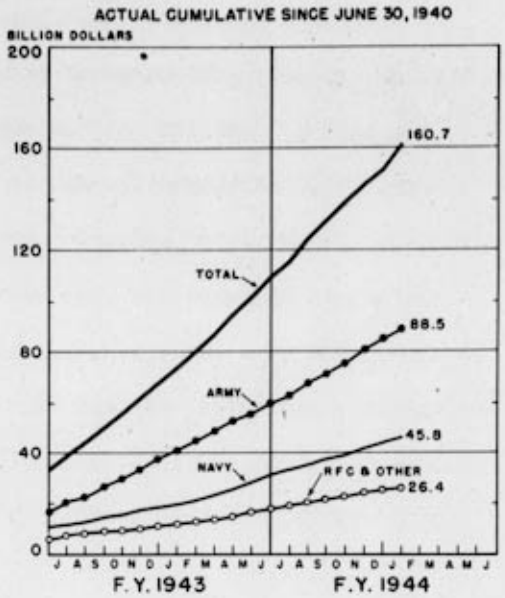
	Appropriations & Authorizations			Expenditures
	F.Y. 1941 Thru F.Y. 1943	F.Y. 1944	Total	F.Y. 1941 Thru Jan. 1944
War	$ 126.6	$59.1	$185.7	$ 88.5
Navy	47.5	28.6	76.1	45.8
Maritime Commission	11.0	.03	11.0	6.2
Govt. Corpns. (commit.)	19.9	2.0	21.9	7.3
Other	32.7	3.6	36.3	12.9
Est. approp. required beyond F.Y. 1944 for completion of Navy	--	--	17.2	--
Total	$ 237.7	$93.3	$348.2	$160.7

CHART 14

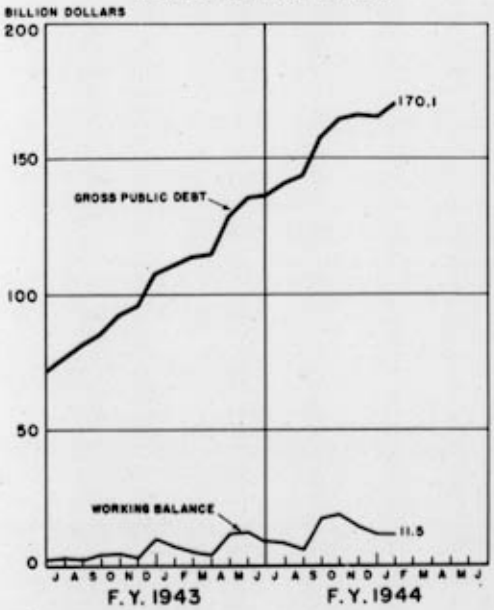
RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

WAR EXPENDITURES



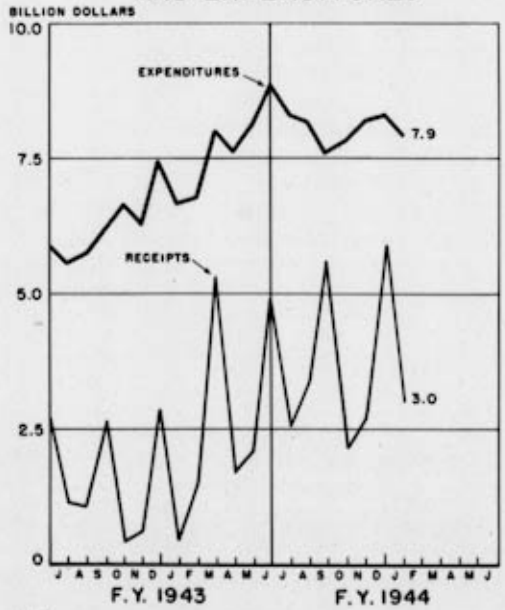


THE PUBLIC DEBT



*BASED ON THE DAILY STATEMENT OF U.S. TREASURY

TREASURY RECEIPTS AND EXPENDITURES**



**EXCLUDES PUBLIC DEBT ACCOUNTS

XI. MANPOWER

During the year 1943, the total civilian labor force declined 2.8 million to 51.9 million at the end of December 1943, and the number of employed persons declined 2.1 million to 51.0 million. During the last quarter of 1943, employment fell off in all nonagricultural industries except trade and public employment. Average hours, weekly earnings, and hourly earnings of industrial workers were all somewhat higher in November than in October. Turnover and absentee rates were both lower in November than in the preceding month. New manpower requirement estimates for 1944 indicate an additional 900,000 workers will be needed to maintain production schedules, 800,000 of them to replace workers inducted into the Armed Forces.

Labor Force and Employment

The civilian labor force in December 1943 numbered 51.9 million as compared with 54.7 million in December 1942. The number of men declined from 37.8 million to 34.8 million during the year, but there was a slight net increase in the number of women (17.1 million in December 1943 and 16.9 in December 1942). In the last quarter of 1943, the numbers of both men and women in the labor force declined. Total employment also declined during the last quarter of 1943 from 52.8 million in September to 51.0 in December. Employment in manufacturing in December 1943 was lower than in December 1942 and declined from October and November levels as the result of cut-backs in war production schedules. All other nonagricultural industry groups declined in the last quarter of 1943 except trade, which had a seasonal rise, and local, state, and Federal employment (including productive establishments).

Hours and Earnings

Average weekly hours worked by industrial workers showed little change between October and November, with 45.4 hours reported in October and 45.5 in November. Average weekly and hourly earnings increased slightly for the month to $45.27 and 99.5 cents, respectively. Weekly earnings were thus 12.5 percent higher than in November 1942 and hourly earnings 9.7 percent higher.

Average weekly earnings in the durable goods industries were $51.68 (for 47.2 hours) but ranged from $31.30 for wood preserving (43.4 hours per week) to $64.77 for ship and boat building (48.4 hours per week). Nondurable goods industries reported average weekly earnings at $35.65, average hourly earnings at 82.9 cents, and average hours worked at 43.0. In nonmanufacturing industries, average weekly hours were down to 25.5 in anthracite mining and 28.6 in bituminous mining as a result of strikes.

Absenteeism and Turnover

Employee absence rates in war industries were generally lower in November than in October. Rates ranged from a low of 3.2 in blast furnaces, steel works, and rolling mills to a high of 9.4 in bituminous coal mining.

The labor turnover rate in manufacturing industries again declined in November. All separations were at the rate of 6.29 per 100 employees in November and at 7.02 in October. Employee quit rates for the two months were 3.13 and 3.56, respectively. In November, separation rates in the aircraft industry were reported at 5.94 and in shipbuilding and repair at 8.30. The quit rate in important war industries was 2.72 for men and 5.70 for women.

1944 Manpower Requirements

The War Manpower Commission estimates that manpower requirements for civilian employment and the Armed Forces will necessitate a net increase of 900,000 during the first six months of 1944, apart from a 3.4 million seasonal increase in agricultural employment. Total induction into the Armed Forces will approximate 1.4 million to yield a net addition of 800,000. Munitions employment is expected to maintain January levels through July although some components of this group will increase and others decline. Employment in transportation and utilities and in the food and textile industries is expected to increase. Other industry groups are expected to maintain present levels or decline, except for seasonal work in agriculture.

Armed Forces requirements are constantly tapping higher levels of skill and experience, and men withdrawn from industry for military service are increasingly difficult to replace. Although cutbacks in war production schedules release workers in some areas or industries, these workers are not always available for expanding plants in other areas or may not meet the requirements for other reasons. Continued efforts for the conservation and re-allocation of the labor supply are needed to meet 1944 production goals.

In this connection, it may be noted that the number of part-time or short-shift workers is increasing. It is estimated that 2 million workers are already engaged in this way in nonagricultural activities, particularly in the trade and service industries.

XII. ADMINISTRATIVE DEVELOPMENTS

Although there were few administrative changes during January, a number of issues of administrative policy emerged, particularly in the State Department and in the War Production Board.

Foreign Economic Administration

There were a few minor improvements in the operations of FEA, but on the whole the organization is still confused, necessary top policy decisions are not being made, and growing resentment towards FEA is developing among private exporters, other Government agencies, and the country missions with which the agency deals. FEA is now confronted with the preparation of its 1945 budgets for the Defense Aid Program, for administrative expenses of FEA, and for several corporations. In addition, a decision must be made in the next few days on the method to be used in financing the corporations transferred to FEA from the RFC last July. Some of these corporations, namely, Rubber Development Corporation, Export-Import Bank, and Petroleum Reserve Corporation, are still only under the nominal control of FEA.

Some progress is being made in recruiting staff for work on liberated areas, and FEA relationships with the Army in this field have improved somewhat. On the whole, however, there is little area programming in FEA and there is almost no activity in programming of U.S.-Latin American economic activity.

Coordinator of Inter-American Affairs

The Office of the Coordinator has continued its regular operations. The 1945 budget will reflect increased activities in the field of Latin American economic activities which may raise questions of relationships with FEA and the Department of State. Since CIAA is currently much better equipped than FEA to proceed with these activities, it should go ahead with subsequent changes made as conditions may warrant.

The State Department Reorganization

The recent reorganization of the State Department from a structural point of view makes considerable sense, and if the elements of the plan are actually put into effect the Department should operate more effectively. No important changes in key personnel were made.

The logical regrouping of functions and divisions into the twelve major "line" offices should eliminate overlapping and duplication and clarify lines of authority. Top officials of the Department, freed from administrative details, should now have more time to devote to important matters. Of considerable importance, too, is the creation of the Policy Committee and the Committee on Post-War Programs, designed to furnish necessary coordination at the top policy level.

The announcement of the reorganization is only a first step. Changes in assignments, flow of work, procedures, and responsibilities must be adjusted all up and down the line if the plan is to be made effective. Problems of internal liaison must still be worked out. Satisfactory relations between the Department and other agencies must be developed -- both in Washington and in the field. The reorganization left untouched the foreign service and the many problems connected with recruitment, training, functions, etc. A more satisfactory system of communications, both within the Department and to and from the field, must be worked out. Internal procedures for routing and clearance of papers need to be perfected. More employees experienced in administrative work are required.

War Food Administration

Organizational changes in the War Food Administration reflected an increased emphasis upon food distribution problems. The Food Production Administration was more or less dissolved; an Office of Production was retained, but the three constituent operating agencies of the former FPA are to report directly to the War Food Administrator hereafter. The Food Distribution Administration was also changed in name to an Office of Distribution, but its control over procurement and distribution programs was strengthened.

The War Food Administrator also created an Office of Price in order to assure an improved coordination of price policy within the WFA.

War Production Board

The development of procedures and policies for allocating resources between military and non-military production in the coming period of adjustment continued to be held back by the lack of firm Government-wide decision about who is to do what. This situation gives rise to doubt about the adequacy of the administrative and psychological preparations to maintain the adequate military production when full use of productive capacity is no longer required. Problems of WPB relations with the "Services," as well as WPB internal organization, are involved.

Decision has been made, apparently, to permit no substantial reconversion to non-military production until the course of military operations in Europe becomes clearer.

Evidence seems to indicate a developing cleavage of opinion among the top personnel of the WPB on the issue of business competition. It turns on whether decisions shall be made to promote and strengthen the tendency toward cartels and limited competition or whether they shall encourage free competition by new or small producers. It seems to be generally recognized that the opportunity for discrimination or favoritism is greater on the downgrade of war production than on the upgrade. It follows that a general policy of the Government will be evolved whether or not it is consciously established for the guidance of the agencies concerned.

Internal discipline within the organization continues to be weakened by external events. For example, the recent visit of the Executive Vice Chairman to the White House is construed by subordinate personnel as an indication that the Executive Vice Chairman rather than the Chairman is running the organization. The resultant situation is closely related to the development or lack of development of policies and procedures for handling problems created by cutbacks in military production and to the broad economic policies of the Board.

Petroleum Administration for War

Agreement was reached on reorganizing the three Divisions of Transportation, Supply, and Marketing into two divisions which will be known as Transportation and Supply, and the Division of Marketing and Distribution. What has previously been known as the Reserves Division has been abolished and the functions performed therein have been absorbed by the Production Division.

New statements regarding the functions of the field organization are being prepared to clarify the responsibilities of the field offices and their relations with Washington.

The three divisions handling foreign activities, which were created a few months ago, need coordination which could be provided by the appointment of one person to direct foreign activities.

Office of Defense Transportation

The controversy between ODT and the Interstate Commerce Commission over control of railroad operations continues. Mr. Eastman has outlined the ODT position in a long letter to the Commission but has received no answer.

Some congestion at the ports developed around the end of December, but this was cleared up during January when a record number of cars were unloaded. The railroads continued to operate fairly close to capacity, and there were spot shortages of cars. In particular, there was difficulty in lifting all of the grain in the northwest. There was a rather alarming decrease in the volume of petroleum shipments to the East Coast

by rail. Winter operating conditions and manpower shortages on the railroads were partially responsible, and the oil companies were not doing too good a job of loading and unloading.

The trucking situation continued to be highly critical. Many common carriers had an operating ratio of over 100 percent, indicating that costs had increased more rapidly than revenue resulting from increased business, with consequent danger that some of these firms would discontinue operations.

Office of Price Administration

The Price Administrator announced his intention to appoint a "Committee on Economic Demobilization." The Committee would serve as a central point of information about activities in other agencies as well as in the Office of Price Administration itself.