

Report 42

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

March 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

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

file.

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

April 18, 1944.

MEMORANDUM:

For the personal attention of
the President.

H. D. S.

Report 42

[REDACTED]

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

March 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

[REDACTED]

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 3(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	14
V. Merchant Shipping	27
VI. Review of Production in Selected War Industries	30
VII. Stockpile Program of Selected Critical and Strategic Material	32
VIII. Agriculture and War Food Administration	33
IX. War Housing	36
X. War Finances	37
XI. Economic Stabilization Program	39
XII. Manpower	40
XIII. Administrative Developments	43

CHARTS

1. Monthly Acceptances of Military Airplanes	3
2. Army Air Forces Military Personnel	6
3. Army Military Personnel	12
4. Construction Progress on Battleships and Aircraft Car- riers	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. Construction Progress on Destroyers, Escort Vessels, and Submarines	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: 103.4 million pounds of military airframes were accepted in March. The number of aircraft accepted was 9,118, of which 1,569 were four-engine bombers. The first three jet-propelled fighters were accepted in March. (Pages 2-3)

Army Air Forces: 29,945 first-line combat planes were on hand on April 1. Active-duty personnel of the Army Air Forces totaled 2,403,499 on March 1, and 101,900 were pilots. (Pages 4-6)

Navy Aeronautical Program: The Navy had 18,620 combat airplanes on hand March 23. Navy, Marine Corps, and Coast Guard military aviation personnel totaled 301,888 on March 1, and 40,498 were pilots. (Pages 7-8)

Active Military Strengths

	<u>Total All Classes</u>	<u>Date</u>
Army	7,750,000	Apr. 1
Navy, Marine Corps, and Coast Guard	3,188,862	Mar. 15
The Army reported 3,147,933 overseas		Apr. 1

(Pages 11-12, 25-26)

Selected Ordnance Production

	<u>January</u>	<u>February</u>
Torpedo, submarine	638	714
Medium tank	480	507
Command truck, $\frac{1}{2}$ ton, 4 x 4	15,572	15,202
Gun, 155mm	6	9
Carbine, .30 cal.	342,158	317,114

(Pages 9, 24)

Navy Ship Construction: 126 combatant vessels have been completed in 1944 through March 20: 1 aircraft carrier, 16 aircraft carrier escorts, 1 light cruiser, 23 destroyers, 70 destroyer escorts, and 15 submarines. (Pages 15-21)

Merchant Shipping: From March 1 through 26, the United Nations reported construction of 1,152,000 dwt. of merchant vessels, while losses reported were 208,000 dwt. -- a net gain of 944,000 dwt. (Pages 27-29)

II. AERONAUTICAL PROGRAM

March Aircraft Production

Preliminary reports indicate that 103.4 million pounds of airframes (spares included, gliders excluded) were accepted in March — an increase of 9 percent over the weight of February acceptances. Twenty-two percent of the 1.29 billion pounds scheduled for 1944 were accepted in the first quarter of the year.

The number of military aircraft accepted in March was 9,118, as compared with 8,760 in February. There were 1,569 four-engine bombers accepted, including 60 B-29's, as well as the first three jet-propelled fighters (P-59).

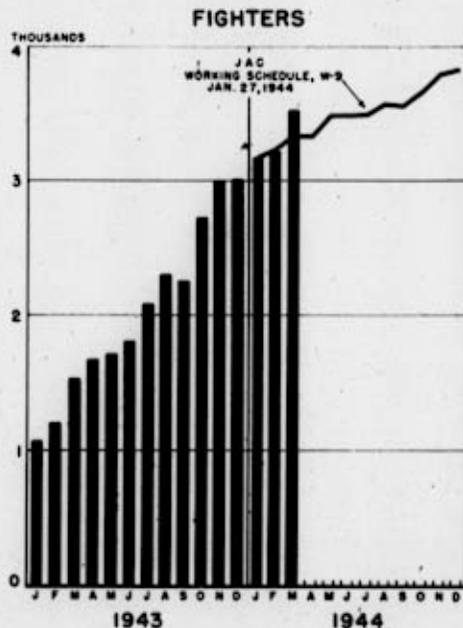
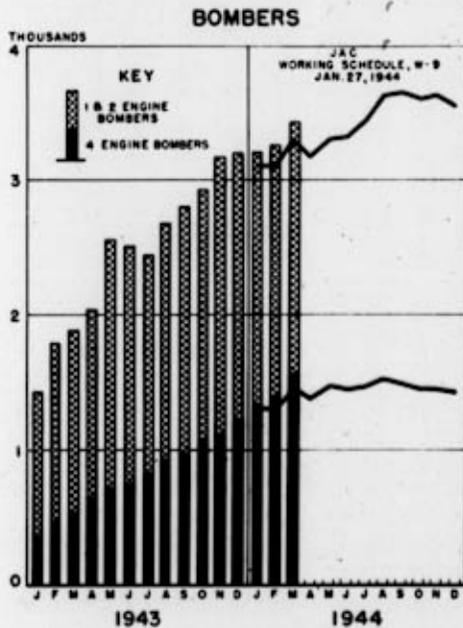
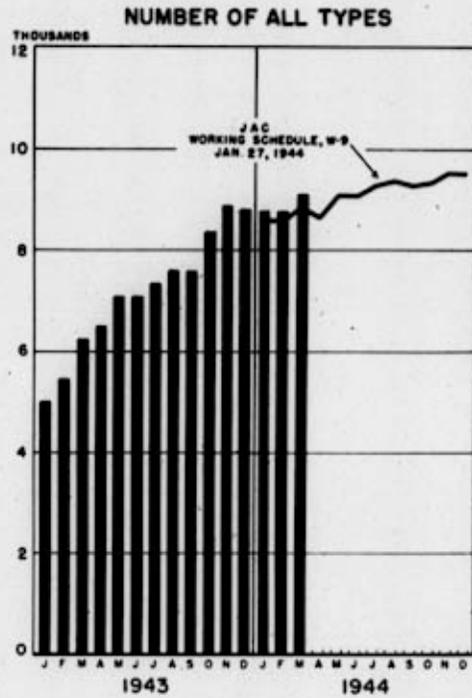
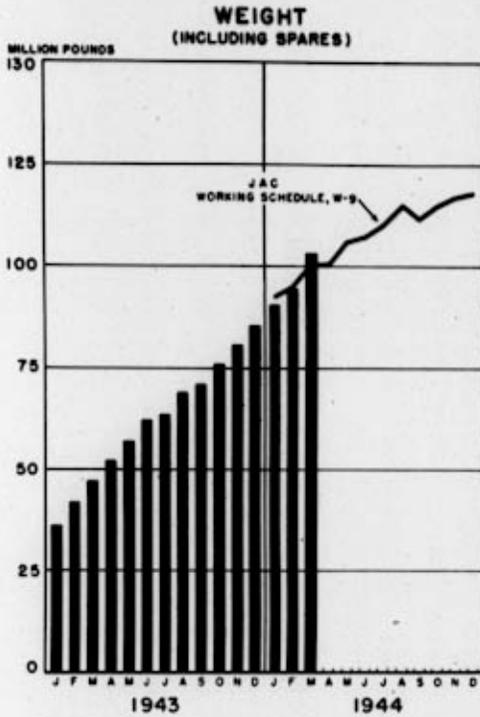
Aircraft Acceptances and Schedule, 1944

Type	Actual Acceptances			Total Scheduled 1944*
	February	March	Jan. Thru March	
Bomber, 4-engine, long-range	57	60	171	1,474
Bomber, 4-engine, other	1,340	1,509	4,135	16,483
Bomber, 2-engine	1,049	1,110	3,171	12,608
Bomber, 1-engine	820	750	2,436	9,609
Fighter	3,229	3,535	9,937	43,646
Reconnaissance	0	0	43	198
Total combat	6,495	6,964	19,893	84,018
Transport, 4-engine	33	40	96	963
Transport, 2- and 1-engine	821	885	2,451	9,849
Total tactical	7,349	7,889	22,440	94,830
Trainer	1,004	901	3,047	8,587
Liaison	375	273	1,069	2,751
Rotary wing	6	6	13	572
Target and drone	26	49	98	2,249
Grand total	8,760	9,118	26,667	108,989

*W-9 Schedule, revised March 30, 1944

On March 31, there was a pool of 1,275 accepted but undelivered aircraft, of which 73 percent were tactical types.

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Army Air Forces

A. Airplanes. On March 31, the Army Air Forces had on hand 29,945 first-line combat airplanes. Of these, 9,259 were four-engine bombers--an increase of 785 heavy bombers during March. Of the total combat planes, 17,131 or 57 percent were overseas on March 31.

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

Type	On Hand Feb. 29 1944	March		On Hand Mar. 31 1944	Mar. Net Gain
		Gains	Losses*		
<u>Combat</u>					
Bomber, heavy, long-range	182	53	0	235	53
Bomber, heavy	8,292	1,374	642	9,024	732
Bomber, medium	4,187	421	298	4,310	123
Bomber, light	1,243	171	89	1,325	82
Fighter	13,561	1,759	943	14,377	816
Reconnaissance	626	73	25	674	48
Total combat	28,091	3,851	1,997	29,945	1,854
<u>Transport</u>					
Heavy	525	65	20	570	45
Medium	3,103	409	36	3,476	373
Amphibian	30	0	1	29	-1
Utility	3,606	231	48	3,789	183
Total transport	7,264	705	105	7,864	600
Total combat & transport	35,355	4,556	2,102	37,809	2,454
<u>Trainers</u>	26,997	794	379	27,412	415
<u>Communications</u>	3,994	331	173	4,152	158
Total, all types	66,346	5,681	2,654	69,373	3,027

*Includes losses from enemy action, survey, etc.

A.A.F. Airplanes in Continental U.S. and Overseas -- Mar. 31, 1944

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,768	1,825	509	5,416	4,642	30,829	47,989
Overseas	4,491	2,485	816	8,961	3,222	1,409	21,384
Total	9,259	4,310	1,325	14,377	7,864	32,238	69,373

B. Personnel of the Army Air Forces. The active-duty strength of the Army Air Forces totaled 2,403,499 on March 1 -- an increase of 3,348 during February. Pilots on active duty were 88 percent of required strength by June 30, 1945.

Active-Duty Strength of the Army Air Forces, March 1, 1944
and Minimum Requirements by June 30, 1945

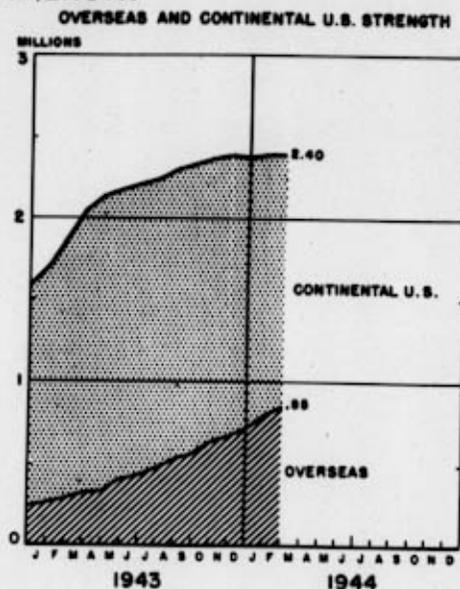
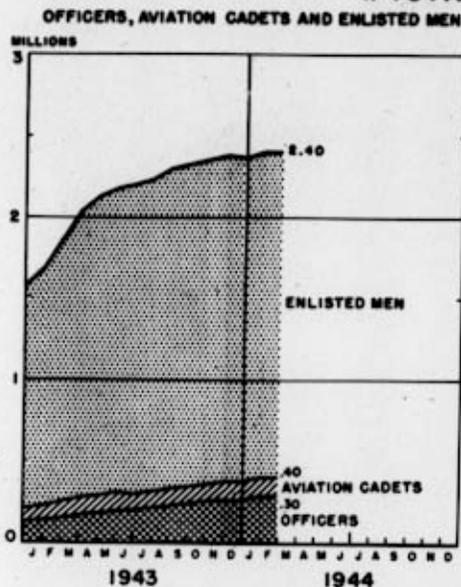
Type of Personnel	Officers	Enlisted	Total	Minimum Requirements by 6-30-45*
Pilot (includes glider and service)	100,142	1,758	101,900	116,093
Aviation cadet	--	104,662	104,662	85,180
Bombardier and navigator	33,995	323	34,318	45,079
Aerial gunner	--	18,026	18,026	35,540
Photo gunner	--	239	239	227
Airplane mechanic-gunner	--	33,395	33,395	21,429
Armorer-gunner	--	22,861	22,861	19,488
Radio operator-gunner	--	21,305	21,305	15,429
Observer	375	--	375	181
All other	162,049	1,904,369	2,066,418	1,977,555
Total	296,561	2,106,938	2,403,499	2,316,201

*The total requirement as of June 30, 1945 is not the peak requirement of the A.A.F. program. The peak of 2,412,236 was required on December 31, 1943. The total requirement tapers off commencing August 1944.

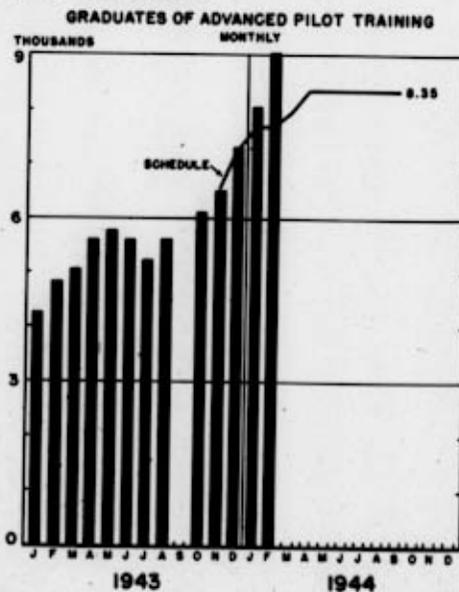
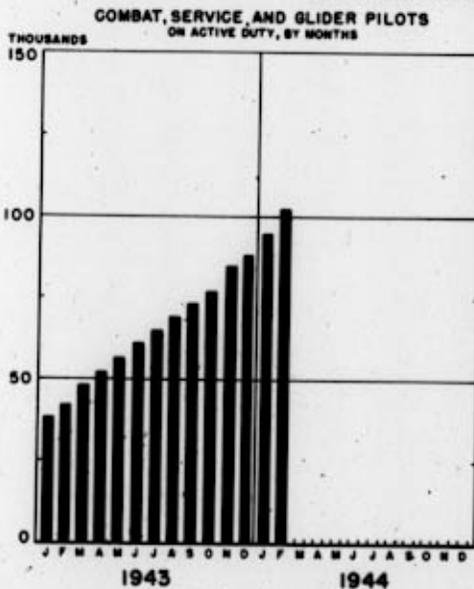
C. Flying Training. During February, 9,149 pilots were graduated from advanced training. Since the beginning of the war emergency, a total of 113,127 pilots have completed advanced training.

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 March 23, the Navy, Marine Corps, and Coast Guard reported a total of 29,826 useful airplanes on hand. Of these, 18,620 were tactical combat types -- an increase of 1,164 tactical combat planes since February 29.

Navy Airplanes on Hand — Feb. 29, Mar. 23, and Additions and Losses in March

Type	On Hand Feb. 29	March 1 to 23		On Hand Mar. 23
		Additions*	Losses	
<u>Tactical Combat</u>				
Fighter	7,062	825	90	7,797
Scout bomber	4,124	330	80	4,374
Torpedo bomber	2,545	168	47	2,666
Patrol bomber--sea	1,437	58	17	1,478
Bomber--land:				
4-engine	338	0	7	331
2-engine	847	45	12	880
Observation scout	1,103	12	21	1,094
Subtotal	17,456	1,438	274	18,620
<u>Tactical Non-Combat</u>				
Utility	627	20	1	646
Transport	861	22	5	878
Subtotal	1,488	42	6	1,524
<u>Training</u>	9,261	152	60	9,353
<u>Experimental and Misc.</u>	313	25	9	329
Grand total	28,518	1,657	349	29,826

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

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 8,851 during February to a total of 301,888 on February 29. This total is 84.5 percent of the required strength on June 30, 1944. The number of pilots is 86 percent of requirements on that date.

Navy and Marine Corps Active-Duty Military Aviation Personnel
February 29, 1944, and Requirements for June 30, 1944

	Navy		Marine Corps		Total	
	Require- ments 6-30-44	Actual Feb. 29	Require- ments 6-30-44	Actual Feb. 29	Require- ments 6-30-44	Actual Feb. 29
Pilots	37,405	31,495	9,562	9,003	46,967	40,498
Other:						
Officers	26,457	26,095	4,762	3,651	31,219	29,746
Enlisted	188,362	154,106	90,510	77,538	278,872	231,644
Total	252,224	211,696	104,834	90,192	357,058	301,888

C. Pilot Training. Student pilots in training for heavier-than-air planes on March 2 totaled 41,308, and 11,604 of these were in the last stage of training prior to commissioning. The total is a decrease of 1,035 from the number in training on February 3.

III. ARMY

Status of 1944 Deliveries of Selected Critical Ordnance Materiel
(Includes International Aid and Navy Items Procured by Army)

Item	Feb. Deliv.	1944 Army Supply Program	1944 Deliveries January 1 to March 1					
			Cumulative	Percent of 1944 ASP				
				0	25	50	75	100
<u>Combat Vehicles</u>								
Light armored car	468	3,383	1,030					
Light tank	508	3,913	1,090					
Medium tank	507	13,254	987					
Universal carrier	731	6,500	1,636					
<u>Motor Vehicles</u>								
1/4 ton, 4 x 4 command	15,202	180,833	30,774					
1/2 and 3/4 ton, 4 x 4 weapon carrier	4,106	50,483	8,096					
1 1/2 ton, 4 x 2 cargo	2,575	32,248	5,753					
1 1/2 ton, 4 x 4 cargo	2,218	30,851	5,152					
2 1/2 ton, 6 x 4 cargo	2,616	30,986	5,316					
2 1/2 ton, 6 x 6 cargo	7,507	143,593	17,240					
2 1/2 ton, 6 x 6 dump	2,648	25,560	3,497					
10 ton, 6 x 4 prime mover	439	8,266	905					
<u>Artillery*</u>								
155mm gun	9	480	15					
8 inch howitzer	15	360	40					
155mm howitzer	163	1,628	316					
<u>Small Arms</u>								
.30 cal. U.S. rifle, M1	105,004	1,246,752	242,005					
.30 cal. carbine	317,114	1,954,532	659,272					
.30 cal. machine gun	14,023	109,259	26,896					
.50 cal. machine gun	57,925	745,387	115,409					

*Proof firing may not be completed.

17%

2 mo. = 17% of year

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

Item	Feb. Deliv.	1944 Army Supply Program	1944 Deliveries January 1 to March 1				
			Cumu- lative	0	25	50	75
Small Arms Ammunition (Million rounds)							
All .30 cal.	710	3,725	1,414				
All .50 cal.	210	2,228	414				
Antiaircraft Ammunition (Thousand rounds)							
For 40mm gun	2,310	19,740	4,925				
Artillery Ammunition (Thousand rounds)							
For 60 and 81mm mortar	1,497	23,209	2,954				
For 57mm gun	1,074	10,456	1,792				
For 75mm field, tank, and antitank gun	1,642	10,856	3,310				
For 76mm tank and antitank gun	335	12,079	525				
For 75mm howitzer	1,505	10,118	3,052				
For 90mm gun	654	4,594	1,503				
For 105mm howitzer	2,318	31,442	4,388				
For 155mm howitzer	148	3,897	287				
For 155mm field gun	115	2,261	212				
Bombs							
500 lb. G.P.	210,550	1,412,980	339,040				
500 lb. cluster- fragmentation	--	315,000	--				
500 lb. cluster	--	113,000	--				
260 lb. fragmentation	30,060	585,000	47,978				
23 lb. fragmentation	564,998	4,149,519	799,268				
20 lb. and 23 lb. cluster-fragmen.	156,427	1,614,610	345,254				

17%

2 mo. = 17% of year

Military Personnel

A. Strength. The active-duty strength of the Army increased 97,000 during March to an estimated total of 7,750,000 on April 1.

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

Class of Personnel	Mar. 1 Actual	April 1 Estimated	March Increase
Commissioned officers	645,086	648,976	3,890
Warrant and flight officers	30,414	30,600	186
Enlisted men and selectees	6,874,195	6,963,940	89,745
WAC	63,942	66,844	2,902
Subtotal	7,613,637	7,710,360	96,723
Army Nurse Corps	39,399	39,640	241
Grand total	7,653,036	7,750,000	96,964

During March the Army active-duty strength overseas increased 197,951 to a total of 3,147,933 or 41 percent of the total Army strength.

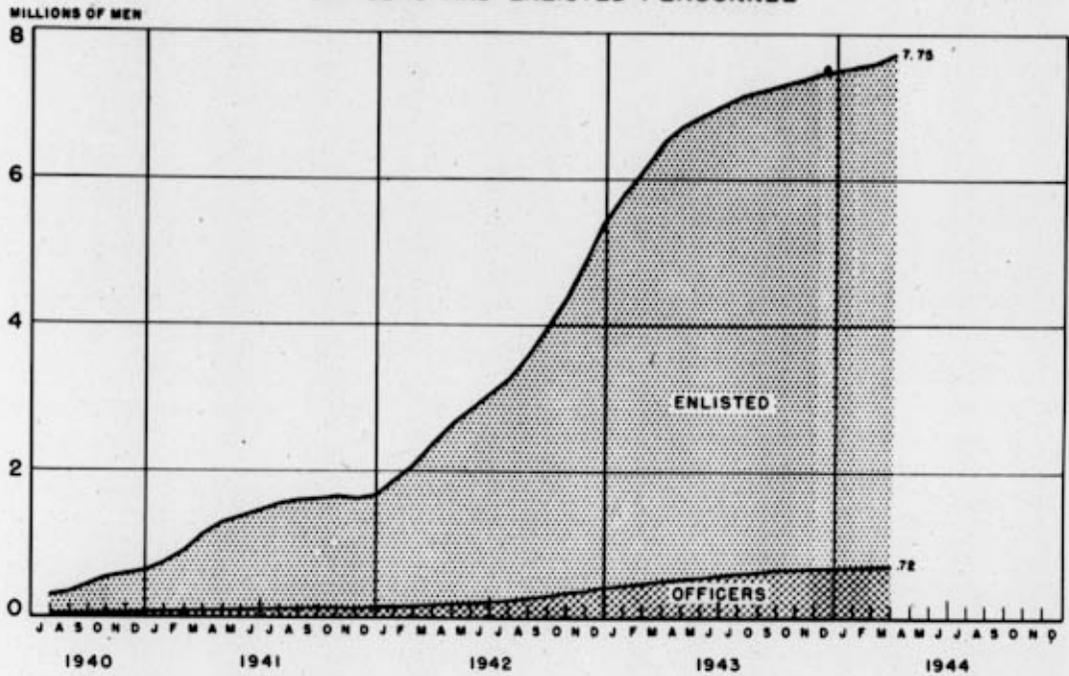
Assignment of Army Active-Duty Military Personnel March 1, April 1, and March Increase

Assignment of Personnel	Mar. 1 Actual	April 1 Estimated	March Increase
Army Ground Forces in U.S.	1,601,469	1,593,286	-8,183
Army Air Forces in U.S.	1,531,110	1,450,950	-80,160
Army Service Forces in U.S.	1,208,612	1,143,203	-65,409
In defense commands in U.S.	126,714	126,714	0
In staging areas	79,304	100,000	20,696
In ships	155,845	187,914	32,069
Outside Continental U.S.	2,949,982	3,147,933	197,951
Total	7,653,036	7,750,000	96,964

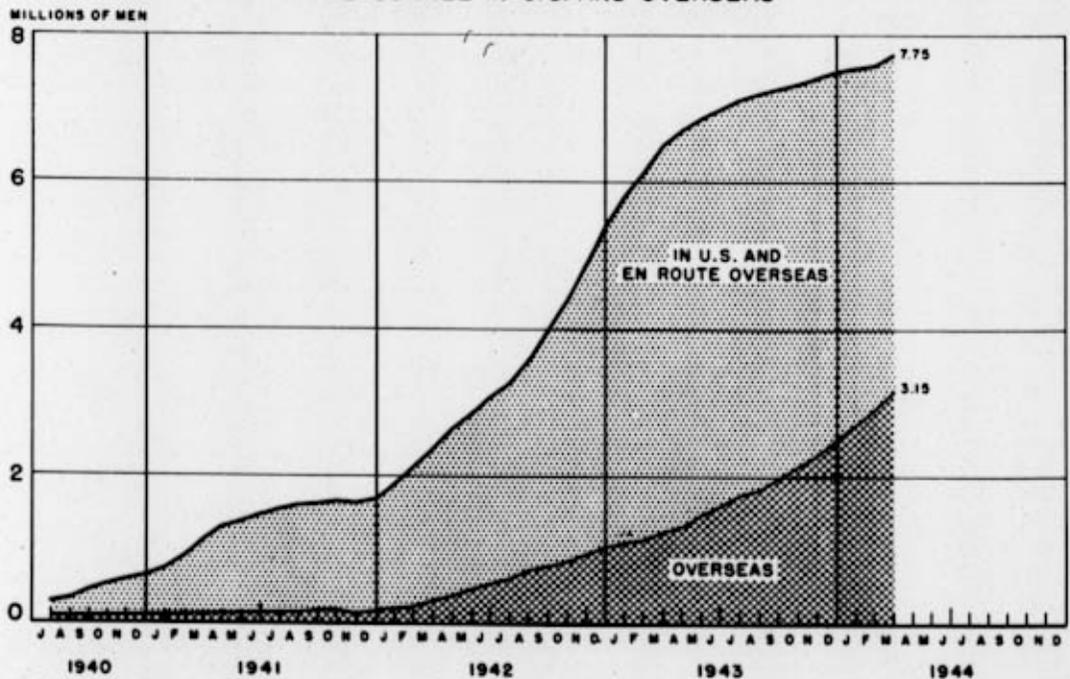
On April 1, the total active-duty military personnel was distributed as follows: Ground Forces, 3,220,390 or 42 percent; Air Forces, 2,365,156

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL



PERSONNEL IN U.S. AND OVERSEAS



B. Army Casualties. To March 1, the Army had reported 121,040 battle casualties -- 17,659 or 15 percent officers.

Battle Casualties Reported
Dec. 7, 1941 Through Feb. 29, 1944

	Total to Feb. 29	Feb. Increase
Killed	21,014	2,007
Wounded	48,260	3,845
Missing	26,476	499
Captured	25,290	896
Total	121,040	7,247

C. Army Separations and Transfers--Enlisted Personnel. Based on the number of cases completely processed, physical and mental disqualifications accounted for 28,760 separations from the enlisted ranks of the Army during January. Total separations and transfers for the month were 38,393, excluding 15,105 commissioned or appointed as warrant officers.

Enlisted Personnel Separations and Transfers for January 1944
(Based on Number of Cases Completely Processed)

	Air Corps	Infantry	Other	Total
Honorable discharge:				
Physical and mental dis- qualification	4,909	6,368	17,483	28,760
Over 38 years of age	9	1	81	91
Miscellaneous	235	287	862	1,384
Other than honorable	408	367	1,534	2,309
Retired and dropped	146	243	1,343	1,732
Transfers to inactive status	1,131	376	2,278	3,785
Total	6,838	7,642	23,913*	38,393

*Total includes 332 WAC's not classified as to cause of separation.

IV. NAVY

Combatant Vessels on Hand by Years, Dec. 31, 1941 Thru Dec. 1945

Assuming no interim losses, the combatant vessel strength of the Navy, measured in tons, will be over four times as large in December 1945 as it was on December 31, 1941.

Combatant Vessel Strength, U.S. Navy, Dec. 31, 1941 Thru Dec. 1945*
(Projected Increases for 1944 and 1945 Assume No Interim Losses)

Type and Year	Number	Year-End Strength			
		Thousands of Tons			
		0	500	1,000	1,500
<u>Battleships</u>					
1941	17	534			
1942	20	642			
1943	22	732			
1944	24	822			
1945	24	822			
<u>Aircraft Carriers</u>					
1941	8	163			
1942	16	211			
1943	54	636			
1944	101	1,155			
1945	119	1,529			
<u>Cruisers</u>					
1941	38	335			
1942	39	344			
1943	48	441			
1944	70	705			
1945	98	1,047			
<u>Destroyers</u>					
1941	174	242			
1942	223	342			
1943	335	574			
1944	436	798			
1945	547	1,042			
<u>Destroyer Escorts</u>					
1941	0	0			
1942	0	0			
1943	240	307			
1944	538	699			
1945	616	803			
<u>Submarines</u>					
1941	113	120			
1942	133	157			
1943	178	227			
1944	258	349			
1945	357	500			

*Program as of Mar. 1, 1944

Completions of Naval Vessels

A total of 126 combatant vessels have been completed in 1944 through March 20 -- 49 in January, 48 in February, and 29 more during the first 20 days of March. There are 420 additional combatant vessels scheduled for completion during 1944.

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

Type	1944				1943 Actual
	Feb.	Mar. Thru 20th	Jan. 1 Thru Mar. 20	Scheduled Mar. 21 to Dec. 31	
Combatant Vessels:					
Battleship	0	0	0	2	2
Aircraft carrier	0	0	1	7	15
Aircraft carrier, escort	6	3	16	28	50
Large cruiser	0	0	0	2	0
Heavy cruiser	0	0	0	5	4
Light cruiser	0	0	1	12	7
Destroyer	9	7	23	86	128
Destroyer escort	29	12	70	212	306
Submarine	4	7	15	66	56
Total combatant	48	29	126	420	568
Patrol craft	49	28	127	343	718
Mine vessels	12	5	30	150	389
Auxiliaries	35	12	83	707	352
Landing force vessels*	53	37	155	1,201	649

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

Status of Construction of Selected Naval Vessels

Twenty-six percent of the 791 combatant vessels on order on March 20 had been launched, 21 percent were on the ways, and 53 percent had not been placed on the ways.

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

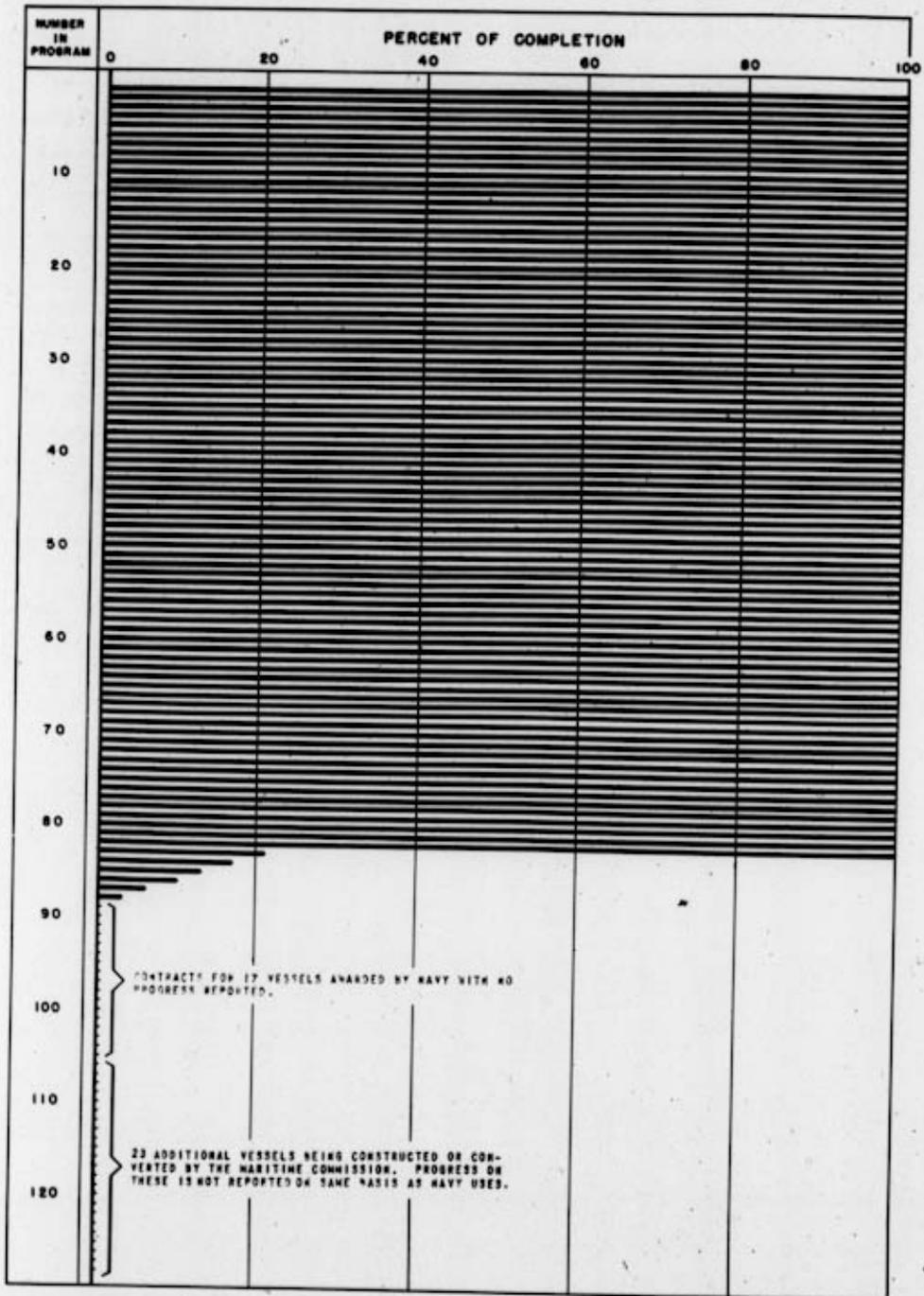
Type	New Construction on Order				Con- vert- ing	Add'l Auth.
	Not Yet on Ways	On Ways	Launch- ed	Total		
Combatant Vessels:						
Battleship	2	0	2	4	0	0
Aircraft carrier	8	11	4	23	0	0
Aircraft carrier, escort	16	7	0	23	20	0
Large cruiser	0	1	2	3	0	0
Heavy cruiser	17	10	1	28	0	0
Light cruiser	17	12	10	39	0	0
Destroyer	131	43	25	199	0	0
Destroyer escort	81	32	133	246	0	0
Submarine	146	50	30	226	0	0
Total combatant	418	166	207	791	20	0
Patrol craft	59	93	155	307	48	196
Mine craft	45	75	92	212	0	0
Auxiliaries	147	81	95	323	523	0
Landing force vessels*	1,107	171	85	1,363	0	224

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

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

CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

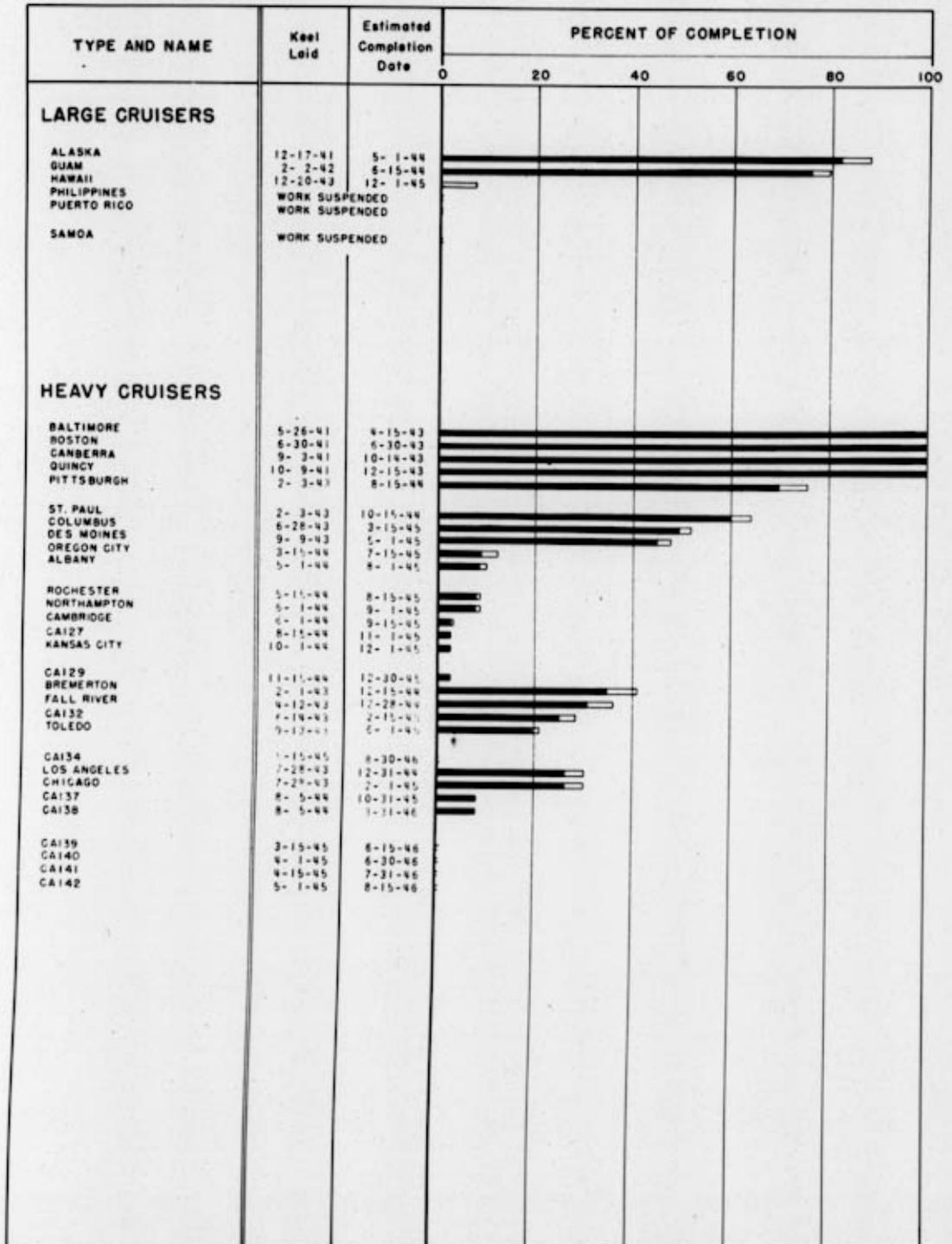
PROGRESS JULY 1, 1940 TO MARCH 1, 1944



CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

■ PROGRESS JULY 1, 1940 TO FEBRUARY 1, 1944

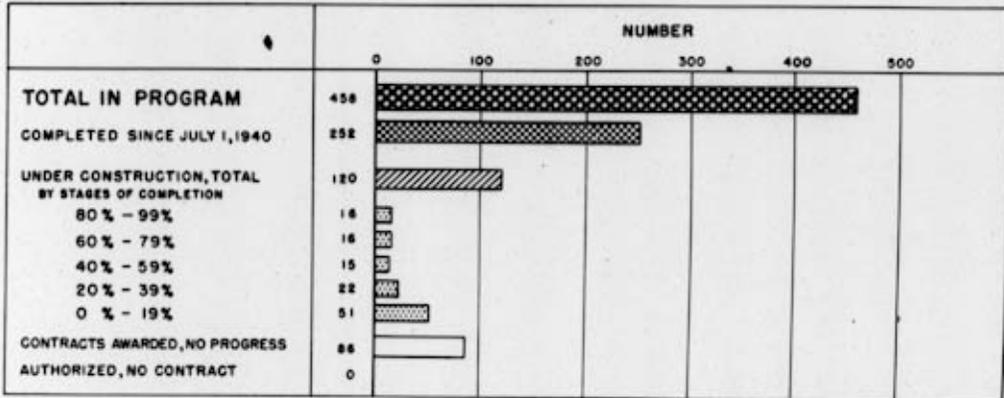
□ PROGRESS FOR FEBRUARY 1944



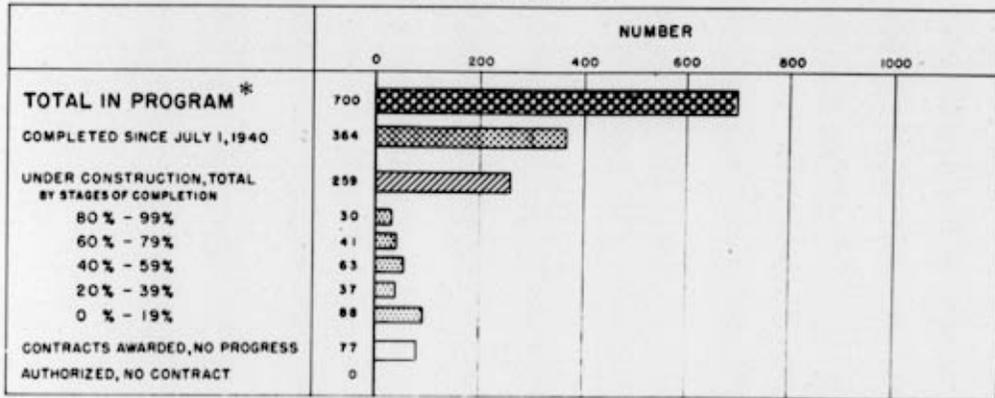
CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

MARCH 1, 1944

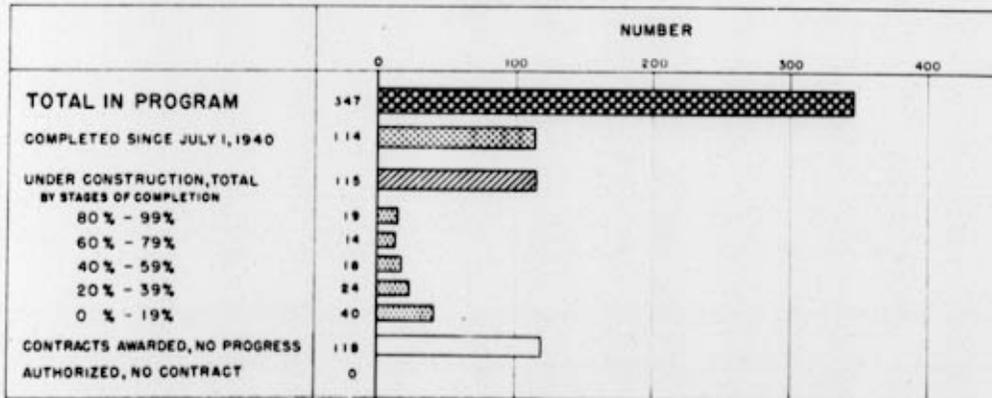
DESTROYERS



ESCORT VESSELS



SUBMARINES



* 78 VESSELS WERE CANCELED IN MARCH, LEAVING 822 IN THE PROGRAM

Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on March 20 had increased 589 since June 30, 1940 to a total of 972. These figures reflect only publicly announced losses.

Selected Naval Vessels on Hand, June 30, 1940 and Mar. 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 Mar. 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	85	39	46	46
Heavy cruiser	18	4	6	16	-2
Light cruiser	19	17	3	33	14
Destroyer	225	259	130	354	129
Destroyer escort	0	376	83	293	293
Submarine	100	113	25	188	88
Total combatant	383	880	291	972	589
Patrol craft	36	1,409	283	1,162	1,126
Mine craft	36	803	259	580	544
Auxiliaries	138	773	141	770	632
Landing force vessels*	0	1,019	283	736	736

*IST, LSD, and LCI(L)

Analysis of Losses, Leases, Transfers, and Reclassifications

The following vessels were publicly announced by the Navy as lost during March: 4 submarines, 1 destroyer escort vessel, 1 mine vessel, and 5 large landing craft. A total of 81 combatant vessels have been announced as lost, 130 leased, 50 transferred, and 51 reclassified through March 31, 1944.

Publicly Announced Losses, Leases, Transfers, and Reclassifications -- July 1, 1940 Through March 31, 1944

Type	Lost	Leased or Transferred ^{1/}	Reclassified	Total
Combatant Vessels:				
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	50	141
Destroyer escort	1	83	0	84
Submarine	24	9	1	34
Total combatant	81	180	51	312
Other Vessels:				
Patrol craft	61	215	37	313
Mine craft	14	192	63	269
Auxiliaries	37 ^{2/}	99	96 ^{2/}	232
Landing craft ^{3/}	18	254	18	290
Total other	130	760	214	1,104
Grand total	211	940	265	1,416

^{1/} Includes certain vessels sold, returned to owners, or transferred to other United States agencies.

^{2/} Revised.

^{3/} LSD, LST, and LCI(L).

Production of Naval Ordnance Materiel

Average monthly deliveries for January and February of the following ordnance items were about 50 percent below the average monthly rate scheduled for 1944: Surface craft torpedoes, heavy surface fire guns, radar fire control equipment, and 40mm antiaircraft ammunition.

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

Item	Actual Deliveries, 1944			Scheduled Deliveries (12 Months) 1944
	January (Revised)	February	Total Jan. and Feb.	
<u>Torpedoes</u> 1/				
Surface craft	251	300	551	6,333
Submarine 2/	638	714	1,352	11,532
Aircraft 2/	826	739	1,565	8,471
<u>Surface Fire Guns</u>				
Heavy, 12" & 16"--turret	2	2	4	10
Medium, 8" & 6"--turret	9	11	20	87
Light, 4"	22	4	26	171
<u>Antiaircraft Guns</u>				
Heavy, 3" & 5"--mounted barrel	983	881	1,864	10,072
Light, 40mm and 20mm--mounted barrel 3/	4,691	4,663	9,354	54,926
<u>Fire Control Equipment</u>				
Gun directors	318	431	749	6,972
Radar fire control 4/	31	74	105	1,353
Gun sights, Mk 14	2,196	2,497	4,693	37,893
<u>Ammunition</u>				
Heavy surface fire	4,973	6,970	11,943	119,793
Medium surface fire	33,138	52,075	85,213	707,313
Light surface fire	480M	782M	1,262M	8,515M
Antiaircraft:				
Heavy	624M	517M	1,141M	8,141M
Light: 20mm	41,209M	42,511M	83,720M	449,720M
40mm	3,962M	4,272M	8,234M	92,234M
1.1	465M	317M	782M	5,782M

1/ Turned into store.

M = 1,000 rounds.

2/ Excludes the British-type torpedo.

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 3,097,440 on February 15 to 3,188,862 on March 15, an increase of 91,422. The total on March 15 was composed of 622,723 regulars, 2,491,776 male reserves, and 74,363 female reserves.

Strength of the Naval Services
February 15 and March 15

	Navy	Marine Corps	Coast Guard	Total
Officers	245,729*	29,987	11,152	286,868
Officer candidates	110,761	8,970	1,015	120,746
Enlisted personnel	2,234,495	387,351	159,402	2,781,248
Total, Mar. 15	2,590,985	426,308	171,569	3,188,862
Total, Feb. 15	2,509,718	415,925	171,797	3,097,440
Increase	81,267	10,383	-228	91,422
Percent incr.	3.2%	2.5%	-0.13%	2.95%

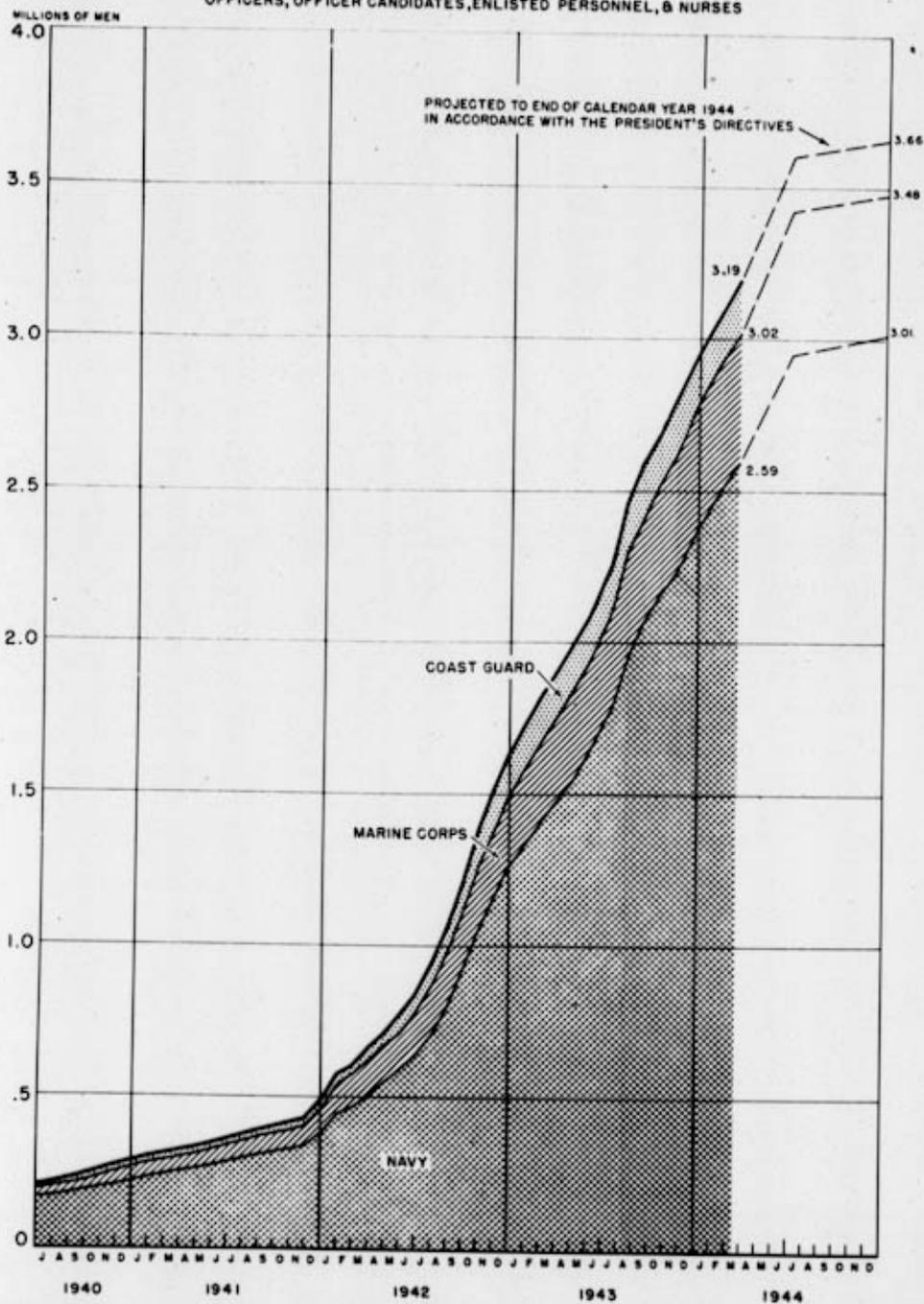
*Includes 7,669 nurses.

Note: Strengths approved by the President are:

Navy 2,947,500 by June 30, 1944
 Navy 3,006,000 by Dec. 31, 1944
 Marine Corps 478,000 thru cal. yr. 1944
 Coast Guard 174,000 thru cal. yr. 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 March 1 through 26, the United Nations reported construction of 1,152,000 dwt. of merchant vessels, while reported losses totaled 208,000 dwt. From December 1, 1941 through March 26, 1944, a total of 36.4 million dwt. were constructed, as compared with reported losses of 18.5 million dwt. -- a net gain of 17.9 million dwt.

Gains and Losses of United Nations' Merchant Vessels
Reported Dec. 1, 1941 Through Mar. 26, 1944
(000 Dwt.)

	Dec. 1, 1941 Through Jan. 31, 1944	Feb.	Mar. Thru 26th	Total Through Mar. 26
Gains	33,694	1,552	1,152	36,398
Losses	18,052	210	208	18,470
Net gains	15,642	1,342	944	17,928

Deliveries by U.S. Shipbuilders

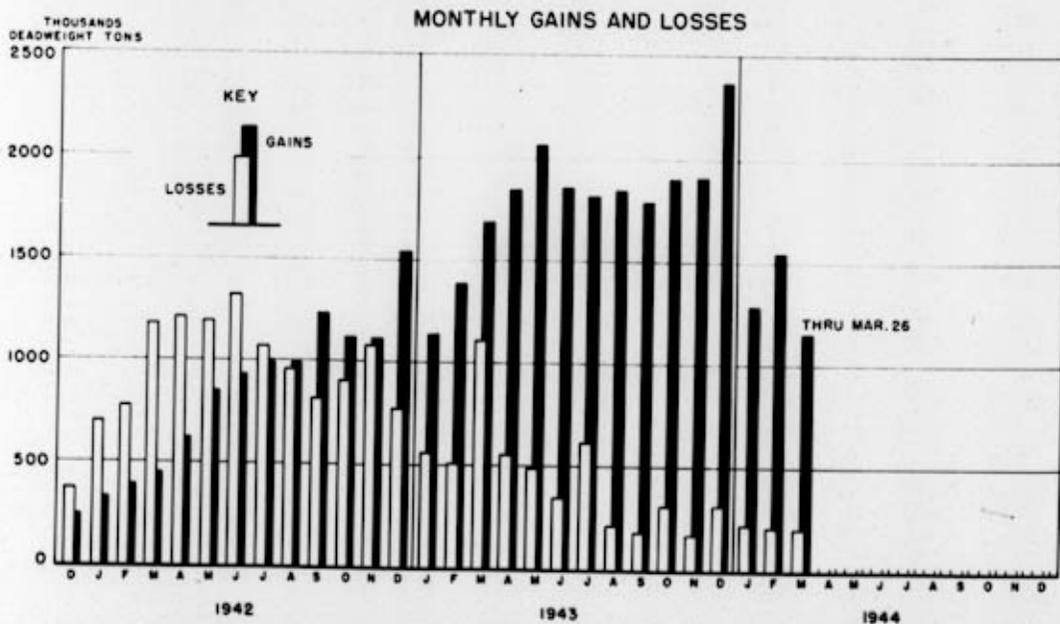
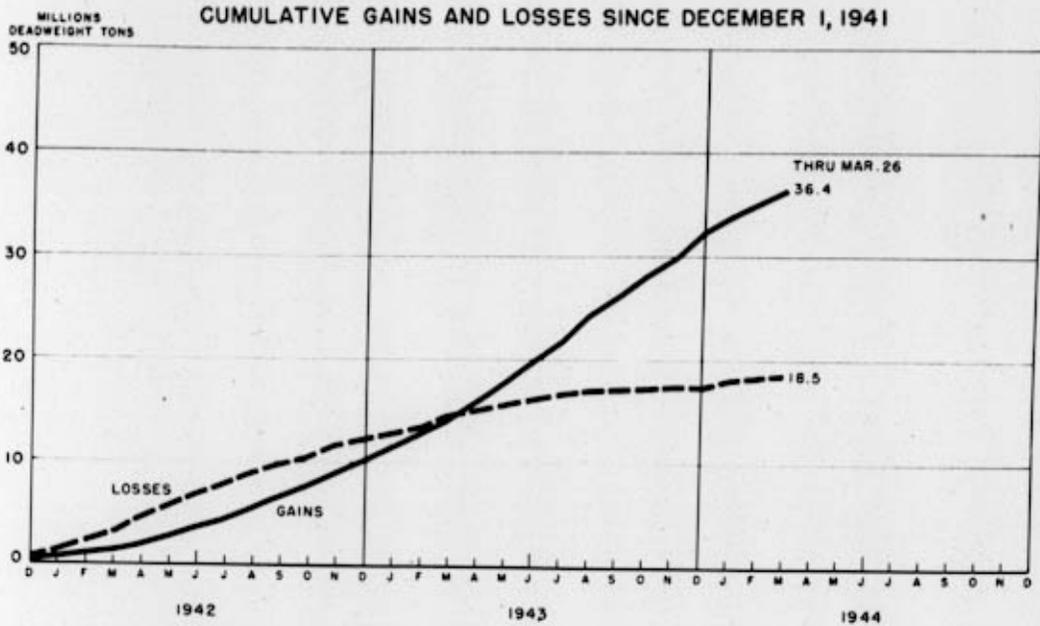
In March, U.S. merchant shipbuilders delivered 136 major-type vessels at 1,504,733 dwt., including 12 vessels for military use. The February deliveries were 122 vessels at 1,360,445 dwt., including military types.

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

Type	February		March	
	Number	Dwt.	Number	Dwt.
Dry cargo	99	1,041,359	105	1,105,642
Tanker	17	272,711	19	317,624
Military	6	46,375	12	81,467
Total	122	1,360,445	136	1,504,733

CHART 10

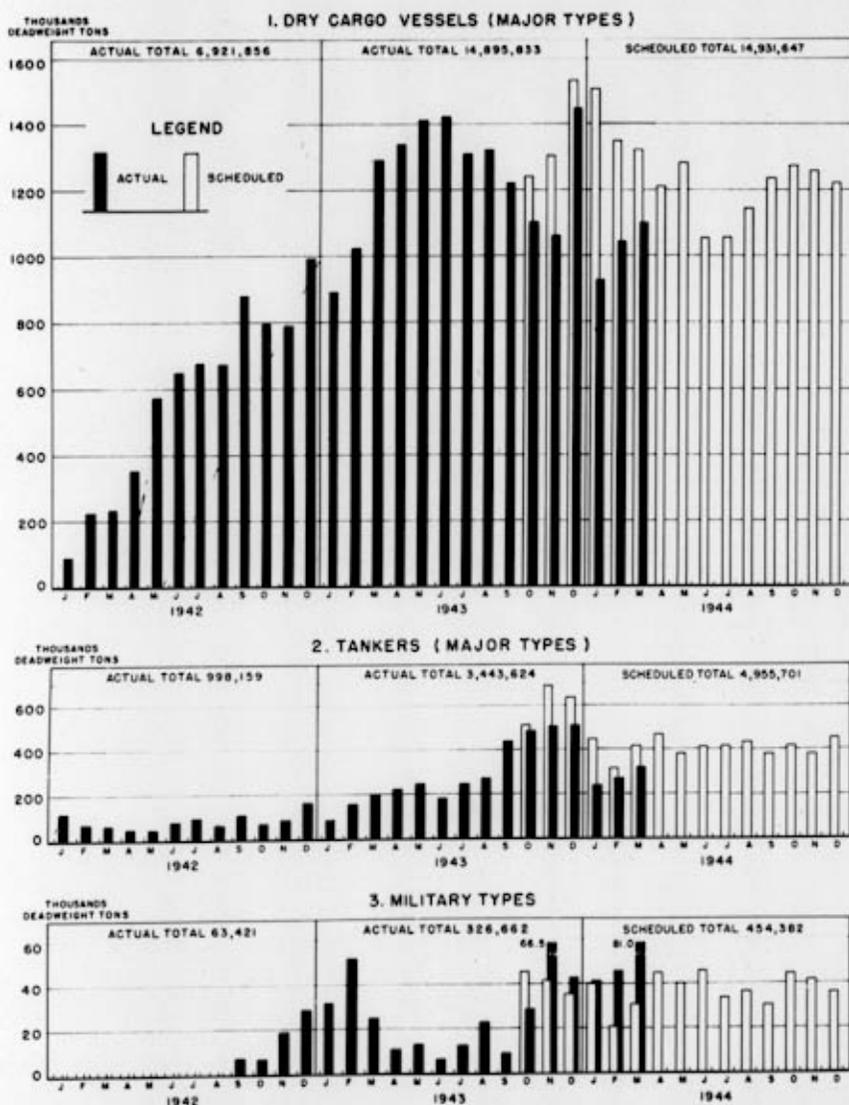
GAINS AND LOSSES OF MERCHANT OCEAN VESSELS AVAILABLE TO THE UNITED NATIONS*



* 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 11

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)

Facilities for aviation gasoline production are still lagging seriously in completion of construction; production in January 1944 was 50 percent of final capacity (which is scheduled for January 1945); and a considerable current deficit in supply, below United Nations' military requirements, will continue until July 1944.

The limited program of 102 concrete vessels has been delayed by many causes, including poor management, has proved expensive, and will require until the spring of 1945 for completion.

Aviation Gasoline

Since the last review (report of July 1943) the Government program for aviation gasoline and components, comprising 24 plants, has been substantially increased in capacity and cost. It is now designed for an output of 64,000 barrels of aviation gasoline per day, which is about 12 percent of the total ultimate U.S. production. In both Government and private plants, production has lagged seriously behind successive forecasts. In the Government facilities, costing \$197 million, no production of aviation fuel occurred until January 1944, although these facilities were nearly all authorized in the early spring of 1942. A similar lag in completion of private expansions has produced a deficit in supply, below the total United Nations' requirements, which will continue in substantial amount until the summer of 1944.

Military requirements and estimated production for the next twelve months are compared in the following table, which shows separately the forecast for foreign and domestic output.

Aviation Gasoline -- Requirements and Production
(Grade 100-130; Thousands of bbls. per day)

Period	Requirements at Refineries*	Estimated Production			
		Total United Nations	Foreign	United States	
				Private	Gov't
1944--Jan.	375	302	45	256	1
Apr.	439	374	61	304	9
July	477	497	61	385	51
Oct.	502	550	63	431	56
1945--1st Qtr.	Not avail.	597	76	457	64

*Estimated at one month before operational requirements.

In order to reduce the deficit, the total domestic output for the first six months of 1944 will include about 10 percent of a lower grade of fuel (grade 98-130) which will be used only for training purposes within the United States.

Field surveys show that improvements in efficiency and economy of production in Government plants are needed. Such matters as ranking of plants for construction priorities, allocation of feedstock supplies, and terms of procurement contracts need pointing up through action by the Petroleum Administrator for War and the Defense Supplies Corporation.

Concrete Vessels

The War Projects Unit has recommended to the Maritime Commission that it consider the feasibility of discontinuing the concrete ship construction program. This program now consists of 102 vessels and is estimated to cost about \$151 million. This includes \$17 million for facilities constructed at five new yards. Expenditures to January 1, 1944 on this program amounted to \$120 million.

Only two self-propelled ships have been delivered, and this part of the program will require at least another year to complete. Other types will be completed by the end of June 1944.

The unit cost of the concrete vessel program has been considerably increased by poor management and by cancellation of portions of the original program.

Status and Cost of Concrete Vessel Program -- January 1944

Item	Kind of Vessel				Total
	Ships (Self-Propelled)	Barges		Lighters	
		Oil	Dry Cargo		
Capacity (Tons)	4,400	5573-6000	5,847	2,000	—
<u>Program Status</u>					
(No. of Vessels)					
Delivered	2	24	7	—	33
Launched	7	6	10	5	28
On ways	9	3	3	4	19
Not started	6	—	—	16	22
Total program	24	33	20	25	102
Est. comple. date	5-1-45	6-15-44	6-15-44	6-15-44	—
<u>Est. Cost (Millions)</u>					
To January 1944	\$28.1	\$56.7	\$17.1	\$1.2	\$103.1
Total	39.4	61.0	24.1	9.9	134.4

VII. STOCKPILE PROGRAM OF SELECTED CRITICAL AND STRATEGIC MATERIAL

Recently the War Production Board adopted a new policy for stockpiling strategic and critical material. In the future, Government stockpile objectives plus industry stocks will be set at a minimum of three months' requirements or a year's requirements less North American supply, whichever is greater. There are set out in the following table the 1944 requirements, new supply expected in 1944, and stock levels at the beginning of the year as well as estimated levels at the year's end for ten selected commodities.

Stockpile Supply and Requirements
of Selected Strategic and Critical Materials for 1944

Item and Unit of Measure	1944 Require- ments	New Supply and Stocks Expressed in Percent of 1944 Requirements						
		New Supply			Stocks			
		For- eign	Do- mes- tic	Total	January 1, 1944			Est. for Dec. 31 1944
			Govt.	Priv- ate	Total			
Antimony (short tons recoverable)	36,500	55%	44%	99%	62%	37%	99%	98%
Cadmium (1,000 lbs., metal or content)	9,875	0	90	90	16	20	36	26
Chromite (metallurgical; long tons of ore)	480,000	88	3	91	108	31	139	130
Jute (raw; 1,000 lbs.)	180,000	75	0	75	66	34	100	75
Mercury (flasks of 76 lbs.)	48,400	33	67	100	140	35	175	175
Nickel (1,000 lbs.)	214,465	103	0	103	2	7	9	12
Quartz crystals (radio quality) 1,000 lbs.	1,550	129	0	129	66	32	98	127
Tin (metal; long tons)	86,500	14	44	58	61	30	91	49
Tungsten (1,000 lbs. contained)	19,100	79	52	131	118	26	144	175
Wool (raw, greasy basis; million lbs.)	1,000	45	43	88	48	38	86	74

VIII. AGRICULTURE AND WAR FOOD ADMINISTRATION

Future production prospects for some foods are not as encouraging as the supply situation during the last three months may have indicated. On the other hand, surpluses of certain foods present a difficult current problem for the War Food Administration as 1944 farming operations get under way. Unprecedented supplies of eggs and surpluses of potatoes nationally, as well as of some fresh vegetables regionally and locally, have made special efforts necessary to protect prices to farmers and increase consumption to prevent waste.

The March 1 intentions-to-plant report indicated that farmers will plant 13 million more acres of food and feed crops than last year but also indicated some decreases for potatoes, dried beans and peas, and peanuts. For rice, sweet potatoes, soybeans, and sugar beets, the indicated acreages are approximately the same as last year. The prospects for acreage of the important oil-producing crops -- soybeans and peanuts -- are considerably less than the goals for 1944, but increases in support prices for these crops may result in substantially larger acreages than were indicated in the March 1 report.

Prices

In mid-March, prices received by farmers were lower than a year earlier on all classes of meat animals, eggs, oranges, wool, and potatoes. Truck crops and potatoes were lower than in February. Within the livestock product group, higher prices for meat animals, as marketings declined, offset seasonally lower prices for dairy and poultry products. The index of prices received by farmers rose from 195 in February to 196 in March, recovering the decline in the previous month. The parity index continued to advance, reaching 171 on March 15.

Farm Machinery and Supplies

Farm machinery manufacturers are falling behind schedule on many items, including planters, disc harrows, spike and spring tooth harrows, and cultivators. It is now evident that farm machinery production schedules will not be met. If no way can be found immediately to hold and replenish manpower in farm machinery plants, actual production is expected to fall far behind schedule. Scarcity of certain component parts, such as bearings, transmissions, malleable castings, etc., also contribute to failure to meet production schedules. Government decisions, now in the making, on both manpower and components are, in effect, decisions as to how nearly production schedules can be met.

Farm Labor

The Bureau of Agricultural Economics estimated that 168,000 fewer workers were employed on farms in March this year than in 1943. The decline, however, was not all due to scarcity of workers; bad weather prevented field work in some sections.

Crop correspondents reported that most farmers felt concern as to the effect on their labor situation of reclassification of deferred farm workers and their prospects for carrying out crop intentions for 1944.

The first of the workers being recruited in Newfoundland for placement in the Northeastern States, principally on dairy farms, are expected to arrive in about two weeks. It is hoped that as many as 1,500 workers can be obtained from this source.

As of March 25, foreign agricultural workers employed in the U.S. under international agreements totaled 20,216 Mexicans, 5,196 Bahamans, and 2,123 Jamaicans.

Food Distribution

Civilian supplies of most foods during the first quarter of 1944 have been at high levels for this season of the year. In the April-June quarter, supplies of some important foods will be seasonally smaller than in the first quarter but as large or larger than in the same months of 1943. This will be true of meat, citrus fruits, margarine, lard, eggs, fresh vegetables, and potatoes.

Because the War Food Administration can continue to draw upon present stocks of butter, the manufacturers are being required to set aside only 10 percent of their output for Government purchase during April, compared with 30 percent in April last year. All of the butter set aside will be purchased by the U.S. armed forces and war services. Following the policy established last year, the Government will continue to buy most of the but-

ter needed for the year during the spring and summer months when production is highest. Because of this policy last year it was possible to discontinue Government purchase of butter from September 30 to April 1.

To keep war-important corn processing plants running, the War Food Administration found it necessary, March 24, to require country and terminal elevators in heavy corn-producing counties to set aside 35 percent of their stocks and future receipts. On April 1 the order was amended to require 60 percent of future receipts to be set aside. Corn processors require about 11 million bushels of corn a month. This is only a small part of the total supply, but without this quantity the production of many important war products, including core binders for foundries, special moulds for castings, nitro starch for explosives, adhesives for shipping containers, and starch for the manufacture of textiles and paper products could not be continued.

The unusually heavy supply of eggs will continue to be a major problem for the next six weeks. Two programs are now in operation for the purchase of shell eggs to support prices to farmers — a national carlot purchase program and a program operating only in the South in which purchases are made in lots of ten cases or more. Under these two programs the War Food Administration has purchased in shell eggs, and the equivalent in the form of dried eggs, approximately 12,250,000 cases during the period from January 1 through March 31. Part of the shell eggs have been used in the school lunch program and various Federal and State institutions. Greater consumption is being pushed nationally, using all available resources for reaching civilians.

Government help was still needed during March to move last fall's crop of potatoes. At the request of the War Food Administration and the potato industry, ICC and ODT issued an embargo on the use of refrigerator cars for shipping low-grade potatoes from the heavy producing areas, and a diversion program was set up to make use of the low-grade potatoes. These are being moved to sugar-beet plants for dehydration and use in the industrial alcohol program. Purchases are continuing for diversion to starch manufacture, as well as for the Army and for relief uses.

More lard has been produced than can be packaged, stored, or shipped for edible uses. Soap manufacturers were permitted to purchase up to 50 million pounds during March for soap making, and restrictions on civilian uses of glycerine have been lifted. Also, upon the recommendation of the War Food Administration, lard was removed from the rationing list for the months of March and April.

At the request of the War Food Administration, point values on all frozen fruits and vegetables have

IX. WAR HOUSING

Publicly Financed

To March 1, 1944 a total of \$2.3 billion has been made available for the construction of public war-housing projects.

Including the Home Owners' Loan Corporation conversion program, to March 1 a total of 799,927 family dwelling units, dormitories for single persons, and trailers have been programmed, of which 676,441 or 85 percent have been completed.

Status of Public War-Housing Program -- March 1, 1944

	New Construction				HOLC Conver- sions	Total Program
	Family Dwelling Units	Dormi- tories	Stop-Gap and Trailers	Total	Family Dwelling Units	
Completed	453,101	150,189	50,963	654,253	22,188	676,441
Under construction	55,250	9,613	4,106	68,969	17,478	86,447
Not started	11,491	1,910	8,629	22,030	15,009	37,039
Total	519,842	161,712	63,698	745,252	54,675	799,927

Privately Financed

In addition to the public war-housing program, Title VI of the National Housing Act provides for insurance by the Federal Housing Administration on mortgages, not to exceed \$1.6 billion in the aggregate, on houses designed for the use of war workers. To March 1, a total of 320,234 mortgages on privately financed war housing have been accepted for insurance and 293,719 new homes have been started. Approximately 396,300 dwelling units can be insured under available funds.

X. WAR FINANCES

Expenditures

Expenditures for war purposes during March were \$7.9 billion or at an annual rate of \$92.1 billion. The total for the first nine months of F.Y. 1944 was \$66.5 billion -- 72 percent of the estimate of \$92 billion for the fiscal year.

	<u>Feb.</u>	<u>March</u>	<u>9-Month Average for F.Y. 1944</u>
	(B i l l i o n s)		
Monthly rate	\$7.8	\$7.9	\$7.4
Adjusted annual rate	97.7	92.1	88.6

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes increased \$300 million in March to a total of \$346.9 billion. Net expenditures against this amounted to \$176.5 billion. There was a decrease of \$167 million in the estimate of appropriations required after June 1944 to complete the Navy shipbuilding program.

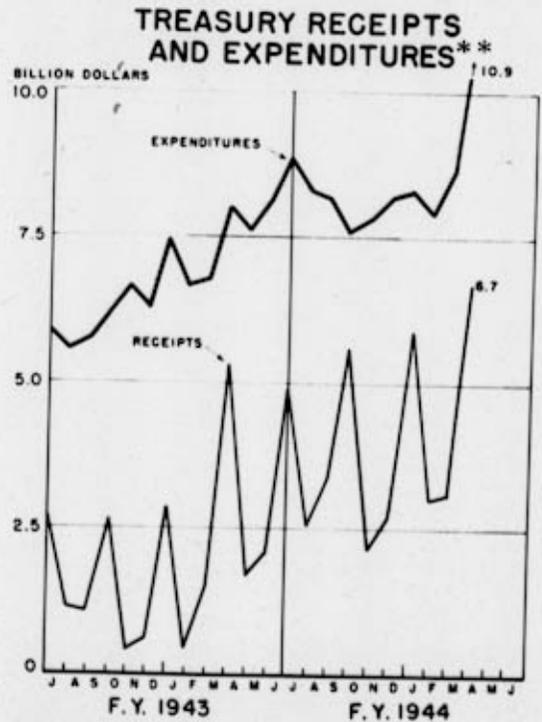
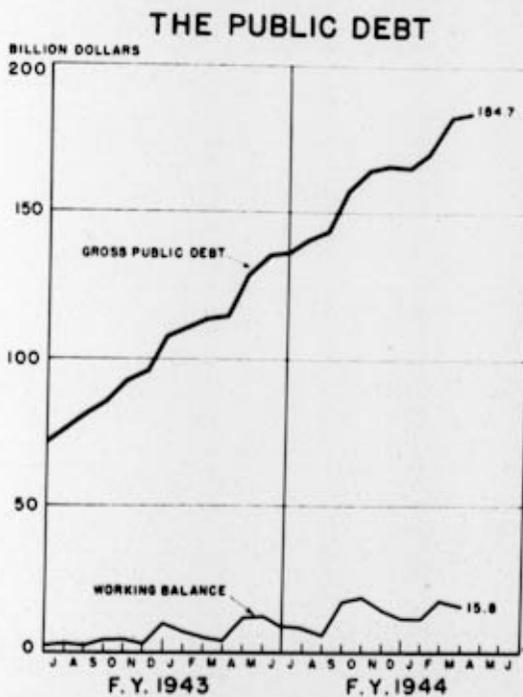
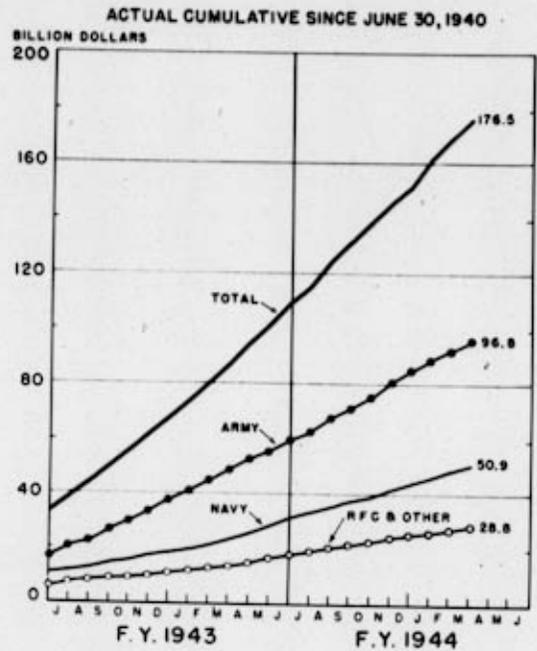
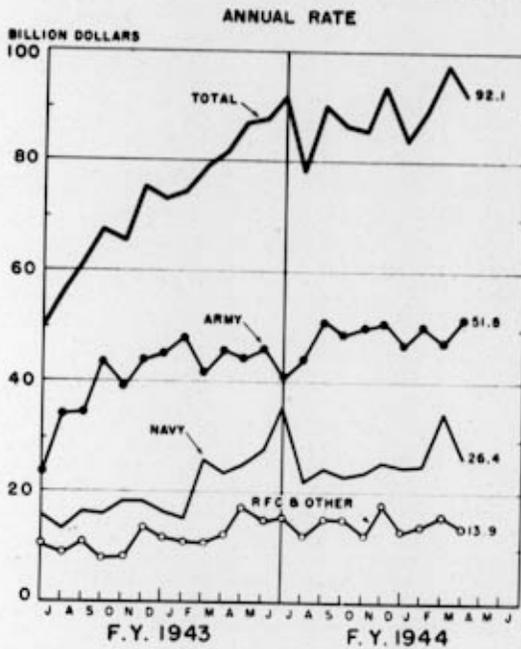
Appropriations and Expenditures, F.Y. 1941 Through March of F.Y. 1944
(Billions)

	<u>Appropriations & Authorizations</u>			<u>Expenditures</u>
	<u>F.Y. 1941 Thru F.Y. 1943</u>	<u>F.Y. 1944</u>	<u>Total</u>	<u>F.Y. 1941 Thru March 1944</u>
War	\$126.6	\$59.0	\$185.6	\$ 96.8
Navy	47.5	28.6	76.1	50.9
Maritime Commission	11.0	.03	11.0	6.9
Govt. Corpns. (commit.)	19.9	2.7	22.6	7.8
Other	32.7	3.7	36.4	14.1
Est. approp. required beyond F.Y. 1944 for completion of Navy	--	--	15.2	--
Total	\$237.7	\$94.0	\$346.9	\$176.5

CHART 12

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

WAR EXPENDITURES



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

** EXCLUDES PUBLIC DEBT ACCOUNTS

XI. ECONOMIC STABILIZATION PROGRAM

Recognition of the general accomplishments of the stabilization program makes more probable Congressional extension of the Emergency Price Control Act (expiring June 30), without crippling amendments despite the jockeying of labor, business, and agriculture.

Prices -- Cost-of-living: The cost of living was reduced 0.3 percent between January 15 and February 15 to a level slightly below last April when the President's "hold-the-line" order was issued. Control over food prices is showing good results; unusually large supplies of certain vegetables and the establishment of community ceilings on produce in many localities have been helpful.

Prices -- farm: Prices received by farmers increased 0.5 percent and prices paid, 0.6 percent in the month ending March 15. Prices received by farmers now average 114 percent of parity. Farm real estate values have continued to rise sharply during the past year, with an increase of 15 percent reported for the country as a whole. The number of sales has been higher than in any other year on record, even higher than in 1919. The fever of rural land inflation has reached a point of danger in many important agricultural areas, according to the Secretary of Agriculture.

Wages: The United Steel Workers have presented their case for a 17¢ an hour wage increase before a War Labor Board panel. Steel companies will be heard beginning April 11. War Labor Board Chairman Davis, in testimony before the Senate Banking and Currency Committee, stated that there is no intent to come to Congress for an increase in the Little Steel yardstick unless the food subsidy program is abolished.

Taxes: The House Ways and Means Committee, according to reports, has reached substantial agreement on a plan for simplification of the individual income tax. Withholding would be increased to cover the full tax liability on salaries and wages rather than the first bracket only.

War Bonds: Net sales (total sales less redemptions) of war savings bonds in March totaled \$441 million, lowest for any month since Pearl Harbor, as redemptions reached a new high--\$268 million. March income tax payments and "over-buying" in the Fourth War Loan were chiefly responsible. A goal of \$16 billion -- \$6 billion assigned to individuals -- has been established for the Fifth War Loan to start June 12 and run through July 8.

XII. MANPOWER

The month of February showed further declines in the total labor force and the numbers of persons employed, while the number unemployed dropped 200,000. Employee separations in January again exceeded accessions to manufacturing payrolls. Absenteeism in important war plants was lower in January than in December. The local character of manpower shortages was highlighted with a further increase in both the number of areas of acute labor shortage and of labor surplus. Inductions into the armed forces are averaging 100,000 per month fewer than calls. Food production goals for 1944 will require a substantial increase in seasonal agricultural employment over 1943. Strikes numbered about the same in February as in January, although man-days lost were substantially lower in February.

Labor Force and Employment

In February, the labor force declined to a new low of 51.1 million from 51.5 in January. Total employment declined from 50.4 to 50.2 million, and unemployment declined from 1,100,000 to 900,000, the level of the last quarter of 1943. The number of males in the labor force declined to 34.5 million, as compared with 36.6 million in February 1943 and 40.2 million in February 1942. The number of women in the labor force, 16.6 million, was at the same level as a year ago and 2.4 million higher than in February 1942.

Preliminary estimates of manufacturing employment for February indicate a further decline from the levels of the last quarter of 1943. There were 13,576,000 wage-earners in manufacturing employment in February. More than half of the January-February decline in factory wage-earner employment was in the transportation equipment group. Sizeable declines were also reported in chemical, machinery, and iron and steel industries, mainly as the result of production "cut-backs" or shifts in production schedules.

Labor Turnover and Absenteeism

Since November, the rate of accessions in manufacturing industries has continued to fall below the rate of separations, reversing a trend characteristic of 1942 and 1943. In January 1944, total separations averaged

6.66 per 100 employees and accessions, 6.37. These may be compared with a separation rate of 7.11 and an accession rate of 8.28 in January 1943. Separation rates in January 1944 ranged from 2.64 in petroleum refineries to 13.70 in small arms and ammunition plants.

Rates of absenteeism in war industries averaged 6.7 in January — a sharp decline from the December average of 8.6. The highest rate (10.7) was reported in bituminous coal and the next highest rate (9.6) in commercial shipyards.

Hours and Earnings

Hours of work in manufacturing industries in the mid-week of January 1944 averaged 45.1, as compared with 44.8 in December and 45.5 in November. Average hourly earnings rose to one dollar from 99.5 cents in these months. Weekly earnings averaged \$45.15 as compared with \$44.58 in December and \$45.32 in November. These changes chiefly reflected the reduction in absenteeism from December to January, noted above.

As a result of declines in employment, despite the rise in average hours worked per worker, total man-hours worked in factories declined 5.8 million from the mid-week of December to the mid-week of January.

Manpower Shortages

Despite cut-backs in certain lines of production, manpower demands for war production and the armed forces have become intensified. As of March 1, the number of acute labor shortage areas increased from 68 to 72. The increase is attributable mainly to the greater attention now being paid to the needs of critical war plants in small areas. The regions of greatest concentration of labor shortage areas are the Middle Western States bordering the Great Lakes, the Southeast, and the West Coast.

Easing of the labor market in other areas was reflected in a decline in the number of areas anticipating a labor shortage and an increase in the number of areas of labor surplus. Employers in 133 areas are now subject to the 48-hour minimum work week.

Inductions into the armed forces have fallen significantly below calls set by the services, and deferments of young men in essential industries and agriculture are now being reviewed. Selective Service System reports show that calls by the armed forces have exceeded inductions by an average of 100,000 per month since October 1943. The new War Manpower Commission deferment committee is now establishing occupational deferment quotas of men under 26 years of age for selected important war activities.

A recent study of the Bureau of Agricultural Economics indicates that 14.5 million persons worked in agriculture during the calendar year 1943. More than 65 percent of all farm work was performed by full-time workers;

others worked only short periods; a total of 20 to 25 billion hours was required to turn out last year's record production of food and fiber. The War Food Administration estimates that the 1944 food production goals will require 72 million more man-days of work than were required for 1943 production. These requirements will place a heavy strain on the regular farm labor supply even with supplementation from housewives, students, older men, prisoners of war, imported labor, and part-time work of persons regularly engaged in non-agricultural pursuits.

Strikes

Preliminary estimates show 330 strikes started during February, involving 115,000 workers. Man-days lost from all strikes totaled 470,000 for the month, as compared with 625,000 man-days lost in January. The numbers of new strikes and workers involved in February were approximately the same as in January.

XIII. ADMINISTRATIVE DEVELOPMENTS

There was little or no progress during March in dealing with the growing administrative problem of coordinating processes and activities of war agencies and departments at the operating level. Unified action is needed, for example, among the procuring agencies, the Joint Contract Termination Board, the Surplus War Property Administration, the War Production Board, and the Office of Price Administration to dispose of surplus property, to reabsorb raw materials and producer goods into industry, and to make consumer goods available for the public as contracts are terminated and as war property is declared surplus.

Similarly, close working relationships between the procuring agencies, the War Production Board, and the Office of Price Administration are needed for reconversion of industry as facilities and labor are available. In the same fashion within the WPB, the mechanism for handling new operating issues of reconversion was yet to be set up.

In all these areas, the need for team work based upon recognized responsibilities and well understood procedures was clear. The newness of the task alone was enough to cause delay in devising ways and means of doing it, and the determination in the war agencies and departments to get together in organizing to meet new economic problems was not yet strong enough to overcome underlying differences of opinion as to how and by whom those problems should be solved.

Office of Price Administration

A revised procedure for WPB certification to OPA of price problems believed to be involved in production was agreed to by the two agencies and approved by the Office of Economic Stabilization. The Office of Price Administration was receiving the cooperation of the Secret Service in combating counterfeiting and of the Alcohol Tax Unit in dealing with the black market in liquor.

Office of War Information

Changes in the Overseas Branch of the OWI were made in an effort to provide stronger central control over policy and operations. These included additional supervisory positions in the Washington office and the creation of boards of review in both Washington and New York.

State Department

The Department continues to have difficulty recruiting staff to carry out the reorganization of January 15. Especially serious is its inability to fill top positions in the Personnel and Administrative Management Divisions. Meantime an administrative survey committee is making some progress in carrying the intentions of the reorganization to the lower operating levels. Major clarifications of functions and intra-agency relations are badly needed, especially in regard to the offices of Public Information, Special Political Affairs, and Economic Affairs.

Encouraging progress has been made toward establishing an inter-departmental committee on economic foreign policy to obtain consistency among various aspects of economic foreign policy and between foreign and domestic policies. The initiative on this has come from the Office of Economic Affairs. It should lead to greater coordination within the Department as well as between the Department and other agencies.

Liaison relations between State and FEA remain confused due to lack of clear definition of responsibilities in both agencies.

Foreign Economic Administration

In the course of the hearings on the 1945 budget, it was apparent that FEA still suffers from inadequate top direction. As a result, the major units in the agency are still pulling and hauling for power, the programs are not going ahead full speed, and liaison relations with the Department of State remain unsettled. The Administrator has taken some preliminary steps to implement the Interdepartmental Committee report on the weaknesses of Lend-Lease reporting and has launched a general study of the statistical and accounting procedures within the FEA.

The House Foreign Affairs Committee reported favorably on the extension of the Lend-Lease Act for one year, and the FEA had a bill introduced which would extend the Export Control Act one year.

Office of the Coordinator of Inter-American Affairs

The CIAA has been experiencing continuing difficulties in obtaining policy clearances and directives from the Department of State. Although this situation has improved somewhat under the revised organization of the Department of State, it still represents a major operating problem for the Coordinator's office.

PRESIDENT'S SECRETARY'S FILE
Subject File
Bureau of the Budget:Progress
Rpts.Natl.Def.:Apr.-June 1944
Box 96