

Report 41

NATIONAL WAR PROGRAM  
MONTHLY PROGRESS REPORT

February 29, 1944

Prepared by  
Bureau of the Budget  
Executive Office of the President

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) and (G)

OMB letter, 11-27-72

By SLR, NARS Date JAN 22 1973

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET

WASHINGTON, D. C.

March 16, 1944.

*file*

MEMORANDUM:

For the personal attention  
of the President.

H. D. S.

Report 41



NATIONAL WAR PROGRAM  
MONTHLY PROGRESS REPORT

February 29, 1944

Prepared by  
Bureau of the Budget  
Executive Office of the President



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

## CONTENTS

	Page
I. Summary .....	1
II. Aeronautical Program .....	2
III. Army .....	9
IV. Navy .....	15
V. Merchant Shipping .....	27
VI. Review of Production in Selected War Industries .....	30
VII. Economic Stabilization Program .....	33
VIII. Agriculture and War Food Administration .....	34
IX. War Finances .....	37
X. Manpower .....	39
XI. Administrative Developments .....	42

## CHARTS

1. Monthly Acceptances of Military Airplanes .....	3
2. Army Air Forces Military Personnel .....	6
3. Army Military Personnel .....	13
4. Construction Progress on Battleships and Aircraft Carriers	17
5. Construction Progress on Aircraft Carriers, Escort .....	18
6. Construction Progress on Large and Heavy Cruisers .....	19
7. Construction Progress on Light Cruisers .....	20
8. Destroyers, Escort Vessels, and Submarines Construction Program .....	21
9. Total Active-Duty Strength of Navy, Marine Corps, and Coast Guard .....	26
10. Gains and Losses of Merchant Ocean Vessels Available to the United Nations .....	28
11. Deliveries of Ships by U.S. Merchant Shipbuilders .....	29
12. Receipts, Expenditures, and Public Debt .....	38

## I. SUMMARY

Aircraft Production: 93.5 million pounds of military airframes were accepted in February. The number of aircraft accepted was 8,760, of which 1,397 were four-engine bombers. (Pages 2-3)

Army Air Forces: 28,091 first-line combat planes were on hand on March 1. Active-duty personnel of the Army Air Forces totaled 2,400,151 on Feb. 1, and 95,044 were pilots. (Pages 4-6)

Navy Aeronautical Program: The Navy had 16,754 combat airplanes on hand on February 1. Navy, Marine Corps, and Coast Guard military aviation personnel totaled 293,037 on February 1, and 39,069 were pilots. (Pages 7-8)

### Active Military Strengths

	<u>Total All Classes</u>	<u>Date</u>
Army .....	7,600,000	Feb. 29
Navy, Marine Corps, and Coast Guard .....	3,097,440	Feb. 15
The Army reported 2,962,799 overseas .....		Feb. 29

(Pages 12-13, 25-26)

### Selected Ordnance Production

	<u>Delivered</u> <u>January</u>	<u>Percent of 1944</u> <u>Program Delivered</u>
Torpedo, submarine .....	638	5%
Medium tank .....	621	5
Command car, $\frac{1}{2}$ ton, 4 x 4 .....	14,500	8
Gun, 155mm .....	20	4
Carbine, .30 cal. ....	329,869	17

(Pages 10, 24)

Navy Ship Construction: 82 combatant vessels have been completed in 1944 through February 20: 1 aircraft carrier, 12 aircraft carrier escorts, 1 light cruiser, 13 destroyers, 48 destroyer escorts, and 7 submarines.

(Pages 15-21)

Merchant Shipping: From February 1 through 27, the United Nations reported construction of 1,243,000 dwt. of merchant vessels, including military types, while losses reported were 191,000 dwt.--a net gain of 1,052,000 dwt.

(Pages 27-29)

## II. AERONAUTICAL PROGRAM

### February Aircraft Production

Preliminary reports indicate that 93.5 million pounds of airframes (spares included, gliders excluded) were accepted in February -- an increase of 4 percent over the weight of January acceptances.

The number of military aircraft accepted in February was 8,760, as compared with 8,789 in January. There were 1,397 four-engine bombers accepted, including 57 B-29's.

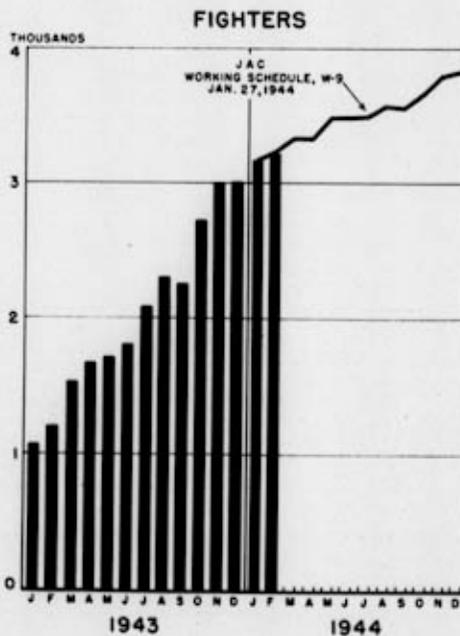
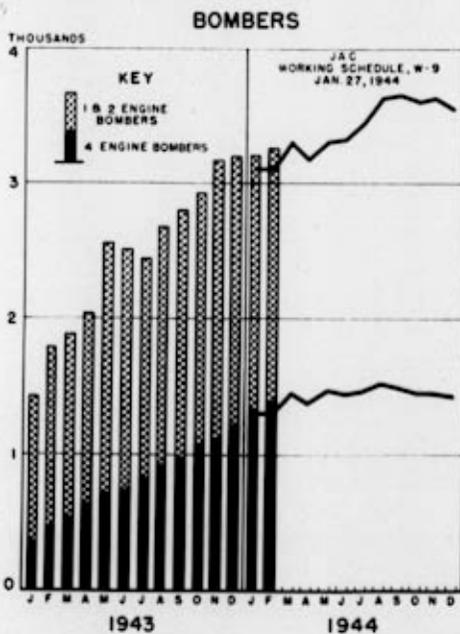
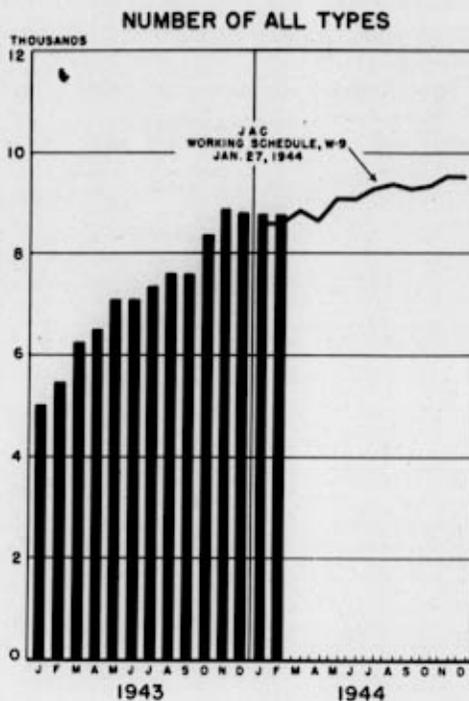
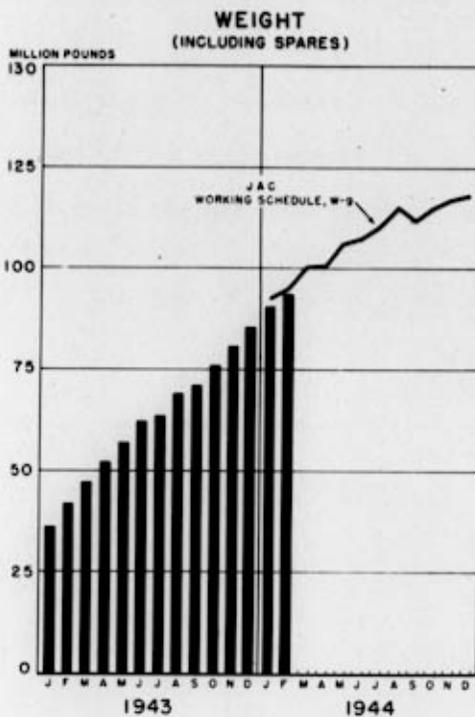
### Aircraft Acceptances January, February, and Schedule for March

Type	January	February	Schedule March*
Bomber, 4-eng., long-range	54	57	64
Bomber, 4-eng., other	1,286	1,340	1,435
Bomber, 2-eng.	1,012	1,049	1,066
Bomber, 1-eng.	866	820	792
Fighter	3,173	3,229	3,371
Reconnaissance	43	0	1
Total combat	6,434	6,495	6,729
Transport, 4-engine	23	33	58
Transport, 2- and 1-eng.	745	821	865
Total tactical	7,202	7,349	7,652
Trainer	1,142	1,004	1,021
Liaison	421	375	226
Rotary wing	1	6	10
Target and drone	23	26	95
Grand total	8,789	8,760	9,004

\*W-9 Schedule, revised March 2, 1944

On February 29, there was a pool of 1,762 accepted but undelivered aircraft, of which 73 percent were tactical types.

# MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



### Army Air Forces

A. Airplanes. On February 29, the Army Air Forces had on hand 28,091 first-line combat airplanes. Of these, 8,474 were four-engine bombers—an increase of 649 heavy bombers during February. Of the total combat planes, 15,417 or 55 percent were overseas on February 29.

#### Airplanes of the Army Air Forces on Hand Jan. 31, Feb. 29, and Gains and Losses in February

Type	On Hand Jan. 31 1944	February		On Hand Feb. 29 1944	Feb. Net Gain
		Gains	Losses*		
<u>Combat</u>					
Bomber, heavy, long-range	128	55	1	182	54
Bomber, heavy	7,697	1,249	654	8,292	595
Bomber, medium	3,951	438	202	4,187	236
Bomber, light	1,165	170	92	1,243	78
Fighter	12,484	1,726	649	13,561	1,077
Reconnaissance	588	64	26	626	38
Total combat	26,013	3,702	1,624	28,091	2,078
<u>Transport</u>					
Heavy	489	63	27	525	36
Medium	2,848	293	38	3,103	255
Amphibian	30	-	-	30	0
Utility	3,435	231	60	3,606	171
Total transport	6,802	587	125	7,264	462
Total combat & transport	32,815	4,289	1,749	35,355	2,540
<u>Trainers</u>	26,533	800	336	26,997	464
<u>Communications</u>	3,884	301	191	3,994	110
Total, all types	63,232	5,390	2,276	66,346	3,114

\*Includes losses from enemy action, survey, etc.

#### A.A.F. Airplanes in Continental U.S. and Overseas — Feb. 29, 1944

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,545	1,805	549	5,490	4,475	30,387	47,251
Overseas	3,929	2,382	694	8,071	2,789	1,230	19,095
Total	8,474	4,187	1,243	13,561	7,264	31,617	66,346

B. Personnel of the Army Air Forces. The active-duty strength of the Army Air Forces totaled 2,400,151 on February 1 — an increase of 26,269 during January. Pilots on active duty were 82 percent of required strength by June 30, 1945.

Active-Duty Strength of the Army Air Forces, February 1, 1944  
and Minimum Requirements for 273 Groups by June 30, 1945

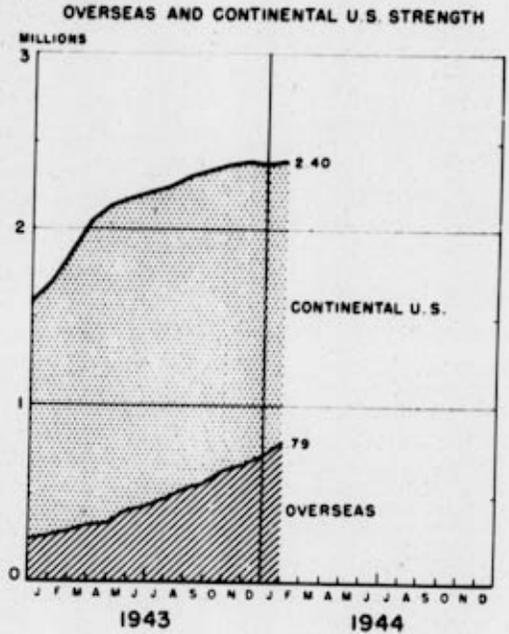
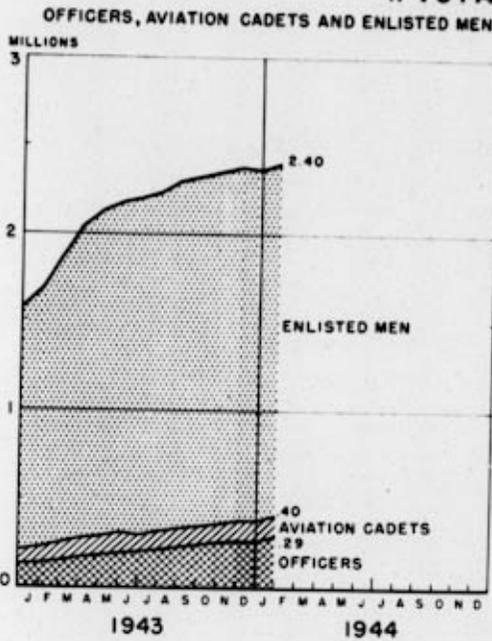
Type of Personnel	Officers	Enlisted	Total	Minimum Requirements for 273 Groups by 6-30-1945*
Pilot (includes glider and service)	93,262	1,782	95,044	115,285
Aviation cadet	—	107,709	107,709	85,180
Bombardier and navigator	32,800	—	32,800	45,076
Aerial gunner	—	9,769	9,769	35,540
Airplane and engine mechanic-gunner	—	32,881	32,881	21,429
Armorer-gunner	—	21,847	21,847	19,488
Radio operator and mechanic-gunner	—	19,773	19,773	15,429
Other, Army Air Corps	161,232	1,919,096	2,080,328	1,978,774
Total	287,294	2,112,857	2,400,151	2,316,201

\*The total requirement as of June 30, 1945 is not the peak requirement of the 273-group program. The peak of 2,412,236 was required by Dec. 31, 1943. The total requirement tapers off commencing August 1944.

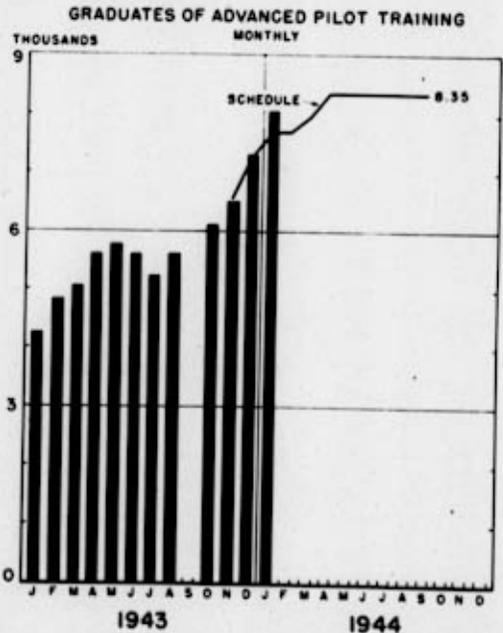
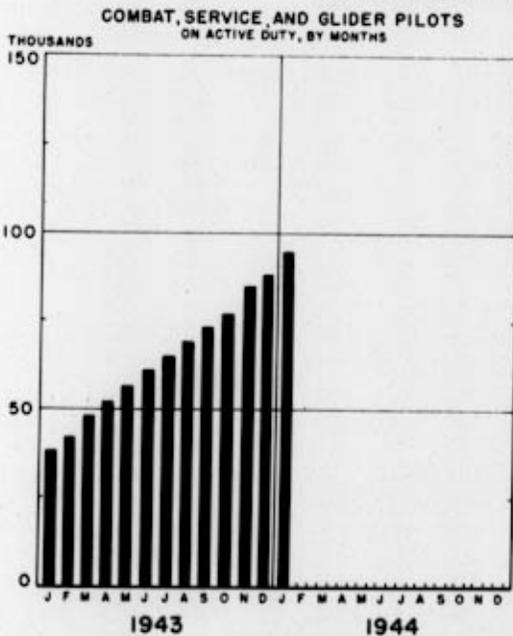
C. Flying Training. During January, 8,062 pilots were graduated from advanced training. Since the beginning of the war emergency, a total of 103,975 pilots have completed advanced training.

# ARMY AIR FORCES MILITARY PERSONNEL (INCLUDES PERSONNEL ASSIGNED FROM THE ASF AND AGF)

## I. TOTAL STRENGTH



## 2. PILOTS AND PILOT TRAINING



Bureau of Aeronautics

A. Airplanes. On January 31, the Navy, Marine Corps, and Coast Guard reported a total of 27,773 useful airplanes on hand. Of these, 16,754 were tactical combat types — an increase of 1,590 tactical combat planes since December 31, 1943.

Navy Airplanes on Hand — Dec. 31, 1943, Jan. 31, 1944,  
and Additions and Losses in January

Type	On Hand Dec. 31	January		On Hand Jan. 31
		Additions*	Losses	
<u>Tactical Combat</u>				
Fighter	5,281	1,127	187	6,221
Scout bomber	3,756	458	134	4,080
Torpedo bomber	2,212	227	65	2,374
Patrol bomber—boat	1,283	111	14	1,380
Bomber—landplane:				
4-engine	312	31	9	334
2-engine	809	59	10	858
Observation scout	1,511	26	30	1,507
Subtotal	15,164	2,039	449	16,754
<u>Tactical Non-Combat</u>				
Utility	578	24	3	599
Transport	789	70	4	855
Subtotal	1,367	94	7	1,454
<u>Training</u>	9,057	254	56	9,255
<u>Experimental and Misc.</u>	304	24	18	310
Grand total	25,892	2,411	530	27,773

\*Includes new deliveries, reinstatements, reclassifications, and miscellaneous increases.

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 8,561 during January to a total of 293,037 on January 31. This total is 83 percent of the required strength on June 30, 1944.

Navy and Marine Corps Active-Duty Military Aviation Personnel  
January 31, 1944 and Requirements for June 30, 1944

	Navy		Marine Corps		Total	
	Require- ments 6-30-44	Actual Jan. 31	Require- ments 6-30-44	Actual Jan. 31	Require- ments 6-30-44	Actual Jan. 31
<u>Pilots</u>	37,405	30,352	9,562	8,717	46,967	39,069
<u>Other</u>						
Officers	26,457	25,427	4,511	3,486	30,968	28,913
Enlisted	188,362	149,419	87,610	75,626	275,972	225,055
Total	252,224	205,198	101,683	87,839	353,907	293,037

C. Pilot Training. Student pilots in training for heavier-than-air planes on February 3 totaled 42,343, and 11,295 of these were in the last stage of training prior to commissioning. The total is a decrease of 1,511 from the number in training on December 24, 1943.

Civil Aeronautics Authority (WTS) trainees decreased 2,681 from the number on December 24, 1943, while the total of all other classes of trainees increased 1,170.

### III. ARMY

The February 1, 1944 Army Supply Program for the calendar year 1944 authorizes production of ordnance materiel totaling \$9.4 billion. This is \$3.1 billion less than the 1944 requirements established by the August 1, 1943 Army Supply Program, which called for production in the amount of \$12.5 billion.

The February 1, 1944 program, however, is based on prices which average 15 percent less than the prices used in the August 1, 1943 program. Adjusted for this differential in price, the reduction in the February 1 program for 1944 is \$1.7 billion.

Theoretical requirement levels for reserve stocks of certain items have been reduced by \$338,000,000 on the theory that our latent industrial capacity can be thrown into operation quickly should circumstances require.

The major changes between August 1, 1943 and February 1, 1944 are reflected in the following comparison which has been adjusted for the price differential:

	<u>1944 Army Supply Program</u>	
	<u>Aug. 1, 1943</u>	<u>Feb. 1, 1944</u>
	(Millions)	
Antiaircraft materiel .....	\$716	\$202
Small arms and miscellaneous .....	374	144
Machine guns and mounts .....	158	236
Field artillery, tank and antitank guns	623	404
Infantry and antiaircraft ammunition ..	2,583	894
Pyrotechnics and miscellaneous .....	237	171
Rockets .....	290	151
Artillery ammunition .....	1,894	1,567
Combat vehicles .....	1,343	1,787
Motor vehicles .....	2,374	2,180
Replenishment spare parts .....	371	863
Non-common .....	172	46

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

Item	Deliv. January	1944 A.S.P. (2-1-44)	Percent of 1944 A.S.P. Delivered in January			
			0	25	50	75
<u>Combat Vehicles</u>						
Light armored car	562	3,383	17%			
Light tank	538	3,913	14			
Medium tank	621	13,445	5			
Universal carrier	850	6,500	13			
<u>Motor Vehicles</u>						
1/4 ton, 4 x 4 command	14,500	180,833	8			
3/4 ton weapons carrier	3,990	50,483	8			
1 1/2 ton, 4 x 2 cargo	3,210	32,248	10			
1 1/2 ton, 4 x 4 cargo	1,960	30,851	6			
2 1/2 ton, 6 x 4 cargo	2,700	30,986	9			
2 1/2 ton, 6 x 6 cargo	9,525	143,593	7			
2 1/2 ton, 6 x 6 dump	820	25,560	3			
10 ton, 6 x 4 prime mover	466	8,266	6			
<u>Artillery*</u>						
155mm gun	20	480	4			
8 inch Howitzer	25	385	7			
155mm Howitzer	155	1,628	10			
<u>Small Arms</u>						
.30 cal. U.S. rifle, M1	132,000	1,246,752	11			
.30 cal. carbine	329,869	1,954,532	17			
.30 cal. machine gun	16,568	81,812	20			
.50 cal. machine gun	57,025	161,791	35			

\*Proof firing may not be completed.

8%

1 mo. = 8% of year

**January Deliveries of Selected Bombs and Ammunition**  
(Includes International Aid and Navy Items Procured by the Army)

Item	Deliv. January	1944 A.S.P. (2-1-44)	Percent of 1944 A.S.P. Delivered in January			
			0	25	50	75
<b>Small Arms Ammunition</b>						
(Million rounds)						
All .30 cal.	764	2,393	32%			
All .50 cal.	214	1,749	12			
<b>Antiaircraft Ammunition</b>						
(Thousand rounds)						
For 40mm gun	2,250	19,890	11			
For 90mm gun	650	5,923	11			
<b>Artillery Ammunition</b>						
(Thousand rounds)						
For 60mm and 81mm mortar	1,610	23,604	7			
For 57mm gun	950	10,556	9			
For 75mm field, tank, and antitank gun	1,810	10,791	17			
For 76mm tank and anti- tank gun	300	11,169	3			
For 75mm Howitzer	1,575	11,752	13			
For 105mm Howitzer	2,150	31,363	7			
For 155mm Howitzer	200	4,622	4			
For 155mm field gun	111	2,361	5			
<b>Bombs</b>						
500 lb. G.P.	125,000	1,412,980	9			
500 lb. cluster-fragmen- tation	—	315,000	0			
500 lb. cluster	—	113,000	0			
260 lb. fragmentation	—	385,000	0			
23 lb. fragmentation	250,000	4,149,519	6			
20 lb. and 23 lb. clus- ter-fragmentation	200,000	1,615,000	12			

8%

1 mo. = 8% of year

### Military Personnel

A. Strength. The active-duty strength of the Army increased 43,843 during February to an estimated total of 7,600,000 on March 1.

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

Class of Personnel	Feb. 1 Actual	March 1 Estimated	Feb. Incr.
Commissioned officers	634,395	638,078	3,683
Warrant and flight officers	29,236	29,405	169
Enlisted men and selectees	6,792,871	6,832,285	39,414
WAC	61,355	61,710	355
Subtotal	7,517,857	7,561,478	43,621
Army Nurse Corps	38,300	38,522	222
Total	7,556,157	7,600,000	43,843

During February the Army active-duty strength overseas increased 232,576 to a total of 2,962,799 or 39 percent of the total Army strength.

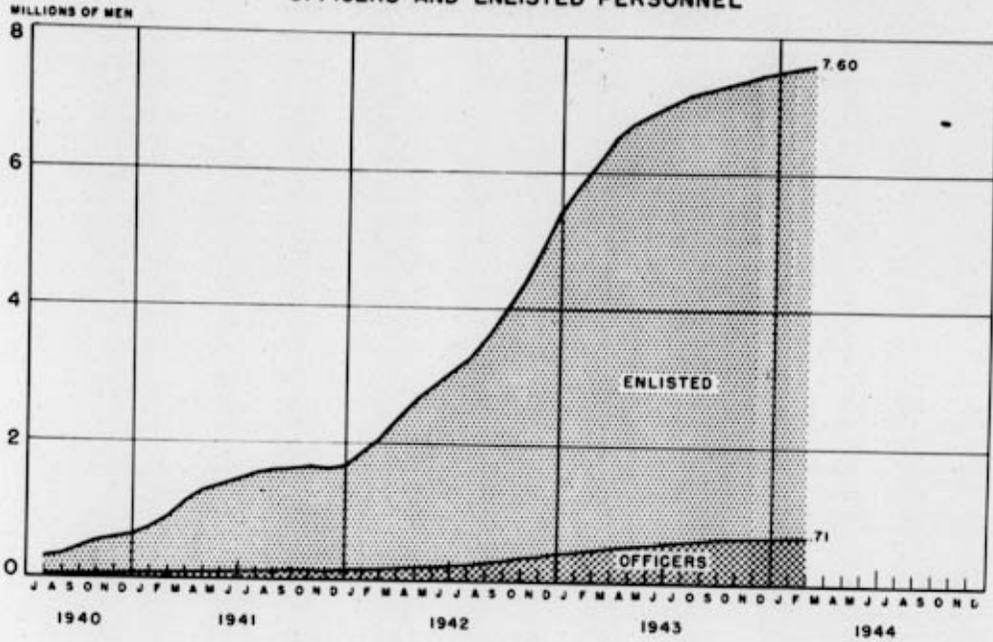
#### Assignment of Army Active-Duty Military Personnel February 1, March 1, and February Increase

Assignment of Personnel	Feb. 1 Actual	March 1 Estimated	February Increase
Army Ground Forces in U.S.	1,677,435	1,596,685	-80,750
Army Air Forces in U.S.	1,570,068	1,496,293	-73,775
Army Service Forces in U.S.	1,234,794	1,177,025	-57,769
In defense commands in U.S.	151,945	151,945	0
In staging areas	107,257	90,000	-17,257
In ships	84,435	125,253	40,818
Overseas	2,730,223	2,962,799	232,576
Total	7,556,157	7,600,000	43,843

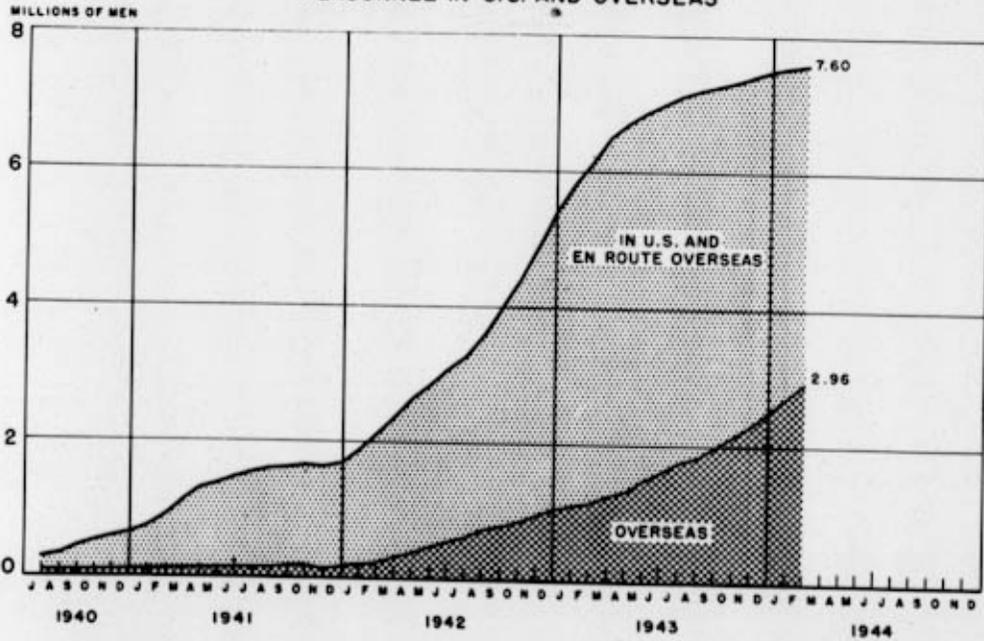
On March 1, the total active-duty military personnel was distributed as follows: Ground Forces, 3,131,624 or 41 percent; Air Forces, 2,333,319 or 31 percent; and Service Forces, 2,135,057 or 28 percent.

# ARMY MILITARY PERSONNEL

## OFFICERS AND ENLISTED PERSONNEL



## PERSONNEL IN U.S. AND OVERSEAS



B. Army Casualties. To February 1, the Army has reported 113,793 battle casualties -- 16,203 or 14 percent were officers.

Battle Casualties Reported  
Dec. 7, 1941 Through Jan. 31, 1944

	Total to Jan. 31	January Increase
Killed	19,007	1,865
Wounded	44,415	4,498
Missing	25,977	1,840
Captured	24,394	844
<b>Total</b>	<b>113,793</b>	<b>9,047</b>

C. Army Separations and Transfers--Enlisted Personnel. Based on the number of cases completely processed, physical and mental disqualifications accounted for 36,437 separations from the enlisted ranks of the Army during December. Total deaths, separations, and transfers for the month were 50,745, as compared with 70,401 in November.

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

	Air Corps	Infantry	Other	Total
<b>Casualties:</b>				
Battle deaths	276	963	276	1,515
Non-battle deaths	446	173	635	1,254
Captured, missing in action, or interned	1,108	1,063	187	2,358
Retirement	195	462	1,506	2,163
<b>Honorable Discharge:</b>				
Physical and mental dis- qualification	6,234	8,324	21,879	36,437
Over 38 years of age	3	9	98	110
Convenience of the Government	5	2	42	49
Other discharges	382	313	971	1,666
Other than honorable	304	421	1,701	2,426
Transfers to inactive status	721	322	1,386	2,429
<b>Total</b>	<b>9,674</b>	<b>12,052</b>	<b>29,019*</b>	<b>50,745</b>

\*Total includes 228,000

IV. NAVYCompletions of Naval Vessels

A total of 82 combatant vessels had been completed in 1944 through February 20 -- 49 in January and 33 more during the first 20 days of February. There are 500 additional combatant vessels scheduled for completion during 1944.

Physical Completions of Selected Naval Vessels  
 (Includes Lend-Lease Vessels and Conversions)

Type	1944				1943 Actual
	Jan.	Feb. Thru 20th	Jan. 1 Thru Feb. 20	Scheduled Feb. 21 to Dec. 31	
Combatant Vessels:					
Battleship	0	0	0	2	2
Aircraft carrier	1	0	1	7	15
Aircraft carrier, escort	7	5	12	32	50
Large cruiser	0	0	0	2	0
Heavy cruiser	0	0	0	5	4
Light cruiser	1	0	1	14	7
Destroyer	7	6	13	96	128
Destroyer escort	29	19	48	268	306
Submarine	4	3	7	74	56
Total combatant	49	33	82	500	568
Patrol craft	50	29	79	379	718
Mine vessels	13	5	18	188	389
Auxiliaries	36	18	54	801	352
Landing force vessels*	65	36	101	1,374	649

\*IST, LSM, LSD, and LCI(L)

Status of Construction of Selected Naval Vessels

Twenty-one percent of the 909 combatant vessels on order on February 20 had been launched, 21 percent were on the ways, and 58 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels, Feb. 20, 1944  
(Includes Lend-Lease Vessels)

Type	New Construction on Order				Con- vert- ing	Add'l Auth.
	Not Yet on Ways	On Ways	Launch- ed	Total		
Combatant Vessels:						
Battleship	2	0	2	4	0	0
Aircraft carrier	11	10	2	23	0	0
Aircraft carrier, escort	17	6	0	23	24	0
Large cruiser	0	1	2	3	0	0
Heavy cruiser	15	10	0	25	0	0
Light cruiser	20	15	7	42	0	0
Destroyer	137	45	27	209	0	0
Destroyer escort	160	64	122	346	0	0
Submarine	160	42	32	234	0	0
Total combatant	522	193	194	909	24	0
Patrol craft	45	110	161	316	55	196
Mine craft	51	83	90	224	0	0
Auxiliaries	151	89	97	337	541	3
Landing force vessels*	1,240	124	39	1,403	0	1

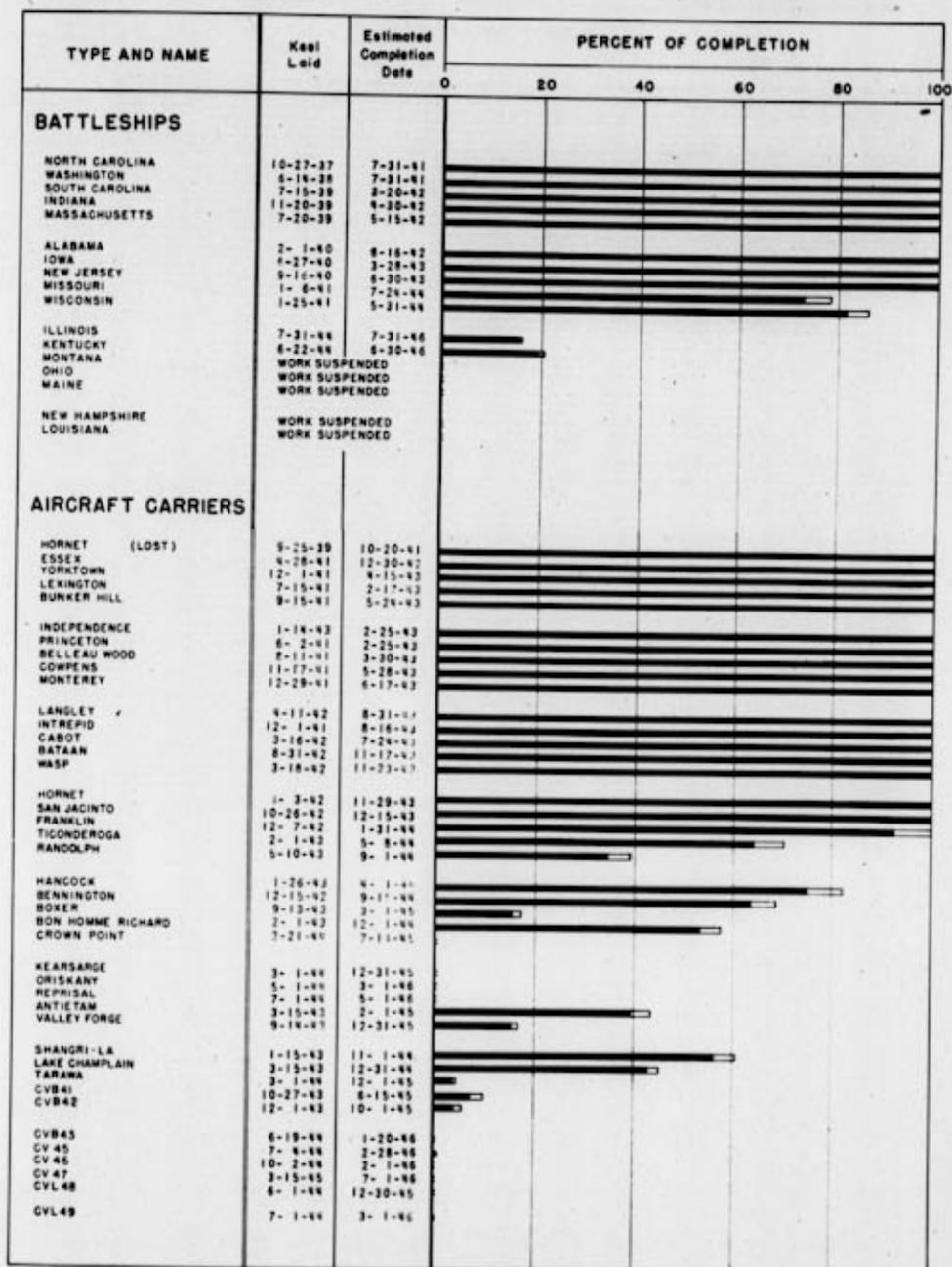
\*LST, LSM, LSD, and LCI(L)

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

## CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

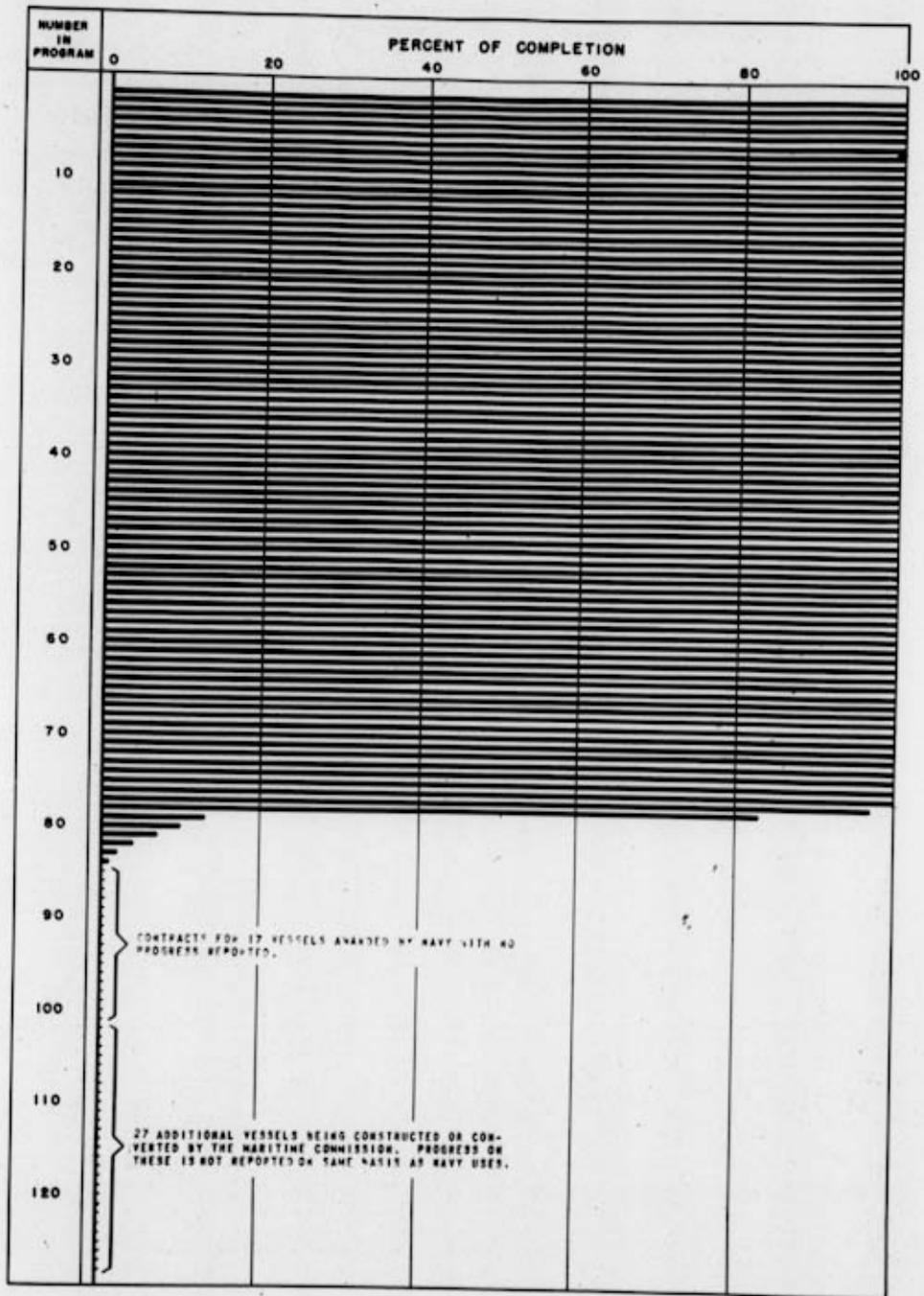
■ PROGRESS JULY 1, 1940 TO JANUARY 1, 1943

□ PROGRESS FOR JANUARY 1944



# CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

PROGRESS JULY 1, 1940 TO FEBRUARY 1, 1944



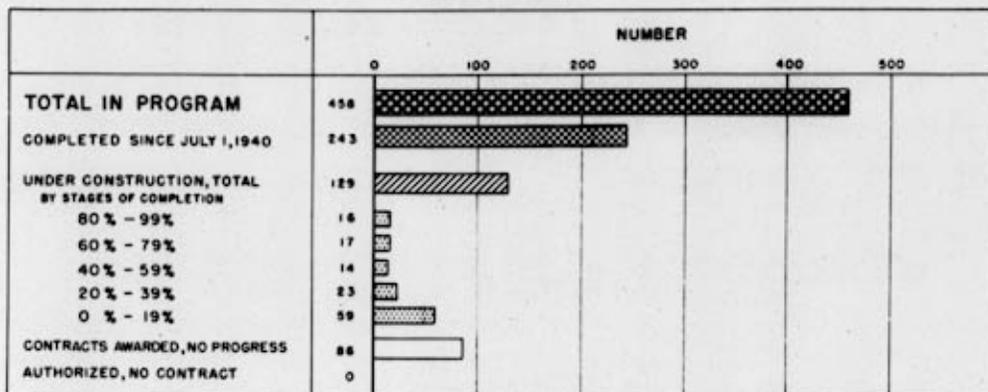




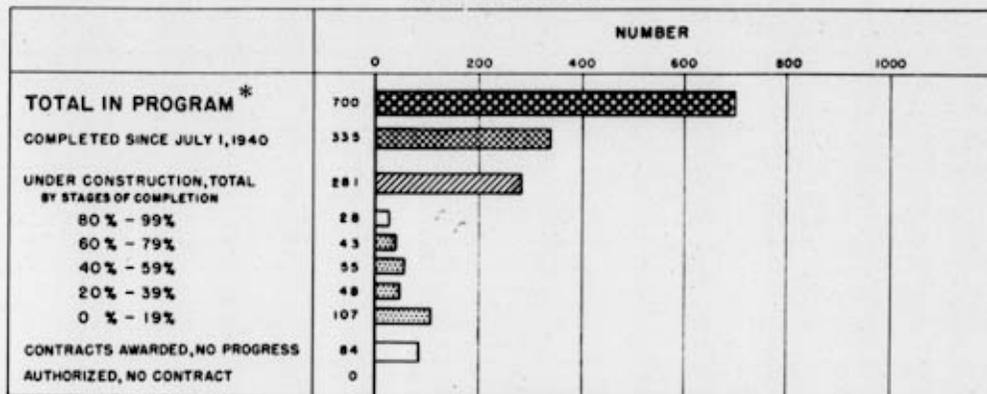
# DESTROYERS, ESCORT VESSELS AND SUBMARINES CONSTRUCTION PROGRAM

FEBRUARY 1, 1944

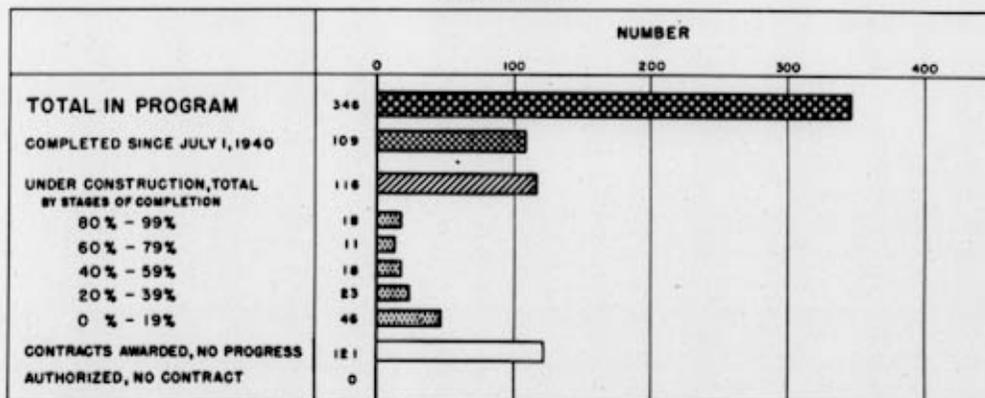
## DESTROYERS



## 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 February 20 had increased 551 since June 30, 1940 to a total of 934. These figures reflect only publicly announced losses.

Selected Naval Vessels on Hand June 30, 1940 and Feb. 20, 1944  
(Includes Lend-Lease Vessels and Conversions)

Type	On Hand June 30 1940	New Comple- tions	Publicly Announced Losses, Transfers, & Reclassi- fications	On Hand Feb. 20 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	8	1	22	7
Aircraft carrier	6	18	4	20	14
Aircraft carrier, escort	0	81	39	42	42
Heavy cruiser	18	4	6	16	-2
Light cruiser	19	17	3	33	14
Destroyer	225	249	129	345	120
Destroyer escort	0	354	81	273	273
Submarine	100	113	30	183	83
Total combatant	383	844	293	934	551
Patrol craft	36	1,361	251	1,146	1,110
Mine craft	36	791	257	570	534
Auxiliaries	138	744	137	745	607
Landing force vessels*	0	965	278	687	687

\*LST, LSD, and LCI(L) (No LSM's yet completed.)

Analysis of Losses, Transfers, and Reclassifications

Seventy-six combatant vessels have been announced as lost by the Navy, 179 vessels transferred and leased, and 49 vessels reclassified through February 29, 1944.

Publicly Announced Losses, Transfers, and Reclassifications  
July 1, 1940 Through February 29, 1944

Type	Lost	Trans-ferred*	Reclassi-fied	Total
<b>Combatant Vessels:</b>				
Battleship	1	0	0	1
Aircraft carrier	4	0	0	4
Aircraft carrier, escort	1	38	0	39
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	41	50	48	139
Destroyer escort	0	82	0	82
Submarine	20	9	1	30
Total combatant	76	179	49	304
<b>Other Vessels:</b>				
Patrol craft	61	191	31	283
Mine craft	13	186	61	260
Auxiliaries	44	81	99	224
Landing craft**	13	253	17	283
Total other	131	711	208	1,050
Grand total	207	890	257	1,354

\*Includes leases, vessels sold, transferred to other United States agencies, or returned to owners.

\*\*LSD, LST, and LCI(L)

Production of Naval Ordnance Materiel

The January rate of delivery for surface-craft and submarine torpedoes, all fire control equipment and surface fire ammunition listed below, and 40mm antiaircraft ammunition will have to be materially increased to meet the 1944 delivery schedule.

Deliveries of Selected Naval Ordnance Materiel  
(Includes Defense Aid and Army Items Procured by the Navy)

Item	Actual Deliveries			Scheduled Deliveries 1944
	Dec. 1943 (Revised)	Total 1943 (Revised)	January 1944	
<u>Torpedoes</u> <sup>1/</sup>				
Surface craft	209	594	251	5,429
Submarine <sup>2/</sup>	741	7,860	638	12,442
Aircraft <sup>2/</sup>	909	6,762	826	8,244
<u>Surface Fire Guns</u>				
Heavy, 12" & 16"---turret	1	6	2	10
Medium, 8" & 6"---turret	4	42	9	88
Light, 4"	12	68	22	171
<u>Antiaircraft Guns</u>				
Heavy, 3" & 5"---mounted barrel	841	8,554	959	9,471
Light, 40mm and 20mm---mounted barrel <sup>3/</sup>	4,313	54,952	4,691	59,973
<u>Fire Control Equipment</u>				
Gun directors	332	3,657	317	6,947
Radar fire control	62	886	36	817
Gun sights, Mk 14	3,023	23,884	2,196	38,207
<u>Ammunition</u>				
Heavy surface fire	3,701	37,388	4,973	115,777
Medium surface fire	34,754	327,485	33,138	684,038
Light surface fire	748M	4,098M	480M	8,387M
<u>Antiaircraft:</u>				
Heavy	637M	5,693M	624M	8,324M
Light: 20mm	37,508M	468,039M	41,209M	449,209M
40mm	2,776M	29,807M	3,962M	85,962M
1"1	434M	6,997M	465M	5,965M

M = 1,000 rounds.

<sup>1/</sup> Turned into store.

<sup>2/</sup> Excludes the British-type torpedo.

<sup>3/</sup> Excludes 40mm singles which are procured from the Army.

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

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 2,959,128 on December 31, 1943 to 3,097,440 on February 15, an increase of 138,312. The total on February 15 was composed of 604,804 regulars, 2,423,527 male reserves, and 69,109 female reserves.

Strength of the Naval Services, Dec. 31, 1943 & Feb. 15, 1944

	Navy	Marine Corps	Coast Guard	Total
Officers	236,121*	29,327	10,882	276,330
Officer candidates	119,834	10,511	1,335	131,680
Enlisted personnel	2,153,763	376,087	159,580	2,689,430
Total, Feb. 15	2,509,718	415,925	171,797	3,097,440
Total, Dec. 31	2,382,041	405,169	171,918	2,959,128
Increase	127,677	10,756	-121	138,312
Percent incr.	5.4%	2.6%	-%	4.7%

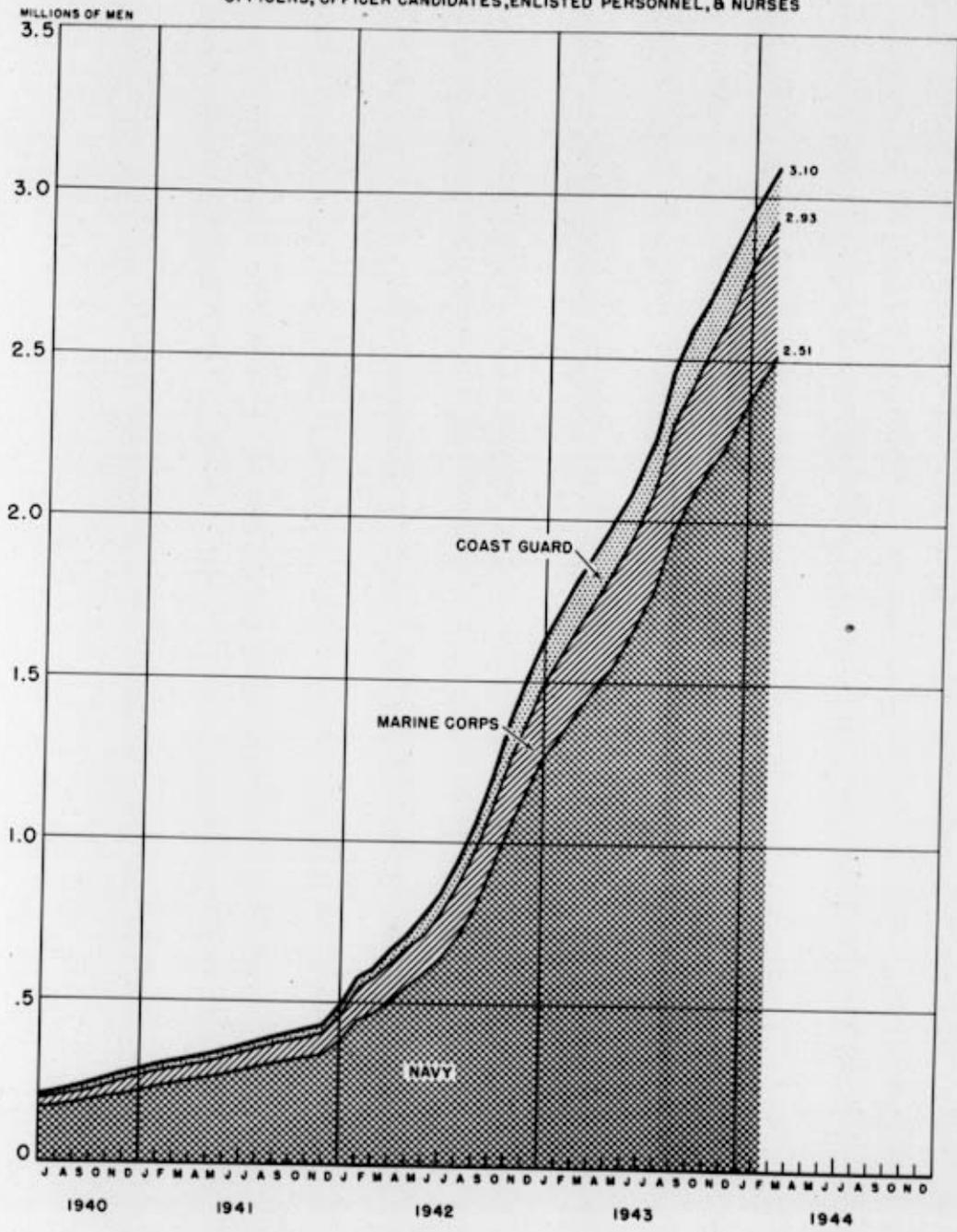
\*Includes 7,268 nurses.

Note: Strengths approved by the President are:

Navy ..... 2,947,500 by June 30, 1944  
 Marine Corps ..... 478,000 by Jan. 1, 1944  
 Coast Guard ..... 174,000 by Jan. 1, 1944

### 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 February 1 through 27, the United Nations reported construction of 1,242,700 dwt. of merchant vessels, while reported losses totaled 190,900. From December 1, 1941 through February 27, 1944, a total of 34.9 million dwt. were constructed, as compared with reported losses of 18.2 million dwt. — a net gain of 16.7 million dwt.

#### Gains and Losses of United Nations' Merchant Vessels Reported Dec. 1, 1941 Through Feb. 27, 1944 (000 Dwt.)

	Dec. 1, 1941 Through Dec. 31, 1943	Jan.	Feb. Thru 27th	Total Through Feb. 27
Gains	32,408	1,286	1,243	34,937
Losses	17,831	221	191	18,243
Net gains	14,577	1,065	1,052	16,694

#### Deliveries by U.S. Shipbuilders

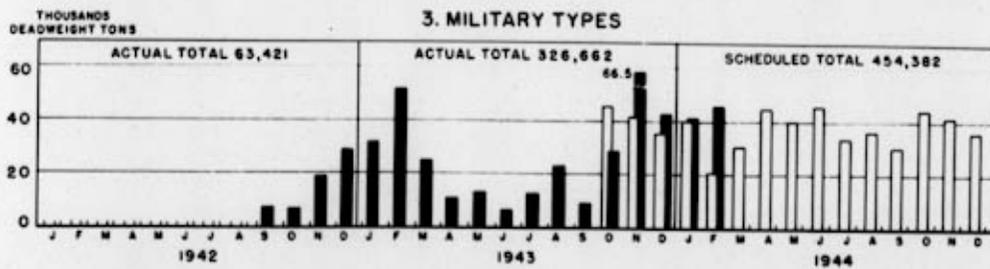
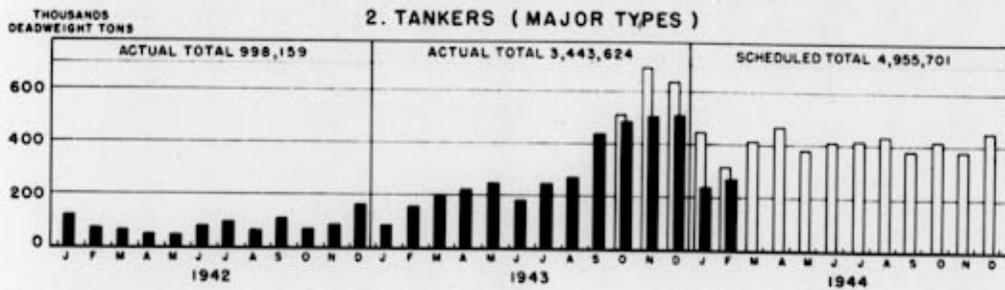
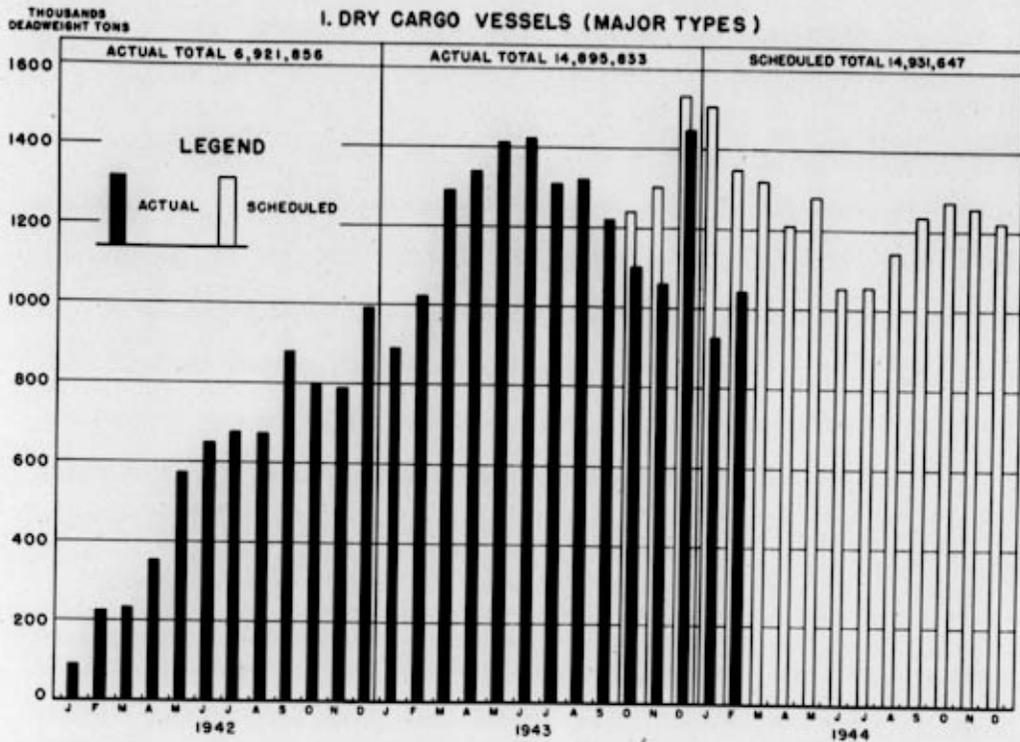
In February, U.S. merchant shipbuilders delivered 122 major-type vessels at 1,360,445 dwt., including 6 vessels for military use. The January deliveries were 112 vessels at 1,183,860 dwt., including military types.

The first Victory cargo vessel was delivered in February.

#### Vessels Delivered by U.S. Merchant Shipyards January and February, 1944

Type	January		February	
	Number	Dwt.	Number	Dwt.
Dry cargo	86	924,498	99	1,041,359
Tanker	14	218,004	17	272,711
Military	12	41,358	6	46,375
Total	112	1,183,860	122	1,360,445

# DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



VI. REVIEW OF PRODUCTION IN SELECTED WAR INDUSTRIES  
(By the War Projects Unit of the Bureau of the Budget)

Small arms production is now past peak demand, and labor requirements will decline one-fourth during the spring of 1944, though heavy machine guns, Garand rifles, and carbines will continue at present volume of output.

Steel ingot capacity in Government plants had reached a total of 4 million tons per year at the end of 1943, but the December rate of operation was only 56 percent of available capacity. Steel requests under existing limitations are declining but still exceed allotments and supply.

Small Arms

When this subject was last reviewed (report for April 1943), some sections of this industry were experiencing production delays because of design changes and material shortages. In general, production for 1943 has met requirements, the peak demand is now past, and the 1944 program anticipates continued large production for only three of the principal types. These are heavy caliber machine guns, Garand rifles, and carbines. A summary of the total supply of small arms for the period 1940-43 (including those initially available) and the program now established for 1944 is shown in the following table:

Small Arms Supply and 1944 Program  
(Thousands of Weapons)

Weapons	Total Supply 1940-43	Program 1944
Machine guns - cal. .50	1,032	736
- cal. .30	543	124
Sub-machine guns	1,469	558
Rifles - Garand	2,350	1,247
- Springfield	4,237	85
- Automatic	102	80
- Cal. .22	121	7
Carbine	3,075	2,953
Shotgun	432	40
Pistol - cal. .45	955	431
Revolver - cal. .38	175	102

Of the total supply to date, only a very minor quantity is in unobligated storage. Besides issues to our own forces, a substantial volume has been provided in international aid, for Springfield rifles (1,420,000) and sub-machine guns (582,000).

At present price levels and volume of production, our small arms supply is costing \$675 million per year, not including auxiliary equipment. Unit costs in small arms production have declined steadily through re-negotiation and through new contracts at lower levels, although a considerable range in unit price still exists among manufacturers producing identical items.

High efficiency in production of the two new principal weapons, the Garand rifle and the carbine, is commended as an outstanding performance. Curtailment of production is following closely upon attainment of requirements, with concentration of operations in a few of the most efficient plants.

During the coming spring, manpower requirements may be expected to decline about one-fourth from present peak levels of 100,000 employees. This decrease will be distributed rather widely in eight states and will not have a great effect on labor supply in critical areas.

#### Steel Expansion Program

This program has previously been reviewed and reported upon in several separate stages. A recent general survey of this industry, covering all the major segments of war expansion except fabrication, is summarized herein.

The total estimated Government outlay for steel plant expansion in these categories amounts to \$653 million. It is providing substantial increases in the industry capacity for ore sintering and for ingot production in electric furnaces, with lesser additions to blast furnace capacity for producing pig iron and to open hearth furnace capacity for steel ingots. Because of extensive construction delays, the actual steel production from these Government plant expansions during 1943 has been very minor, amounting to 1.3 million tons of the total ingot production of 88.8 million, or 1.5 percent. Available capacity in Government plants by the end of 1943, however, was three times this output and represented nearly three-fourths of the peak capacity of Government plants.

In some instances, when Government plants have reached substantial completion, production has not been authorized, and for December 1943 the rate of Government plant operation (in terms of available capacity) for steel ingot production amounted to 56 percent. Capacity and production for the entire industry and for Government plants are summarized for the principal phases of steel-making in the following table:

Steel-Making Capacity and Production

	Capacity or Production (Millions of Tons)					
	Ore Sintering	Blast Furnaces	Steel Ingot			Total
			O. H.	Electric	Bessemer	
<u>Total Industry</u>						
Capacity:						
Jan. 1942	16.37	59.85	75.78	3.74	6.07	85.54
Jan. 1944	18.15	63.23	79.79	5.50	6.07	91.36
Peak (by July 1944)	26.20	69.39	82.86	6.21	6.07	95.14
Production, 1943	5.32	60.27	78.60	4.61	5.63	88.84
<u>Government Plants</u>						
Capacity:						
Jan. 1944	1.72	4.96	2.38	1.69	--	4.07
Peak - Amount	5.78	7.69	3.79	1.92	--	5.71
- % of total	22%	11%	4.5%	31%	--	6%
Production, 1943	0.96	2.21	0.51	0.80	--	1.31
Rate of Operation, Dec., 1943 (% of avail. cap.)	87%	77%	58%	54%	--	56%

The supply and requirements for steel ingot and finished steel products are summarized by quarters in the following table:

Total Steel Supply and Requirements

Period	Ingot Supply	Volume (Millions of Tons)					
		Finished Steel Products					
		Supply			Yield	WPB Allotments	Requests
		Conversion Factor (%)		Carbon			
Carbon	Alloy						
1943 I	21.83						
II	21.88	74.9%	61.7%	17.53	19.30	20.96	
III	22.58	73.6	60.3	16.06	19.11	23.61	
IV	22.54	73.0	62.0	17.13	19.29	22.25	
Total	88.84						
1944 I	22.88	71.4	62.0	16.69	19.32	21.26	
II	22.80*	71.2	62.0	16.71	19.12	20.21	

\*WPB Steel Division, Jan. 15, 1944

It appears that total requests, under existing WPB limitations on the use of steel, are declining; that WPB allotments have remained practically constant for the past year and are still below amounts requested; and that allotments exceed by about 15 percent the volume of finished steel products made available by the actual or anticipated ingot supply. The steel program for the second half of 1944 is not yet announced.

## VII. ECONOMIC STABILIZATION PROGRAM

Intensification of the conflict over wage and price control is expected -- the current controversy over the cost-of-living index being only a prelude -- as renewal of the Emergency Price Control Act, expiring June 30, is considered in Congress. The Baruch-Hancock Report on War and Postwar Adjustment Policy recommended prompt renewal as vital both for the continued prosecution of the war and for transition to peace.

Prices -- cost-of-living: The cost of living declined 0.2 percent between mid-December and mid-January, mainly as a result of declines in retail egg prices. Effective control over clothing prices in the face of quality deterioration and the short supply of low-cost clothing is the most immediate problem; pricing of new supplies of durable consumer goods may soon require attention.

Prices -- farm: Farm prices averaged 115 percent of parity in February, a reduction of 1 percent from January, as prices received by farmers declined 0.5 percent and prices paid rose 0.6 percent. Congress extended borrowing authority of the Commodity Credit Corporation to June 30, 1945, without a subsidy-crippling rider, after upholding the President's veto of a measure which would have killed the Administration's program for holding down food prices. Congressional opposition to the expansion of the subsidy program persists.

Wages: Labor pressure for increased wages will emerge on an intensified scale on March 8, when a War Labor Board panel considers the demand of the steel workers for a 17-cent hourly wage boost. The Thomas-Meany report on the cost of living, which attempts to demonstrate that the cost of living has risen 43.5 percent since January 1941, has been subjected to devastating criticism by the Bureau of Labor Statistics.

Taxes: The revenue act recently passed over the President's veto will absorb a negligible amount of excess purchasing power. The act is definite evidence of Congressional refusal to make further significant use of taxes to combat inflation. The Ways and Means Committee has now turned to the urgent problem of tax simplification.

War Bonds: Sales of Series E bonds totaled \$3.2 billion during the Fourth War Loan (60 days) as compared with \$2.5 billion in the Third War Loan (46 days). As in November and December after the Third War Loan, sales in March and April will sharply decline.

## VIII. AGRICULTURE AND WAR FOOD ADMINISTRATION

Reflecting increased supplies and lower prices of several important farm commodities, the index of prices received by farmers declined one point in February. Some of these commodities reached marketing peaks which necessitated Government marketing supports and campaigns to encourage increased consumption. There is danger that some fresh fruits and vegetables in 1944 may be left unharvested for lack of containers unless farmers and handlers can be induced to re-use containers. Nationals of Mexico and the Bahamas are now being recruited for farm labor in the United States for the 1944 season.

### Prices

Somewhat lower prices for truck crops, citrus fruits, eggs, and cotton more than offset higher prices for meat animals, soybeans, peanuts, and apples, and the index of prices received by farmers declined from 196 in January to 195 in February (August 1909-July 1914 = 100). By mid-February, cattle, eggs, oranges, wool, and cotton had been added to the list of commodities for which farm prices were lower than a year earlier. Cotton prices averaged lower, largely because the proportion of long-staple sale was smaller. Meantime, the index of prices paid by farmers, including interest and taxes, rose one point to 107 (1910-1914 = 100). This parity index has risen one point per month on the average since December 1941.

### Farm Machinery and Supplies

The potash situation has improved recently and there will be about 5 percent more available for fertilizer than the average of the last two crop years, but this will be a little less than last year.

Cotton farmers should stock up now on calcium arsenate in order to be prepared for cotton pests. Warehouses in the cotton country cannot hold large enough stocks of insecticides to take care of the serious outbreaks, and there is danger that transportation might not be available to meet heavy demands quickly during the crop season.

### Farm Labor

By the end of March approximately 15,900 workers will be brought into the United States for various kinds of farm work. Of this total, 14,600 will be from Mexico and 1,300 from the Bahamas. These workers will supplement the 19,155 foreign agricultural workers now in this country. Processors, when authorized by the War Food Administration, may use workers transported under the Government's farm labor program for processing perishable or seasonal agricultural products.

The additional work-load to meet the 1944 farm goals will require the equivalent of 288,000 additional men, each working 250 ten-hour days per year. Perhaps as many as 500,000 new workers will have to be found to do the added work. The bulk of the farm work must be done by farmers and their families with the aid of village and city neighbors.

A mobile task force of 126,000 experienced workers will be available and will be shifted from area to area of critical need to assist local labor forces in production and harvesting of essential food and fiber.

### Food Distribution

With enough butter supplies now on hand to draw on for Lend-Lease, U.S. territories, and other minor requirements, the butter set-aside program will be reinstated April 1 solely for the purpose of meeting the needs of U.S. armed forces and war services. However, it is anticipated that the April set-aside quotas will be relatively small and that civilians will have somewhat greater quantities of butter available during April than for the last few months.

The total allocation of sugar for all civilian uses in 1944 will be about 6 percent below the amount consumed last year, but the reduction will be made in industrial uses so that the household ration can be maintained at the current level. The tremendous demand for industrial alcohol for the manufacture of synthetic rubber and other war uses makes it necessary to use more raw sugar for this purpose.

Egg supplies have been so large that purchases of shell eggs and dried eggs equivalent to 3,980,000 cases have been made since January 1 in order to maintain support prices to farmers.

The largest crop of winter cabbage on record has been moving in a

Potatoes continue to be abundant. Large stocks of late potatoes are still on hand, with the new crop starting to market. The feasibility of making alcohol from potatoes is now being investigated.

The quantities of canned fruits and vegetables that canners must set aside for Government requirements from their 1944 production have been increased to meet expanded military needs overseas. For our allies, the canned fruit and vegetable requirements from the 1944 pack are expected to be substantially the same as from the 1943 pack.

To get more beef for the armed forces, beef set-aside requirements will be extended, beginning April 1, to packers who in the past have not been operating under Federal inspection and who slaughter weekly 52 or more cattle that produce Army-type beef.

The present difficult situation with respect to cold storage space is expected to continue through the first six or seven months of 1944. The shipping situation will be an important factor in determining whether or not controls over the cold storage space will be necessary.

In 1943, deliveries of food and other agricultural products for export under the Lend-Lease Act totaled 11,488,000,000 pounds, almost double the amount of 1942 deliveries.

The estimated average daily participation in the School Lunch Program during the month of January was 4,160,000 children in nearly 30,000 schools. Approximately 12.8 percent of these children received their lunches free and another 4.2 percent received meals at less than the prevailing charge. The average cost per meal to the U.S. Government was 5.8 cents.

IX. WAR FINANCES

Expenditures

Expenditures for war purposes during February were \$7.8 billion or an annual rate of \$97.7 billion. The total for the first eight months of F.Y. 1944 was \$58.6 billion — 64 percent of the estimate of \$92 billion for the fiscal year.

	<u>Jan.</u>	<u>Feb.</u>	<u>8-Month Average for F.Y. 1944</u>
	( B i l l i o n s )		
Monthly rate	\$7.4	\$7.8	\$7.3
Adjusted annual rate	89.3	97.7	88.2

Appropriations

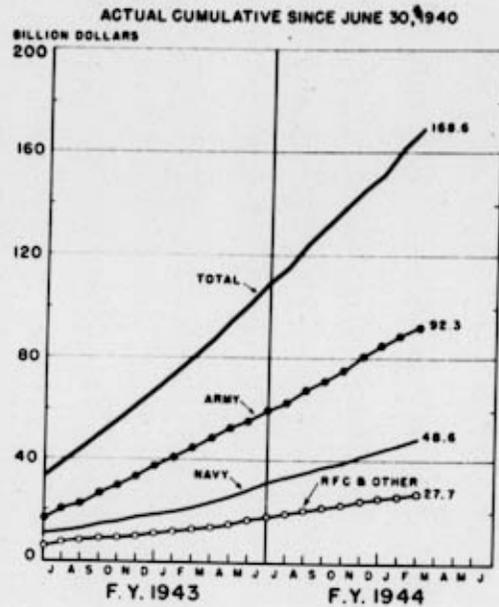
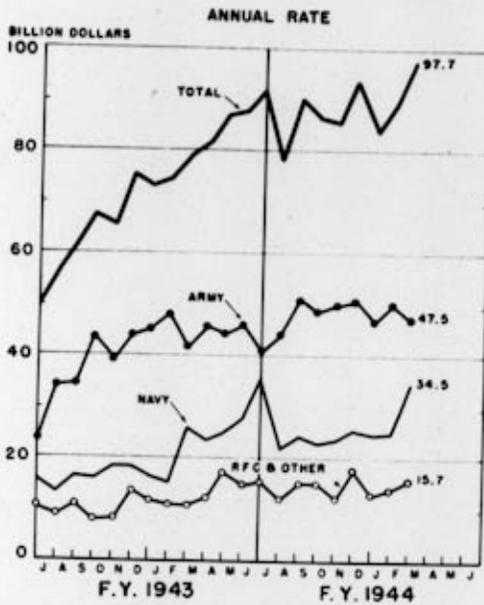
Due largely to a decrease of \$1.8 billion in the estimate of appropriations required after June 1944 to complete the Navy shipbuilding program, appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes decreased \$1.6 billion in February to a total of \$346.6 billion. Net expenditures against this amounted to \$168.6 billion.

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

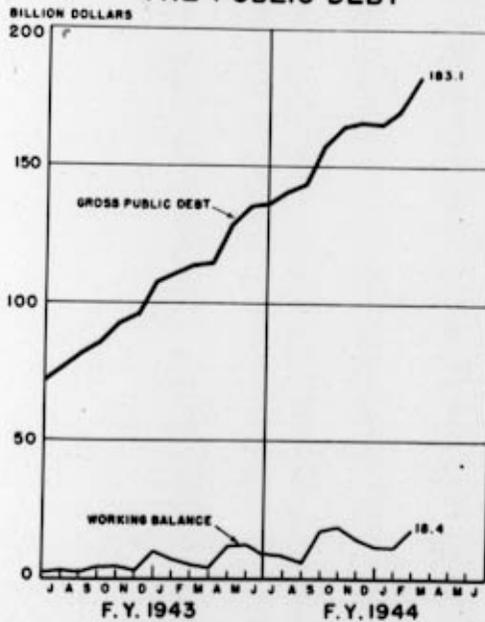
	Appropriations & Authorizations			Expenditures
	F.Y. 1941 Thru F.Y. 1943	F.Y. 1944	Total	F.Y. 1941 Thru Feb. 1944
War	\$126.6	\$59.0	\$185.6	\$ 92.3
Navy	47.5	28.6	76.1	48.6
Maritime Commission	11.0	.03	11.0	6.5
Govt. Corps. (commit.)	19.9	2.2	22.1	7.6
Other	32.7	3.7	36.4	13.6
Est. approp. required beyond F.Y. 1944 for completion of Navy	—	—	15.4	—
<b>Total</b>	<b>\$237.7</b>	<b>\$93.5</b>	<b>\$346.6</b>	<b>\$168.6</b>

# RECEIPTS, EXPENDITURES AND PUBLIC DEBT\*

## WAR EXPENDITURES

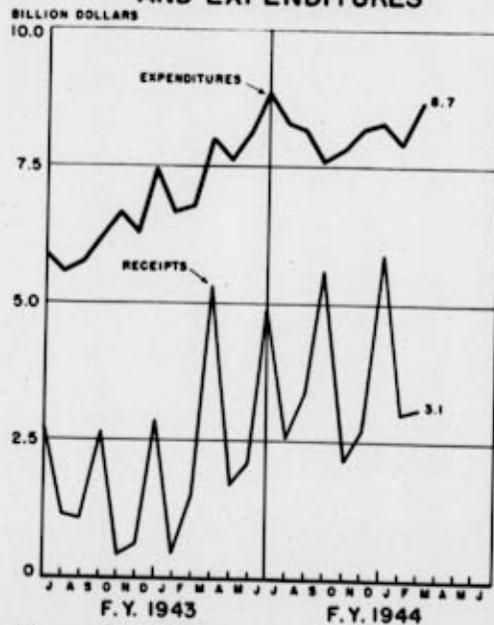


## THE PUBLIC DEBT



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

## TREASURY RECEIPTS AND EXPENDITURES\*\*



\*\* EXCLUDES PUBLIC DEBT ACCOUNTS

## X. MANPOWER

In January, the labor force and number of employed persons declined, while the number of unemployed persons increased through seasonal factors and contract cancellations. This resulted in easing the manpower situation in labor stringency areas, although areas of acute labor shortage increased slightly and areas of substantial labor reserves declined. Peak employment seems to be reached in war production plants at 9.8 millions. A shorter work week in December resulted in a decline in average weekly earnings. In manufacturing industries, for the first time in many months, employee accessions in December were significantly lower than separations, and absence rates increased. Fewer workers were involved in strikes and fewer man-days were lost for this cause in January than in December.

### Labor Force and Employment

For the first time in five months, the number of unemployed persons in January rose above one million. The level of employment dropped to 50.4 million, the lowest level since February 1942. The labor force also declined from 51.9 million in December to 51.5 million in January, a seasonal decline which was smaller than a year ago.

Preliminary estimates of manufacturing employment indicate a continued decline in the numbers employed in January as compared with December. Seasonal declines in trade, in post offices, and in construction are expected after Christmas, but the decline in manufacturing is not entirely seasonal. The January level is 13.6 million, which is 370,000 less than in November. This decline reflects "cut-backs" and contract completions in certain munitions industries, and a return to prewar seasonal patterns in other industries.

### The Munitions Industries

As a group, the munitions industries probably reached peak employment in January 1944, at a level of 9.8 million. Employment in this group of industries has risen from 4.1 to 9.8 million since July 1940. The increase during 1943 of 700,000 was small as compared with increases in 1941 and 1942. Changes in employment in these industries do not fully reflect

the increase in manpower used for munitions production. In July 1940, the output of the industries included in this group was almost entirely for civilian purposes. At present, virtually the entire output is for war purposes. The increase in employment in munitions production, therefore, is about equal to total employment in the munitions industries at the present time.

### Labor Shortage Areas

Despite curtailment of war production in some areas or plants, the number of critical labor shortage areas increased from 67 to 68 during the month of January. The number of areas of labor stringency declined from 119 to 116. Areas of slight labor reserves increased from 112 to 117, while areas with substantial labor reserves declined from 60 to 55.

The adequacy of the labor supply in an area was not taken into account in the award of war contracts until late in 1942. By September 1943, manpower had become of such importance that it was second only to delivery date as a consideration in award of contracts, both primary and secondary. The emphasis of awarding contracts in areas of adequate labor supply has, in the past six months, reduced the proportion of all contracts going to critical areas and increased the proportion going to areas with substantial labor reserves. Nevertheless, in view of the necessity for utilizing to capacity all facilities, regardless of their location, and the fact that most major war centers are experiencing labor shortages, it is not surprising to find that four-fifths of all supply contracts are being awarded to labor shortage or anticipated shortage areas.

To date, the effect of "cut-backs" in production schedules has not made much impression on national employment and unemployment levels. Most workers who were laid off were quickly re-absorbed into other plants in the same area or migrated to other areas and were employed elsewhere. A wave of "cut-back jitters" in certain sections of Pennsylvania and Ohio in December and January led to high quit rates in anticipation of lay-offs. A few plants in this area experienced difficulty in reassembling the work force after a temporary shut-down.

### Hours and Earnings

A shorter average work-week, coupled with a decline in employment, resulted in  $1\frac{1}{2}$  million fewer man-hours worked in manufacturing in the mid-week of December as compared with the mid-week of November 1943. Average hours worked declined from 45.5 in November to 44.9 in December. Average hourly earnings remained the same (99.5 cents) and weekly earnings of factory workers declined from \$45.32 to \$44.68 from November to December. Average weekly earnings in durable goods industries, where most war production is concentrated, amounted to \$50.50, while earnings in the nondurable goods industries averaged \$35.61.

### Labor Turnover and Absenteeism

The average accession rate in manufacturing industries continued to decline in December to the lowest rate in either 1942 or 1943. This is the first month in which hirings were significantly below separations. The decline in accessions, together with increased lay-offs, resulted in a decline in employment in some war production industries. The December lay-off rate was nearly twice the rate prevailing in recent months. The quit rate for all manufacturing declined from 4.46 in November to 4.28 in December. Total separation rates, however, increased from 6.37 to 6.39. Separation rates ranged from 2.39 in factories producing wire products to 10.44 in aluminum and magnesium smelters and refineries.

Rates of absenteeism in war industries averaged 8.6 in December 1943, in a range from 5 in blast furnaces and rolling mills to 10 in the air-frame industry. December rates were considerably higher than in any month during the year, reflecting disruption of work schedules during the holiday season and increased illness.

### Strikes

January 1944 strikes are estimated at 330, involving 110,000 workers and accounting for 625,000 man-days lost. This represents little change in the number of strikes from December, but less than half as many workers were involved, and the number of man-days lost was substantially less than in the former month.

XI. ADMINISTRATIVE DEVELOPMENTS

The most noteworthy development during February was the establishment of the Surplus War Property Administration and the Retraining and Reemployment Administration as parts of the Office of War Mobilization and under administrators appointed by the Director of War Mobilization. Their powers are in line generally with the recommendations of the Baruch-Hancock report, which also contained further suggestions with respect to the Joint Contract Termination Board of the OWM. Much remained to be accomplished in working out the proper relations between all three of these top policy-making and supervisory agencies and the operating departments and agencies subject to their direction.

Office of War Information

During the month of February, the Overseas Branch of the Office of War Information was reorganized in connection with the preparation of its 1945 budget estimates. The changes were made in order to strengthen the control of the Director's office and to reduce the possibility of independent action in New York not in conformance with OWI policies. The Editorial Board in New York was abolished and steps were taken to bring about the centralization of intelligence and planning activities in Washington. The details of the reorganization have not been fully developed as yet.

Office of Defense Transportation

The controversy between ODT and ICC over control of railroad operations remained unsettled. Action on a proposed executive order transferring certain functions to ODT was postponed.

War Production Board

The Baruch-Hancock report cleared the air somewhat with respect to the prospective role of the WPB in reconversion and thereby reduced uncertainty within the Board. The recommendations of the report concerning the relations between WPB and the procurement agencies in reconversion will require further development and refinement.

Although cutbacks and cancellations of war contracts were beginning to raise questions of reconversion policy, there was continued delay in setting up an adequate internal organization of the WPB to handle reconversion questions. The issues of reconversion, however, were discussed in various WPB committees and in the Board itself.

#### Office of Price Administration

Discussions were continued with the WPB to work out arrangements whereby that agency will refer, for the attention of the OPA, production programs which are lagging or in which required production is not being achieved. Changes in procedure were made in line with recommendations by the Bureau of the Budget. Considerable thought was also being given to the establishment of pricing techniques and procedures for expediting the resumption of production of civilian items where such production is authorized by the WPB. A preliminary draft of a price order to govern the sale of surplus war materials was completed, and discussions were held with representatives of the Surplus War Property Administration to coordinate OPA policies with that agency.

Several changes were made in rationing programs. The institutional-user regulations were revised and additional categories of users established. A WFA-OPA committee was established to consider the dietary requirements of certain classes of workers who participate in plant feeding programs. It was agreed that where WFA certifies that the daily caloric requirements of a group of workers is above normal, OPA will increase the institutional allotments of rationed foods. This plan, a form of differential rationing, will be confined to institutional users and will not be extended to individuals.

Price Administrator Bowles took the lead in a new campaign to reduce black-market operations. In several radio talks, he emphasized the public's interest and role in stamping out the black markets, and the OPA is intensifying compliance-checking activities at the retail level.

Some thought was given to administrative changes that might be made as a result of amendments to the Emergency Price Control Act when and if it is renewed by Congress.

#### State Department Reorganization

Some headway has been made in the Department of State toward putting into effect the reorganization of January 15. The new Policy Committee is meeting regularly, and apparently with good results for morale as well as for expediting departmental business. Communications to and from the field are moving more rapidly. Concentrated attention is being given to the improvement of Foreign Service facilities. A few key positions in newly created divisions have been filled.

On the other hand, changes in lines of responsibility and authority have led to some inevitable clashes of personalities. Some parts of the reorganization are already calling for further revision. Very little tangible progress has been made in some essential spots: the Department as yet has no personnel director, its system of recruitment and appointment remains a barrier to bringing new blood into the Department, and a Chief for the Division of Administrative Management has not yet been appointed.

#### Foreign Economic Administration

Although progress has been made on some FEA programs where subordinates have taken the initiative, the organization's chief problem continues to be a lack of unified leadership and effective top management. Confused lines of responsibility in the top levels represent a decided handicap to the operating divisions.

One encouraging aspect on the operations side is the energetic way in which the new Office of Food Programs is being established. The food program, particularly as it concerns increased production abroad for relief needs, has been seriously neglected in the past; hence the current recognition of the seriousness of the situation in FEA is most hopeful.

Definite progress has been made during the month in working out the relationships and programs of the Army and FEA with respect to the liberated areas. While much still remains to be done along the lines of mutual planning, the situation is much improved over six months ago.

The State Department and FEA have not yet reached satisfactory working agreements on the field relations and the management of field staffs.

#### War Refugee Board

The War Refugee Board program seems to be moving ahead with the full cooperation of the State Department. The Department has appointed special refugee attaches for four countries. These attaches will answer to the Executive Director of the Board and will administer its program. The Board has also worked out arrangements for detail of personnel to the Board from the Treasury Department.