Report 44

[redacted]

NATIONAL WAR PROGRAM

MONTHLY PROGRESS REPORT

May 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

[redacted]

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

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

June 17, 1944

FOR THE PERSONAL ATTENTION OF THE PRESIDENT.

H. D. S.

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I. SUMMARY

Active Military Strengths

	Total All Classes	Date
Army	7,860,000	June 1
Navy, Marine Corps, and Coast Guard	3,457,482	May 15

The Army reported 3,673,221 overseas . . . . . June 1

(Pages 11-12, 24-25)

Aeronautical Program

May airframe acceptances, 105.8 million lbs. vs. 96.0 in April

(Pages 2-3)

Combat planes on hand:

Army: 32,190 on June 1 — May losses, 2,842
Navy: 19,800 on May 1 — April losses, 763

(Pages 4, 7)

Strength on May 1:

	Total	Pilots
Army Air Forces	2,356,504	110,500
Navy and Marine Corps	321,661	42,971
Total	2,678,165	153,471

(Pages 5-6, 8)

Navy Ship Construction

1944 completions of combatant vessels through May 20:

Aircraft carriers	3
Aircraft carriers, escort	27
Light cruisers	2
Destroyers	38
Destroyer escorts	119
Submarines	27
Total	216

(Pages 14-21)

Merchant Shipping, United Nations

Gains: May thru 28th — 1,321,000 dwt. vs. 1,758,000 in April
Losses: May thru 28th — 73,000 dwt. vs. 268,000 in April

II. AERONAUTICAL PROGRAM

May Aircraft Production

Preliminary reports indicate that 105.8 million pounds of airframes (spares included, gliders excluded) were accepted in May — an increase of 10 percent over the weight of April acceptances. 38 percent of the 1.27 billion pounds scheduled for 1944 were accepted in the first five months of the year.

The number of military aircraft accepted in May was 8,902, as compared with 8,343 in April. There were 1,581 four-engine bombers accepted, including 88 B-29's.

Aircraft Acceptances and Schedule, 1944

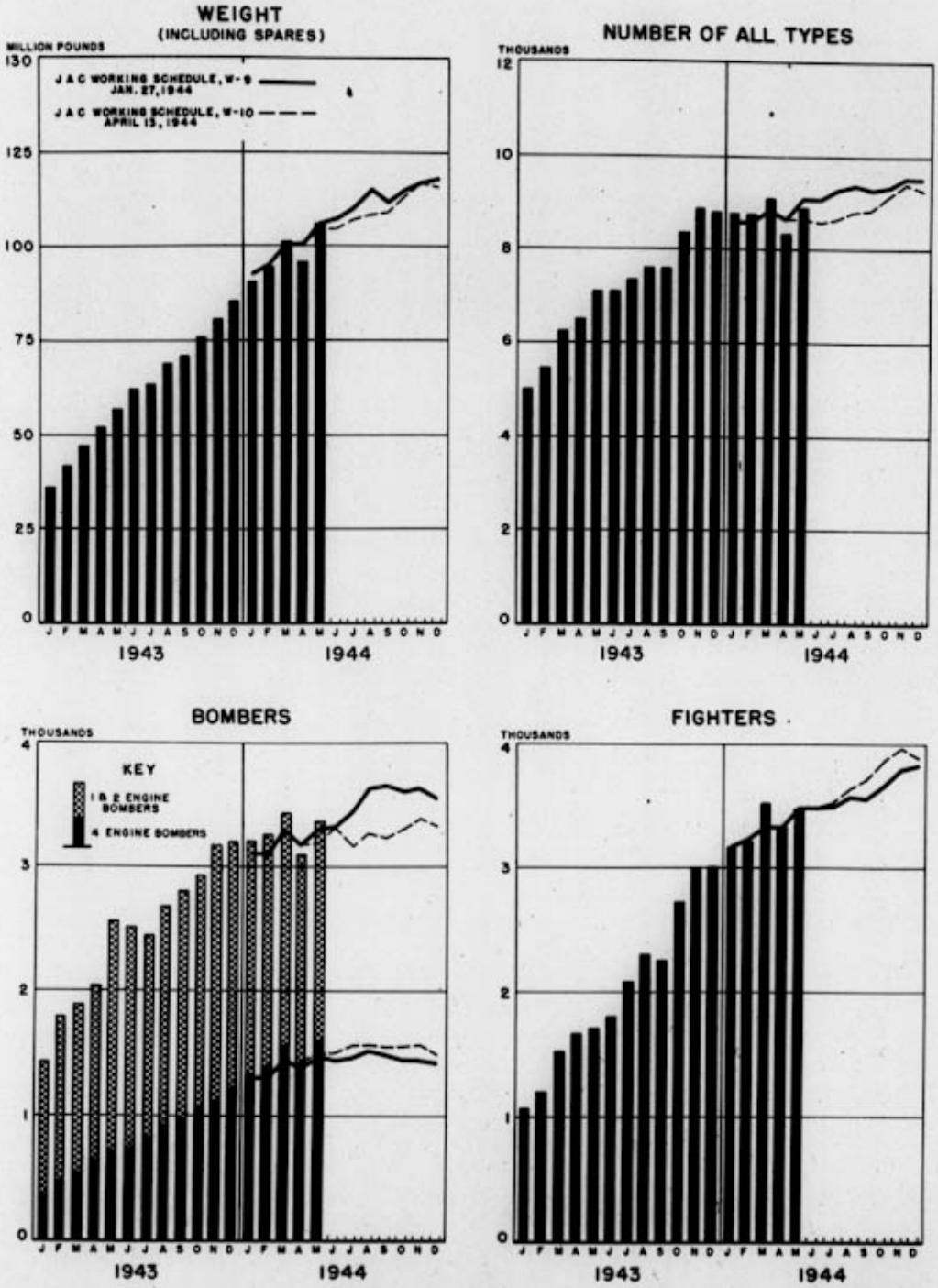
Type	Actual Acceptances			Total Scheduled 1944*
	April	May	Jan. Thru May	
Bomber, 4-engine, long-range	51	88	310	1,455
Bomber, 4-engine, other	1,366	1,493	6,994	16,626
Bomber, 2-engine	986	990	5,147	11,703
Bomber, 1-engine	700	801	3,937	9,311
Fighter	3,323	3,462	16,721	42,861
Reconnaissance	4	—	47	198
Total combat	6,430	6,834	33,156	82,154
Transport, 4-engine	47	47	190	759
Transport, 2- and 1-engine	791	945	4,187	9,843
Total tactical	7,268	7,826	37,533	92,756
Trainer	778	740	4,565	8,273
Liaison	250	279	1,598	3,694
Rotary wing	2	6	21	664
Target and drone	45	51	194	1,357
Grand total	8,343	8,902	43,911	106,744

*Actual acceptances, Jan. thru Mar.; W-10 schedule, Apr. thru Dec.

On May 31, there was a pool of 1,164 accepted but undelivered aircraft of which 87 percent were tactical types.

CHART I

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Army Air Forces

A. Airplanes. On May 31, the Army Air Forces had on hand 32,190 first-line combat airplanes. Of these, 10,324 were four-engine bombers—an increase of 570 heavy bombers during May. Of the total combat planes, 19,555 or 61 percent were overseas on May 31.

Airplanes of the Army Air Forces on Hand
April 30, May 31, and Gains and Losses in May

Type	On Hand Apr. 30 1944	May		On Hand May 31 1944	May Net Gain
		Gains	Losses*		
Combat					
Bomber, heavy, long-range	295	88	7	376	81
Bomber, heavy, other	9,459	1,410	921	9,948	489
Bomber, medium	4,339	358	376	4,321	-18
Bomber, light	1,386	193	86	1,493	107
Fighter	14,688	1,906	1,414	15,180	492
Reconnaissance	779	131	38	872	93
Total combat	30,946	4,086	2,842	32,190	1,244
Transport					
Heavy	701	134	23	812	111
Medium	3,779	448	39	4,188	409
Amphibian	28	0	0	28	0
Utility	3,817	131	55	3,893	76
Total transport	8,325	713	117	8,921	596
Total combat & transport	39,271	4,799	2,959	41,111	1,840
Trainers	27,694	557	328	27,923	229
Communications	4,133	223	149	4,207	74
Grand total	71,098	5,579	3,436	73,241	2,143

*Includes losses from enemy action, survey, etc.

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

Location	Bomber			Fighter	Trans-port	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,538	1,678	577	5,509	4,719	31,323	48,344
Overseas	5,786	2,643	916	9,671	4,202	1,679	24,897
Total	10,324	4,321	1,493	15,180	8,921	33,002	73,241

B. Personnel of the Army Air Forces. The active-duty strength of the Army Air Forces totaled 2,356,504 on May 1 — a decrease of 54,790 during April. This decrease resulted primarily from the transfer of AAF personnel to Army Ground and Army Service Forces.

Pilots on active duty were 95 percent of required strength by June 30, 1945.

Active-Duty Strength of the Army Air Forces, May 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)	108,943	1,557	110,500	116,093
Aviation cadet	—	92,673	92,673	85,180
Bombardier and navigator	37,031	366	37,397	45,079
Aerial gunner	—	18,336	18,336	35,540
Photo gunner	—	262	262	227
Airplane mechanic-gunner	—	35,141	35,141	21,429
Armorer-gunner	—	25,876	25,876	19,488
Radio operator-gunner	—	23,302	23,302	15,429
Observer	380	—	380	181
All other	167,520	1,845,117	2,012,637	1,977,555
Total	313,874	2,042,630	2,356,504	2,316,201

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

Army Air Forces personnel overseas and en route to overseas theaters totaled 945,800 on May 1.

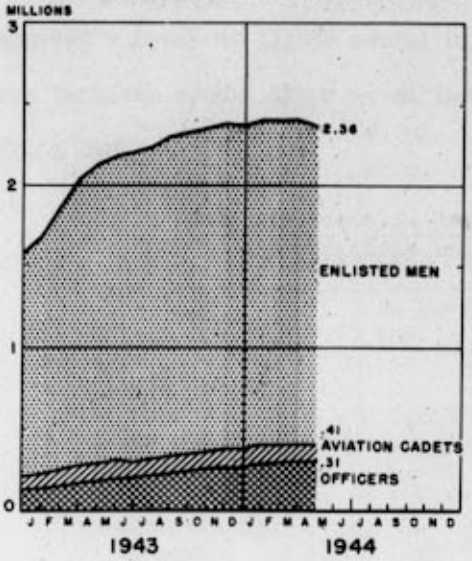
C. Flying Training. During April, 9,944 pilots were graduated from advanced training. Since the beginning of the war emergency, a total of 132,729 pilots have completed advanced training.

ARMY AIR FORCES MILITARY PERSONNEL

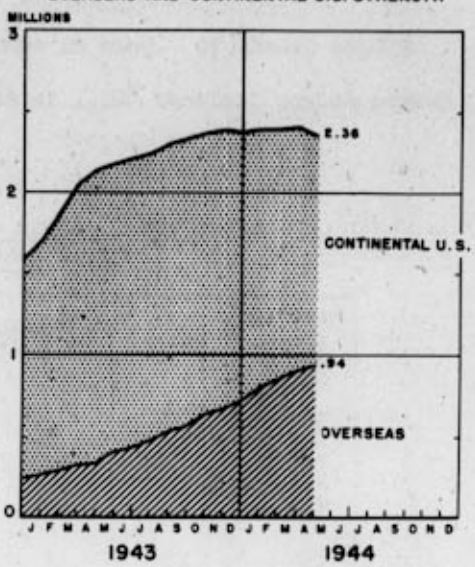
(INCLUDES PERSONNEL ASSIGNED FROM THE ASF AND AGF)

1. TOTAL STRENGTH

OFFICERS, AVIATION CADETS AND ENLISTED MEN

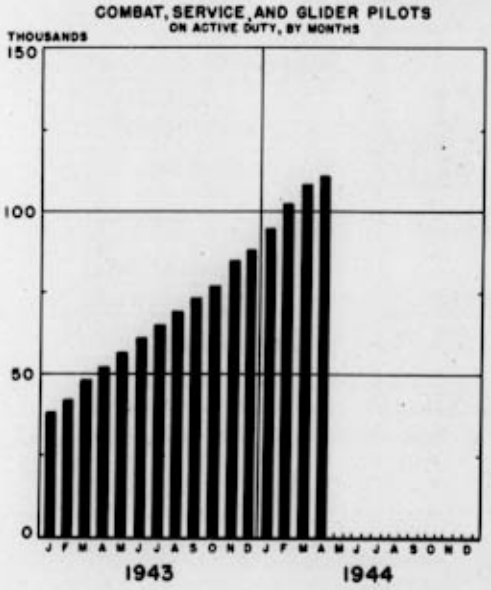


OVERSEAS AND CONTINENTAL U.S. STRENGTH

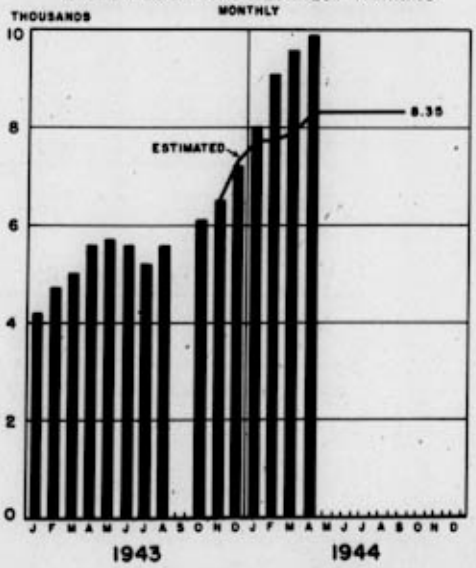


2. PILOTS AND PILOT TRAINING

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



GRADUATES OF ADVANCED PILOT TRAINING
MONTHLY



Bureau of Aeronautics

A. Airplanes. On May 1, the Navy, Marine Corps, and Coast Guard reported a total of 31,186 useful airplanes on hand. Of these, 19,800 were tactical combat types — an increase of 1,100 tactical combat planes during April.

Navy Airplanes on Hand — April 1, May 1, and Additions and Losses in April

Type	On Hand Apr. 1	April*		On Hand May 1
		Additions	Losses	
Tactical Combat				
Fighter	7,905	1,074	404	8,575
Scout bomber	4,335	394	186	4,543
Torpedo bomber	2,651	259	100	2,810
Patrol bomber--sea	1,537	60	18	1,579
Bomber--land:				
4-engine	321	32	12	341
2-engine	867	41	18	890
Observation scout	1,084	3	25	1,062
Subtotal	18,700	1,863	763	19,800
Tactical Non-Combat				
Utility	974	86	9	1,051
Transport	566	50	5	611
Subtotal	1,540	136	14	1,662
Training	9,332	148	73	9,407
Experimental and Miscellaneous	312	33	28	317
Grand total	29,884	2,180	878	31,186

*Includes diversions, reinstatements, reclassifications, and miscellaneous increases and decreases.

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps totaled 321,661 on May 1. This is 89 percent of the required strength by June 30, 1944. Pilots totaled 42,971 or 94 percent of requirements by June 30. These figures exclude personnel missing and prisoners of war, both of which have heretofore been included in this report.

Navy and Marine Corps Active-Duty Military Aviation Personnel
May 1, 1944, and Requirements for June 30, 1944

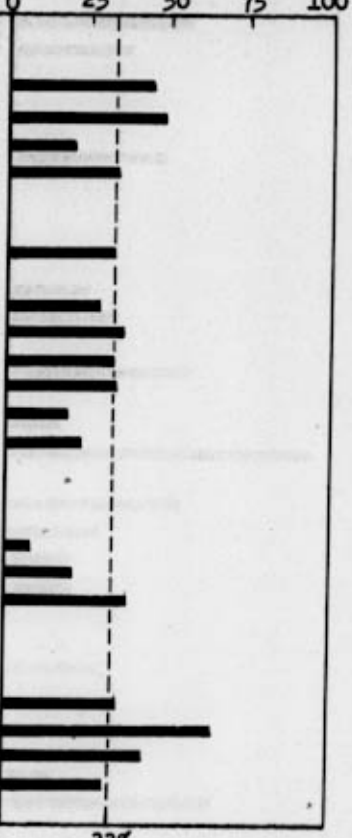
	Navy		Marine Corps		Total	
	Requirements 6-30-44	Actual May 1	Requirements 6-30-44	Actual May 1	Requirements 6-30-44	Actual May 1
Pilots	37,091	33,457	8,642	9,514	45,733	42,971
Other:						
Officers	26,503	27,013	5,207	3,895	31,710	30,908
Enlisted	189,235	165,434	93,813	82,348	283,048	247,782
Total	252,829	225,904	107,662	95,757	360,491	321,661

C. Pilot Training. Student pilots in training for heavier-than-air planes on April 27 totaled 37,844, and 11,192 of these were in the last stage of training prior to commissioning. The total is a decrease of 2,232 from the number in training on March 30. Further reductions, totaling approximately 3,123 trainees, are planned between April 28 and June 30, 1944.

III. ARMY

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

Item	April Deliv.	1944 Army Supply Program	1944 Deliveries January 1 to May 1	
			Cumulative	Percent of 1944 A.S.P.
Combat Vehicles				
Light armored car	223	3,383	1,494	
Light tank	344	3,763	1,805	
Medium tank	1,002	13,300	2,704	
Universal carrier	625	8,200	2,822	
Motor Vehicles				
¼ ton, 4 x 4 command	14,353	180,833	60,301	
½ and 3/4 ton, 4 x 4 weapons carrier	4,114	57,726	16,491	
1½ ton, 4 x 2 cargo	2,624	32,248	11,752	
1½ ton, 4 x 4 cargo	2,352	30,851	10,374	
2½ ton, 6 x 4 cargo	2,700	30,986	10,718	
2½ ton, 6 x 6 dump	68	25,560	4,926	
10 ton, 6 x 4 prime mover	532	8,266	1,943	
Artillery 1/				
155mm gun	15	2/ 480	38	
8 inch Howitzer	23	2/ 360	78	
155mm Howitzer	168	2/ 1,628	618	
Small Arms				
.30 cal. U.S. rifle, M1	101,756	1,246,752	446,571	
.30 cal. carbine	293,103	1,954,532	1,277,668	
.30 cal. machine gun	10,966	109,259	47,035	
.50 cal. machine gun	56,824	741,937	229,144	



4 mo. = 33% of year

1/ Proof firing may not be completed.
2/ Does not reflect recent increases in Army Supply Program.

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

Item	April Deliv.	1944 Army Supply Program	1944 Deliveries January 1 to May 1	
			Cumulative	Percent of 1944 A.S.P.
Small Arms Ammunition (Million rounds)				
All .30 cal.	280	3,919	2,146	
All .50 cal.	219	2,136	785	
Antiaircraft Ammunition (Thousand rounds)				
For 40mm gun	2,314	20,224	9,573	
Artillery Ammunition (Thousand rounds)				
For 60 and 81mm mortar	2,647	32,835	7,625	
For 57mm gun	336	10,456	3,561	
For 75mm field, tank, and antitank gun	1,329	10,987	6,249	
For 76mm tank and antitank gun	757	12,423	1,989	
For 75mm Howitzer	726	5,653	5,312	
For 90mm antiaircraft, tank & antitank gun	510	4,594	2,426	
For 105mm Howitzer	3,475	35,941	10,100	
For 155mm Howitzer	416	4,699	927	
For 155mm field gun	190	2,699	554	
Bombs				
500 lb. G.P.	158,211	2,243,574	628,236	
500 lb. cluster-fragmentation	—	315,000	—	
500 lb. cluster	—	113,000	—	
260 lb. fragmentation	43,512	885,000	136,574	
23 lb. fragmentation	199,798	3,195,493	2,070,562	
20 lb. and 23 lb. cluster-fragmen.	200,021	2,814,597	717,804	

4 mo. = 33% of year

Military Personnel

A. Strength. The active-duty strength of the Army increased 11,828 during May to an estimated total of 7,860,000 on June 1.

Distribution of the Army Active-Duty Strength, by Class
May 1, June 1, and May Increase

Class of Personnel	May 1 Actual	June 1 Estimated	May Increase
Commissioned officers	664,076	666,701	2,625
Warrant and flight officers	32,168	32,344	176
Enlisted men and selectees	7,042,116	7,050,287	8,171
WAC	68,801	69,596	795
Subtotal	7,807,161	7,818,928	11,767
Army Nurse Corps	41,011	41,072	61
Grand total	7,848,172	7,860,000	11,828

During May the Army active-duty strength overseas increased 199,400 to a total of 3,673,221 or 47 percent of the total Army strength.

Assignment of Army Active-Duty Military Personnel
May 1, June 1, and May Increase

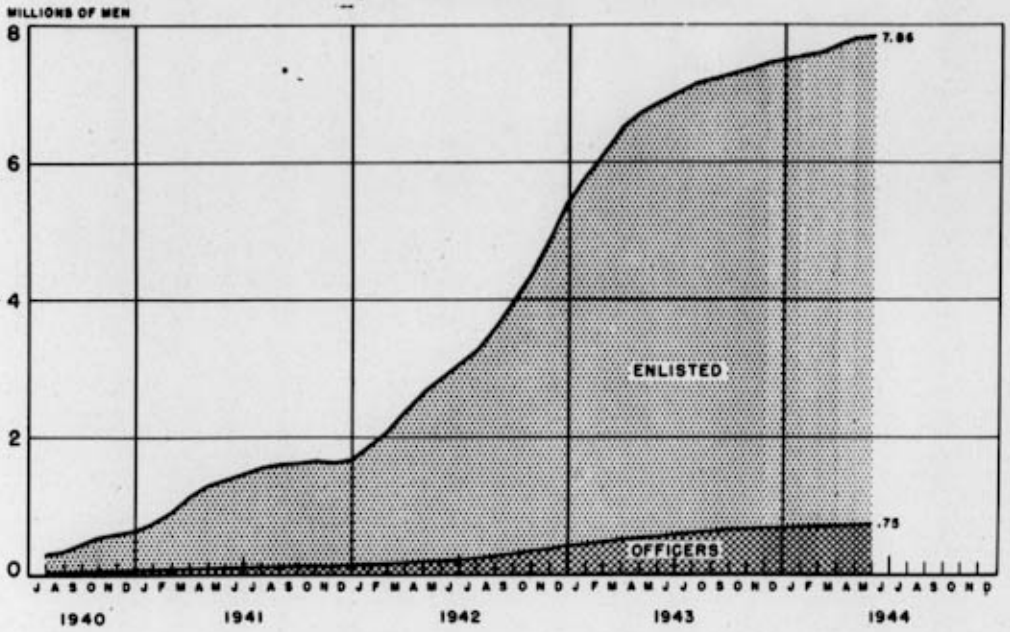
Assignment of Personnel	May 1 Actual	June 1 Estimated	May Increase
Army Ground Forces in U.S.	1,588,130	1,528,269	-59,861
Army Air Forces in U.S.	1,396,205	1,346,006	-50,199
Army Service Forces in U.S.	1,123,403	1,082,534	-40,869
In defense commands in U.S.	73,750	73,750	0
In staging areas	114,199	80,000	-34,199
In ships	78,664	76,220	- 2,444
Outside Continental U.S.	3,473,821	3,673,221	199,400
Total	7,848,172	7,860,000	11,828

On June 1, the total active-duty military personnel was distributed as follows: Ground Forces, 3,309,377 or 42 percent; Air Forces, 2,331,757 or 30 percent; and Service Forces, 2,218,866 or 28 percent.

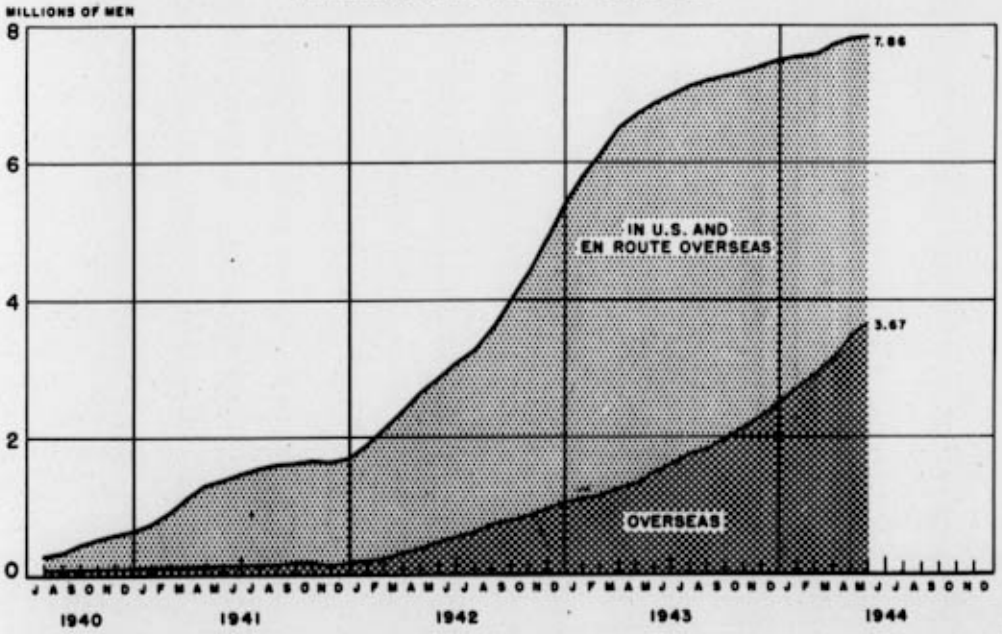
CHART 3

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL



PERSONNEL IN U.S. AND OVERSEAS



B. Army Casualties. A total of 160,118 battle casualties have been reported from December 7, 1941 through April 1944. Of this total, 24,202, or 15 percent, were officers. The North African Theater reported the largest number of casualties—76,201, or 48 percent of the total.

Battle Casualties Reported, by Theater
Dec. 7, 1941 Thru Apr. 30, 1944

	North African	Pacific and S.W. Pacific	European	Other	Total
Killed in Action	12,082	6,088	3,981	2,101	24,252
Wounded or Injured					
Died of wounds	1,975	658	109	76	2,818
Returned to duty	26,923	7,615	1,874	544	36,956
Evacuated to U.S.	6,389	2,931	151	172	9,643
Wounded	11,342	4,560	1,166	923	17,991
Subtotal	46,629	15,764	3,300	1,715	67,408
Captured or Interned					
Died of wounds	10	0	13	3	26
Died of disease	4	1,539	13	4	1,560
Repatriated	320	4	278	80	682
Prisoners of war	8,427	12,537	7,351	446	28,761
Internees	18	0	702	70	790
Subtotal	8,779	14,080	8,357	603	31,819
Missing in Action					
Declared dead	1	32	115	56	204
Died—cause unknown	2	188	1	36	227
Returned to duty	1,186	703	432	346	2,667
Status undetermined	7,522	17,201	7,678	1,140	33,541
Subtotal	8,711	18,124	8,226	1,578	36,639
Grand total	76,201	54,056	23,864	5,997	160,118

IV. NAVY

Completions of Naval Vessels

Two aircraft carriers were recently completed, the HANCOCK in April and the TICONDEROGA on May 8. A total of 216 combatant vessels have been completed in 1944 through May 20 — 45 in April and 29 more during the first 20 days of May. There are 287 additional combatant vessels scheduled for completion during 1944.

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

Type	1944				1943 Actual
	Apr.	May Thru 20th	Jan. 1 Thru May 20	Scheduled May 21 to Dec. 31	
Combatant Vessels:					
Battleship	0	0	0	2	2
Aircraft carrier	1	1	3	4	15
Aircraft carrier, escort	5	4	27	13	50
Large cruiser	0	0	0	2	0
Heavy cruiser	0	0	0	3	4
Light cruiser	0	1	2	11	7
Destroyer	6	6	38	62	128
Destroyer escort	26	13	119	132	306
Submarine	7	4	27	58	56
Total combatant	45	29	216	287	568
Patrol craft	48	32	231	354	718
Mine vessels	15	6	56	138	389
Auxiliaries	39	21	157	649	352
Landing force vessels*	122	97	420	995	649

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

Status of Construction of Selected Naval Vessels

Twenty-five percent of the 712 combatant vessels on order on May 20 had been launched, 23 percent were on the ways, and 52 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels, May 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	7	11	3	21	0	0
Aircraft carrier, escort	14	8	1	23	9	0
Large cruiser	0	1	2	3	0	0
Heavy cruiser	16	11	1	28	0	0
Light cruiser	16	12	10	38	0	0
Destroyer	112	48	24	184	0	0
Destroyer escort	69	23	105	197	0	0
Submarine	133	48	33	214	0	0
Total combatant	369	162	181	712	9	0
Patrol craft	197	52	117	366	42	0
Mine craft	27	66	96	189	0	0
Auxiliaries	136	73	77	257	494	0
Landing force vessels*	968	172	136	1,276	0	52

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

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

CHART 4

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

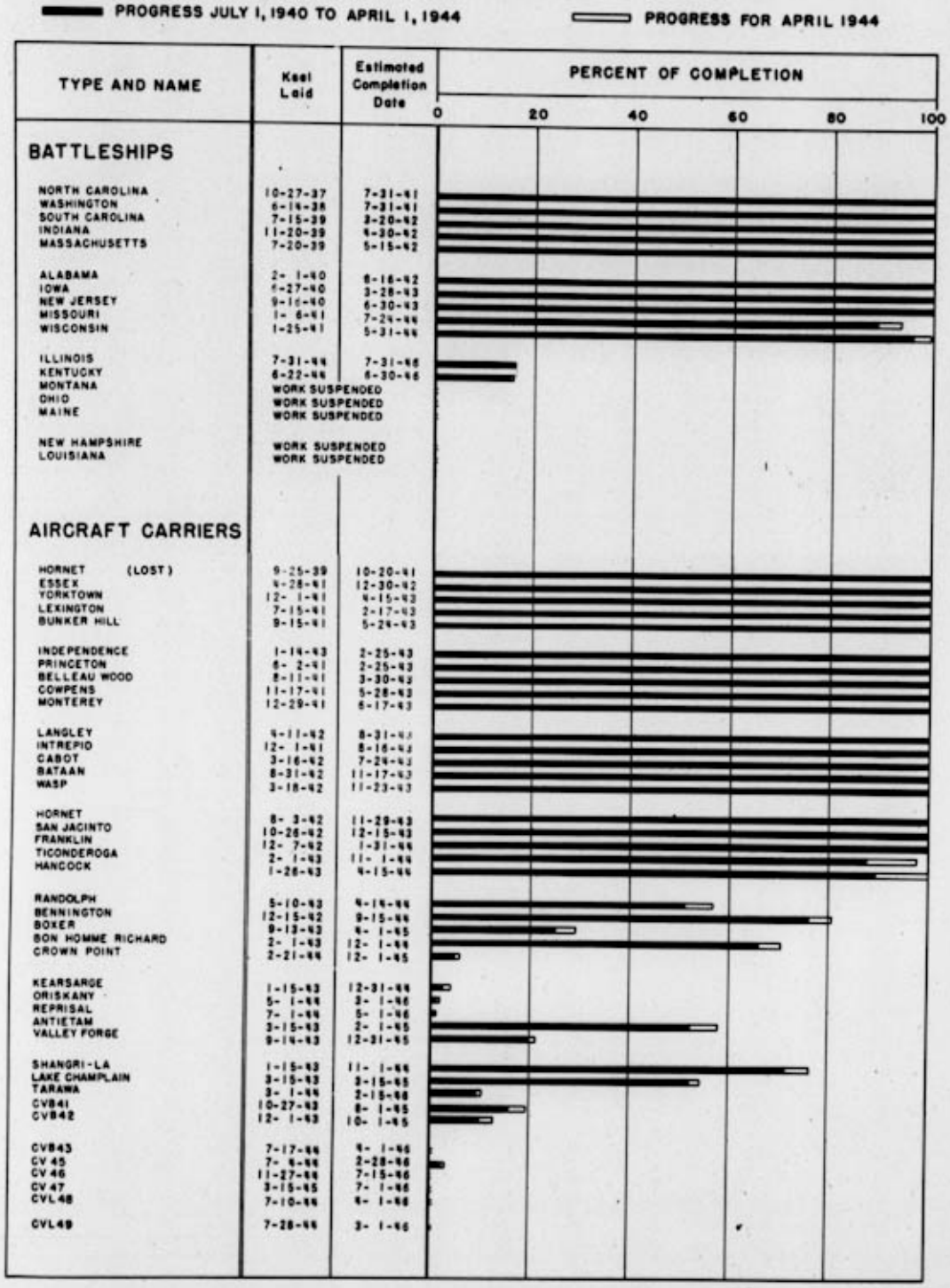


CHART 5

CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

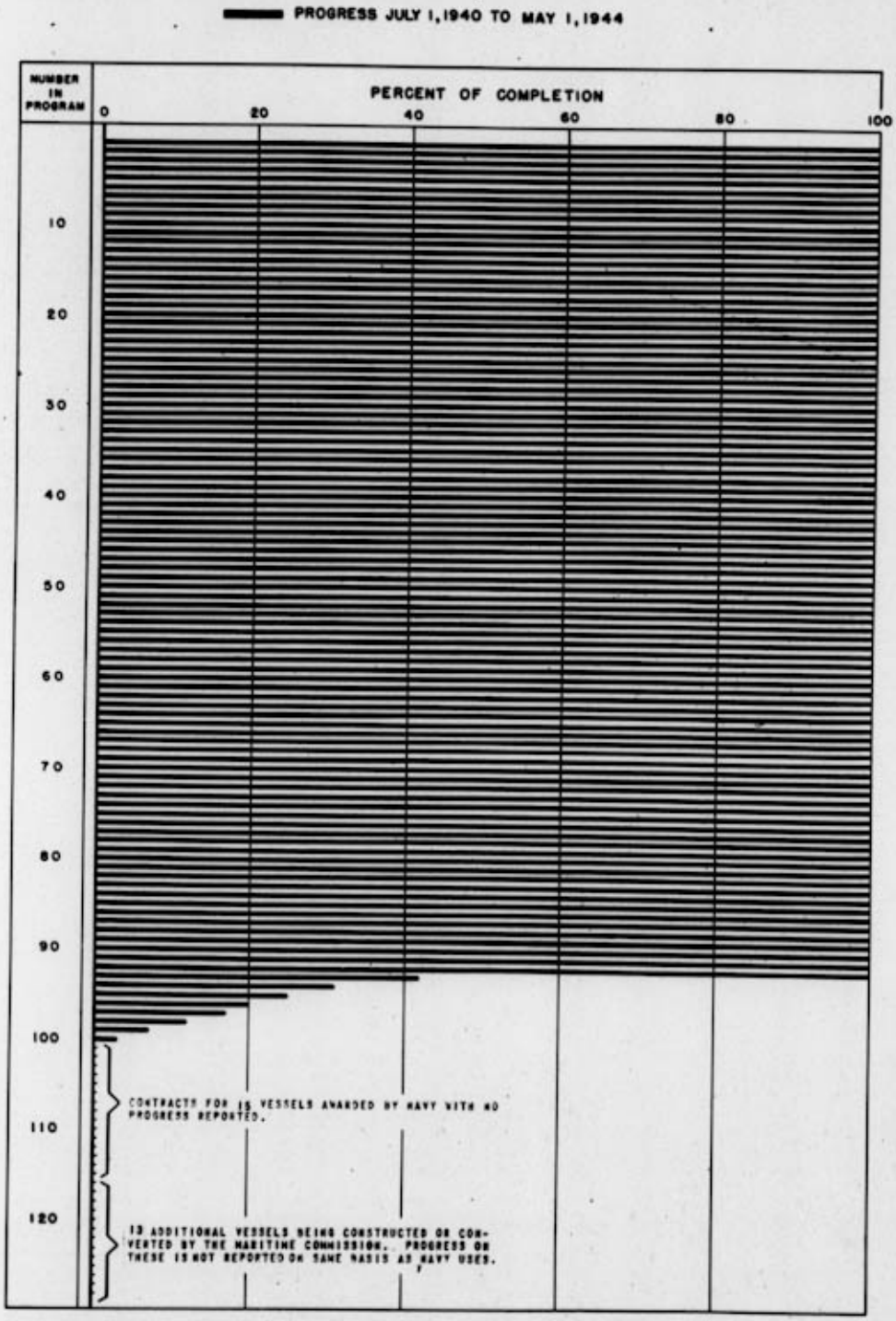


CHART 6

CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

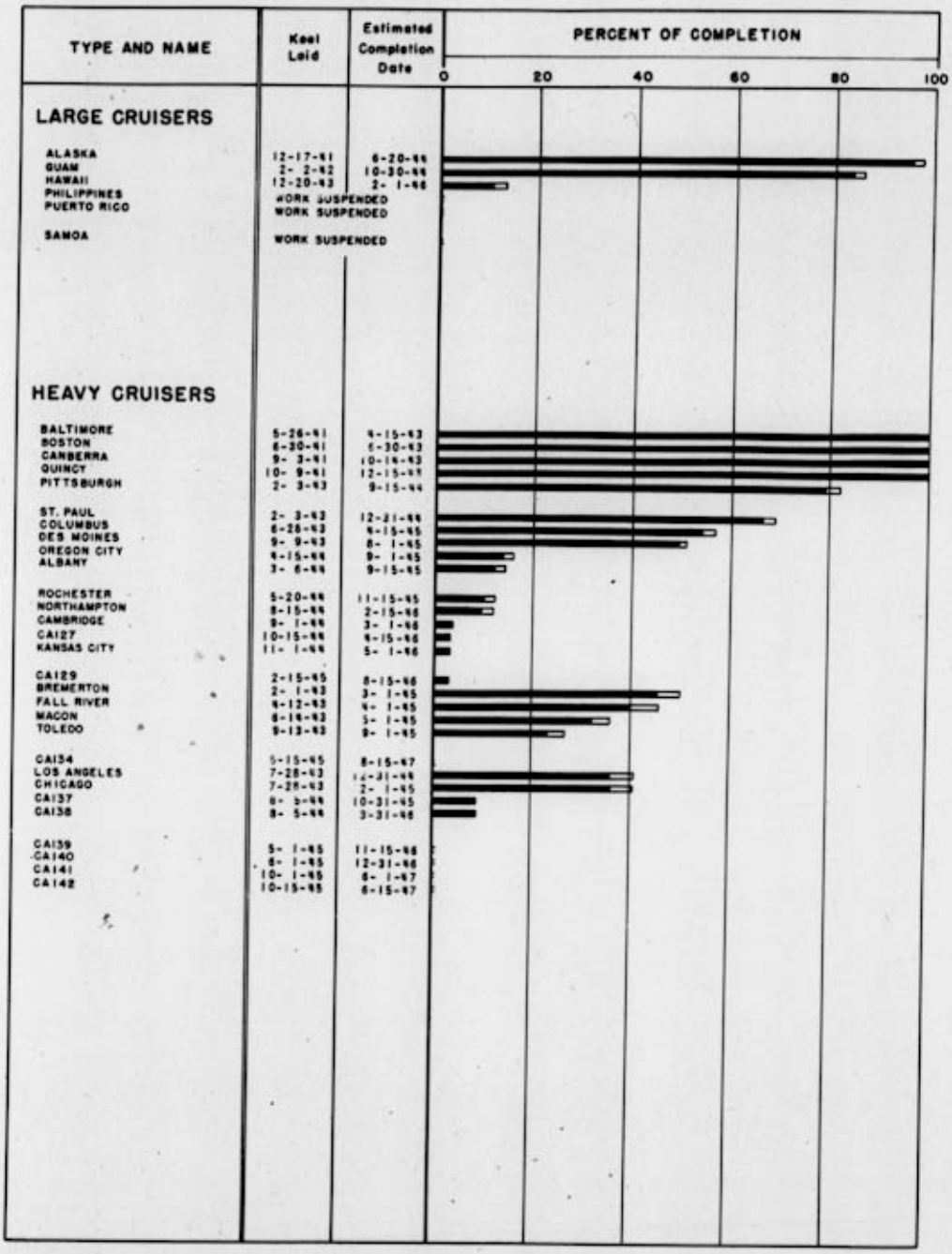


CHART 7

CONSTRUCTION PROGRESS ON LIGHT CRUISERS

PROGRESS JULY 1, 1940 TO APRIL 1, 1944 — PROGRESS FOR APRIL 1944

TYPE AND NAME	Keel Laid	Estimated Completion Date
LIGHT CRUISERS 6000 TONS		
ATLANTA	4-22-40	12-29-41
JUNEAU	5-27-40	2-11-42
SAN DIEGO	3-27-40	1-10-42
SAN JUAN	5-15-40	2-28-42
OAKLAND	7-15-41	7-17-43
RENO	8- 1-41	12-28-43
FLINT	10-23-42	9-12-44
TUCSON	12-23-42	12-29-44
JUNEAU	9-15-44	11-16-45
SPOKANE	11-15-44	1-18-46
FRESNO	1-15-45	3-15-46
LIGHT CRUISERS 10,000 TONS		
CLEVELAND	7- 1-40	6-15-42
COLUMBIA	8-19-40	7-15-42
MONTPELIER	12- 2-40	9- 9-42
DENVER	12-26-40	10-15-42
SANTA FE	6- 7-41	11-24-42
BIRMINGHAM	2-17-41	1-29-43
MOBILE	4-14-41	3-24-43
BILOXI	7- 9-41	8-31-43
HOUSTON	8- 4-41	12-20-43
MIAMI	8- 2-41	12-28-43
VINCENNES	3- 7-42	1-21-44
TOPEKA	4-21-43	12-20-44
PASADENA	2- 6-43	6- 8-44
PROVIDENCE	7-27-43	3- 1-45
MANCHESTER	5-15-44	8- 1-45
VICKSBURG	10-26-42	8-12-44
DULUTH	11- 9-42	9-30-44
SPRINGFIELD	2-13-43	8-15-44
ASTORIA	9- 6-41	5-15-44
OKLAHOMA CITY	12- 8-42	2- 1-45
LITTLE ROCK	3- 6-43	6- 1-45
GALVESTON	2-28-44	12- 1-45
YOUNGSTOWN	9- 5-44	6- 1-46
AMSTERDAM	3- 3-43	2- 1-45
PORTSMOUTH	6-28-43	5- 7-45
WILKES-BARRE	12-14-42	6-15-44
ATLANTA	1-25-43	10- 9-44
DAYTON	3- 8-43	11-27-44
FARGO	8-23-43	6- 1-45
HUNTINGTON	10- 4-43	7- 1-45
NEWARK	1-17-44	10-15-45
NEW HAVEN	2-28-44	12- 1-45
BUFFALO	4- 3-44	1- 1-46
WILMINGTON	11-28-44	5- 1-46
VALLEJO	9-15-44	8- 1-46
HELENA	12-18-44	10- 1-46
CL114	1-14-45	11- 1-46
CL115	3-15-45	2- 1-46
TALLAHASSEE	1-31-44	5- 1-46
CHEYENNE	5- 1-44	8-15-46
NORFOLK	8-21-44	8-15-46
CL143	2-15-45	8-15-46
CL144	3- 8-45	9-15-46
CL145	6-15-45	12- 1-46
CL146	8- 8-45	2- 1-47
CL147	10- 8-45	3-30-47
CL148	3- 5-45	12- 1-46
CL149	9- 3-45	6- 1-47

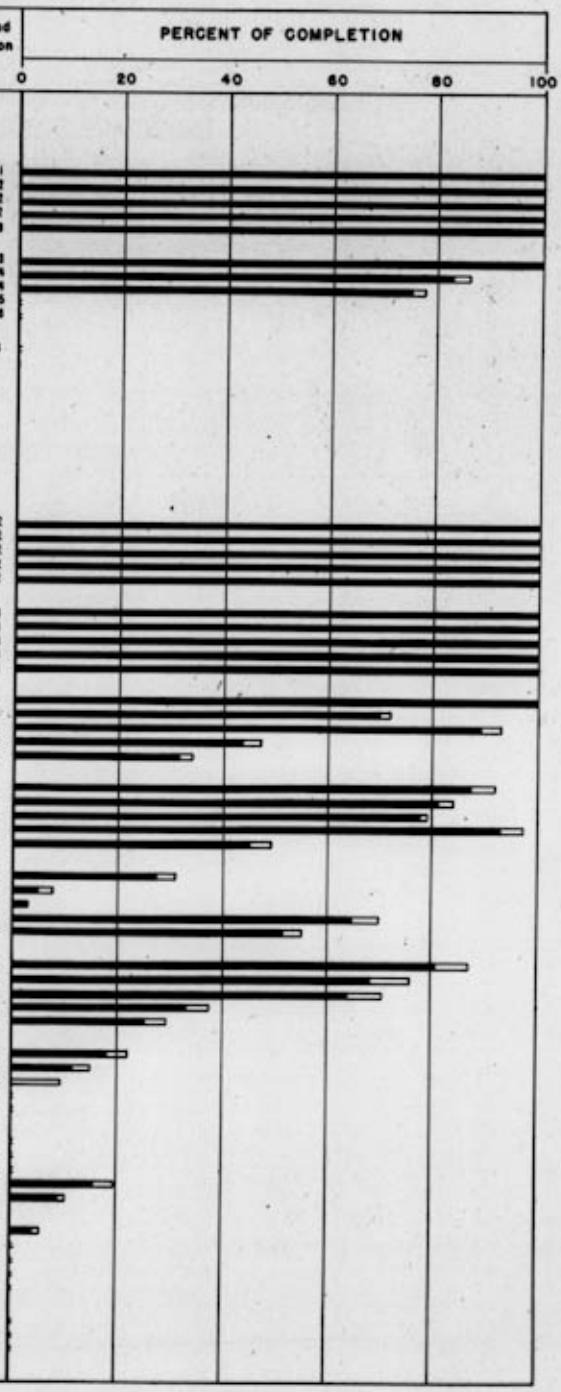
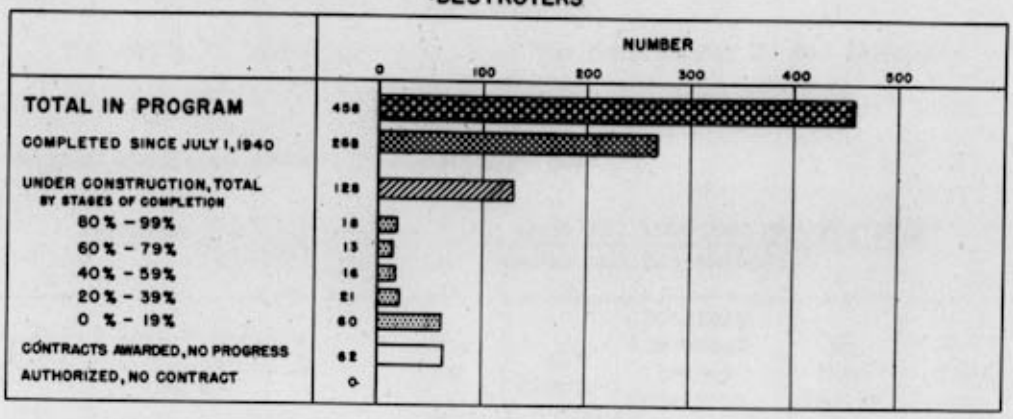


CHART 8

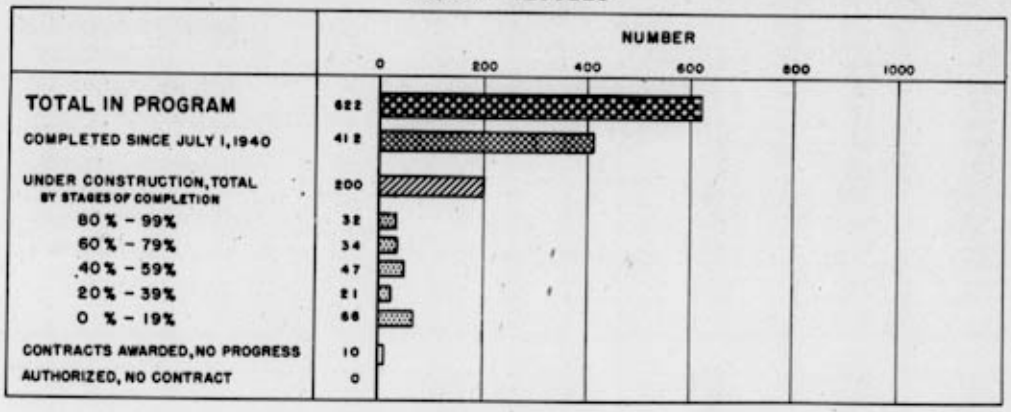
CONSTRUCTION PROGRESS
DESTROYERS, ESCORT VESSELS AND SUBMARINES

MAY 1, 1944

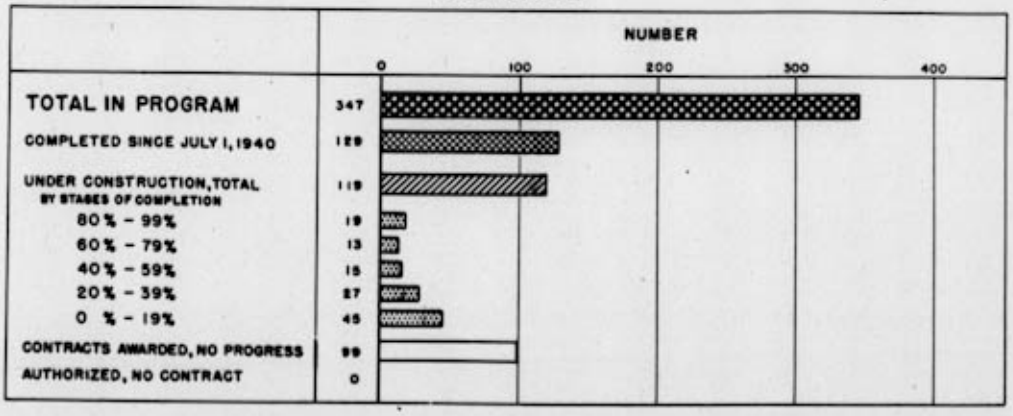
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on May 20 had increased 672 since June 30, 1940 to a total of 1,055. These figures reflect only publicly announced losses, which totaled 302.

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

Type	On Hand June 30 1940	New Completions	Publicly Announced Losses, Transfers, & Reclassifications	On Hand May 20 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	8	1	22	7
Aircraft carrier	6	20	4	22	16
Aircraft carrier, escort	0	92	35	57	57
Heavy cruiser	18	4	6	16	-2
Light cruiser	19	18	3	34	15
Destroyer	225	274	134	365	140
Destroyer escort	0	425	85	340	340
Submarine	100	133	34	199	99
Total combatant	383	974	302	1,055	672
Patrol craft	36	1,511	321	1,226	1,190
Mine craft	36	809	256	589	553
Auxiliaries	138	761	46	853	715
Landing force vessels*	0	1,280	285	995	995

*LST, LSD, and LCI(L)

Analysis of Losses, Leases, Transfers, and Reclassifications

The following vessels were publicly announced by the Navy as lost during May: 1 Aircraft Carrier Escort, 1 Destroyer, and 5 Patrol Craft.

A total of 83 combatant vessels have been announced as lost, 131 leased, 50 transferred, and 40 reclassified through May 31, 1944.

Publicly Announced Losses, Leases, Transfers, and Reclassifications — July 1, 1940 Through May 31, 1944

Type	Lost	Leased or Transferred 1/	Reclassified	Total Decrease
Combatant Vessels:				
Battleship	1	0	0	1
Aircraft carrier	4	0	0	4
Aircraft carrier, escort	2	38	2/ -4	36
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	42	50	43	135
Destroyer escort	1	84	0	85
Submarine	24	9	1	34
Total combatant	83	181	40	304
Other Vessels:				
Patrol craft	71	240	15	326
Mine craft	15	197	43	255
Auxiliaries	38	103	2/-102	39
Landing craft 3/	16	254	19	289
Total other	140	794	2/ -25	909
Grand total	223	975	15	1,213

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

2/ Vessels added to the total on hand.

3/ LST, LSD, and LCI(L).

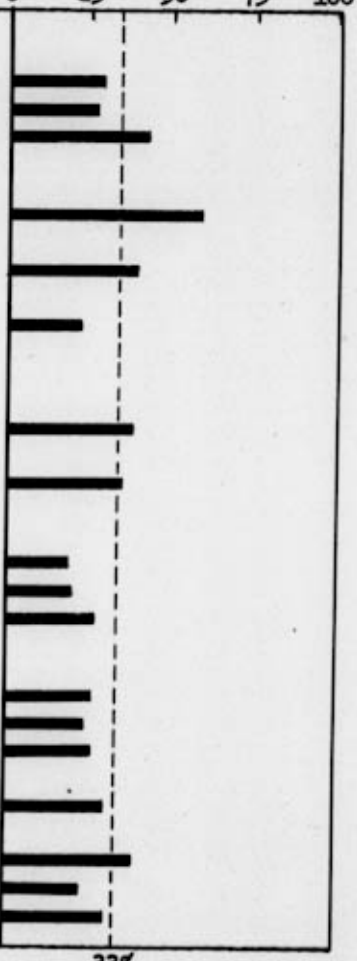
4/ Revised downward, based upon additional information received in May.

Production of Naval Ordnance Materiel

From January 1 to May 1, cumulative deliveries of 12 of the 18 items of naval ordnance materiel listed below were less than 33 percent of the total scheduled for the year.

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

Item	April Deliveries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to May 1	
			Cumulative	Percent of 1944 Sched.
Torpedoes 1/				
Surface craft	664	6,522	1,842	
Submarine 2/	836	11,702	3,033	
Aircraft 2/	741	7,412	3,117	
Surface Fire Guns				
Heavy, 12" and 16" turrets	1	12	7	
Medium, 8" and 6" turrets	8	99	39	
Light, 4"	4	171	37	
Antiaircraft Guns				
Heavy, 3" and 5" mounted barrel	894	9,442	3,601	
Light, 40mm and 20mm mounted barrel 3/	4,641	54,875	18,957	
Fire Control Equipment				
Gun directors	433	8,367	1,608	
Radar fire control	66	1,214	243	
Gun sights, Mk 14	2,952	38,751	10,651	
Ammunition				
Heavy surface fire	9,446	117,810	30,122	
Medium surface fire	33,595	636,725	152,975	
Light surface fire	354M	7,636M	2,009M	
Antiaircraft:				
Heavy	626M	8,129M	2,409M	
Light:				
20mm HE, HEI, HET	36,744M	416,262M	164,262M	
40mm HE, HET, HEIT	7,032M	93,776M	22,026M	
1"1	491M	5,675M	1,675M	



4 mo. = 33% of year

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

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 3,344,498 on April 15 to 3,457,482 on May 15 — an increase of 112,984 or 3 percent. The total on May 15 was composed of 641,547 regulars, 2,731,755 male reserves, and 84,180 female reserves.

Strength of the Naval Services
April 15 and May 15

	Navy	Marine Corps	Coast Guard	Total
Officers	262,937*	31,531	11,508	305,976
Officer candidates	119,929	8,213	606	128,748
Enlisted personnel	2,446,405	418,339	158,014	3,022,758
Total, May 15	2,829,271	458,083	170,128	3,457,482
Total, Apr. 15	2,727,947	445,666	170,885	3,344,498
Increase	101,324	12,417	-757	112,984
Percent incr.	4%	3%	—%	3%

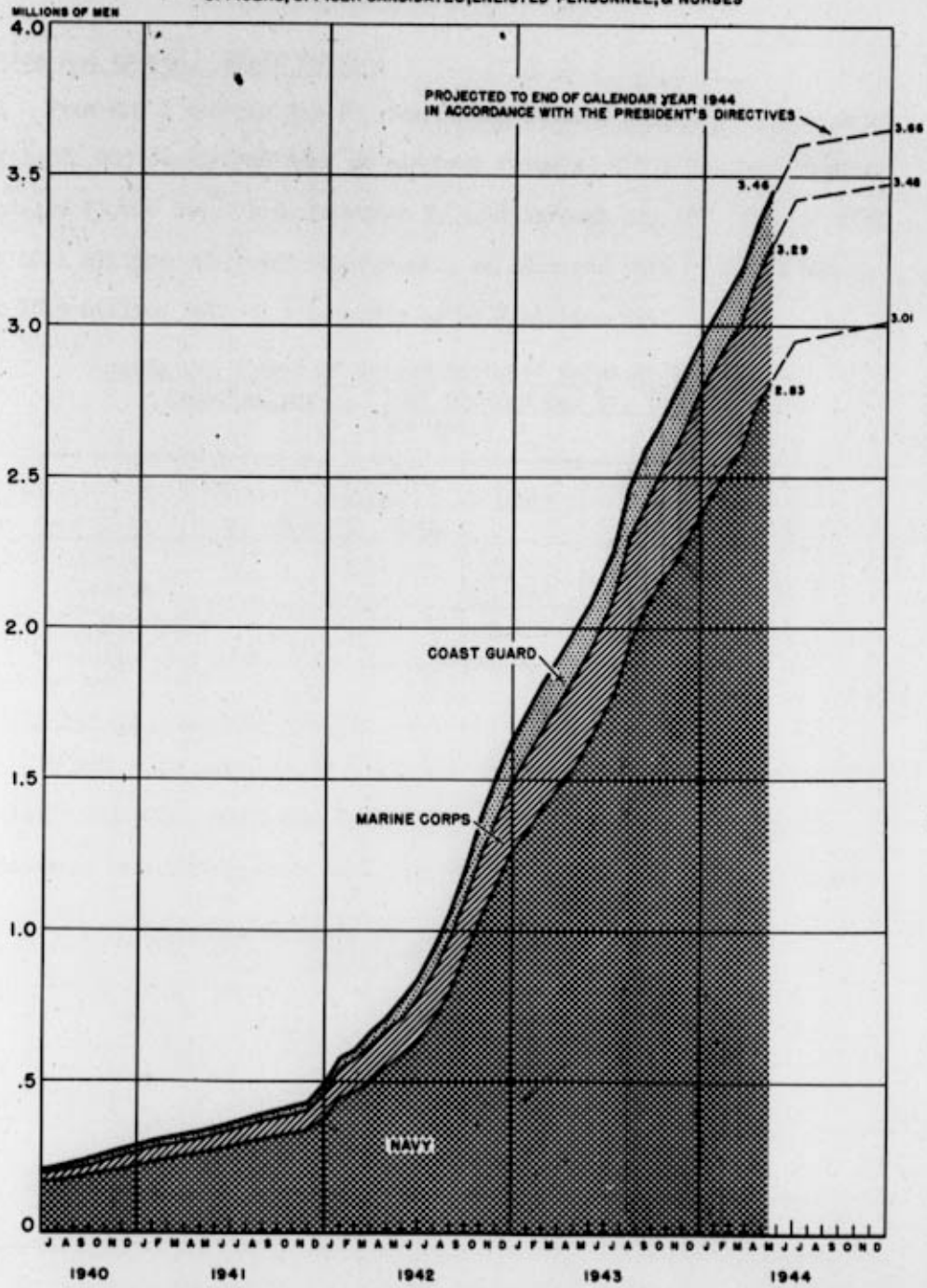
*Includes 8,213 nurses.

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 calendar year 1944
Coast Guard ..... 174,000 thru calendar year 1944

CHART 9

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 May 1 through May 28, the United Nations reported construction of 1,321,000 deadweight tons of merchant vessels, while reported losses totaled 73,000 dwt. From December 1, 1941 through May 28, 1944, a total of 40.1 million dwt. were constructed, as compared with reported losses of 18.9 million dwt. — a net gain of 21.2 million dwt.

Gains and Losses of United Nations' Merchant Vessels
Reported Dec. 1, 1941 Through May 28, 1944
(000 Dwt.)

	Dec. 1, 1941 Through Mar. 31, 1944	April	May Thru 28th	Total Through May 28
Gains	37,012	1,758	1,321	40,091
Losses	18,509	268	73	18,850
Net gains	18,503	1,490	1,248	21,241

Deliveries by U.S. Shipbuilders

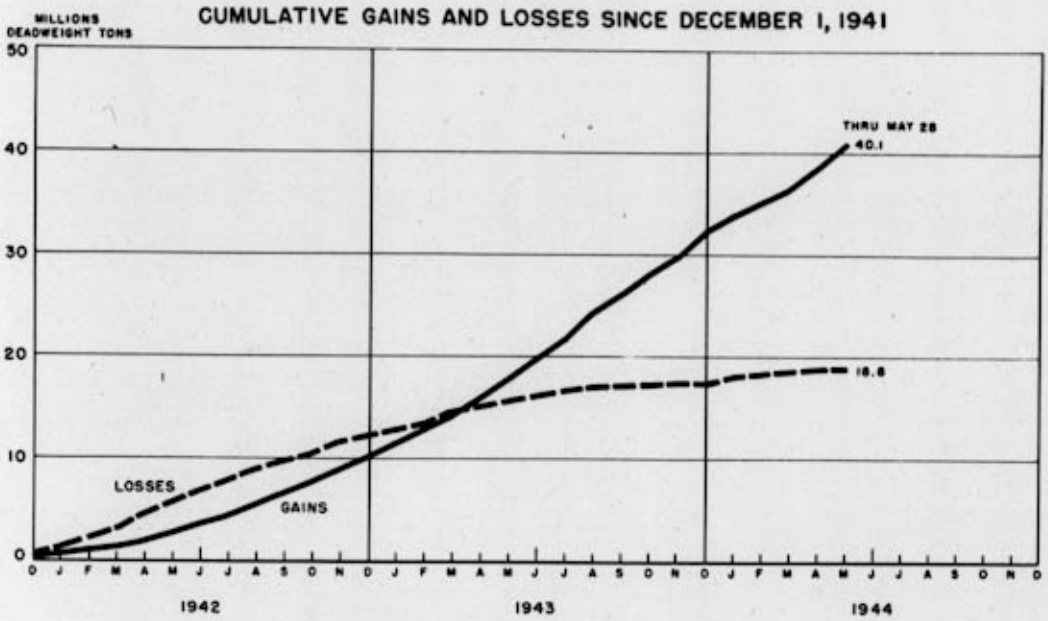
In May, U.S. merchant shipbuilders delivered 141 major-type vessels at 1,488,265 dwt., including 23 vessels for military use. The April deliveries were 139 vessels at 1,538,880 dwt., including military types.

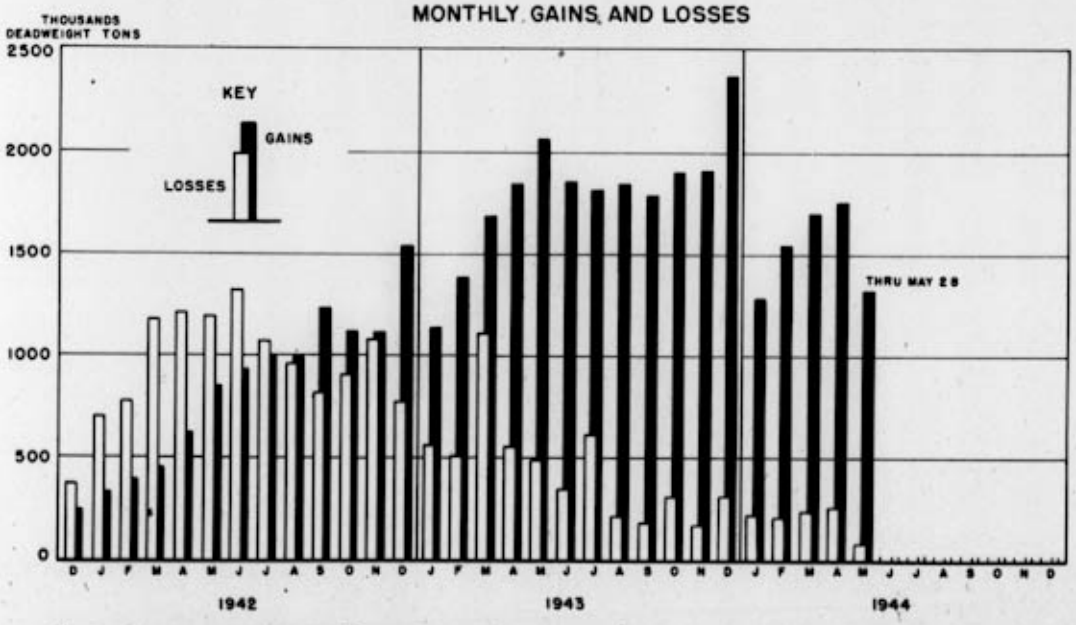
Vessels Delivered by U.S. Merchant Shipyards
April and May, 1944

Type	April		May	
	Number	Dwt.	Number	Dwt.
Dry cargo	110	1,158,758	97	1,035,242
Tanker	17	286,011	21	351,337
Military	12	94,111	23	101,686
Total	139	1,538,880	141	1,488,265

CHART 10

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



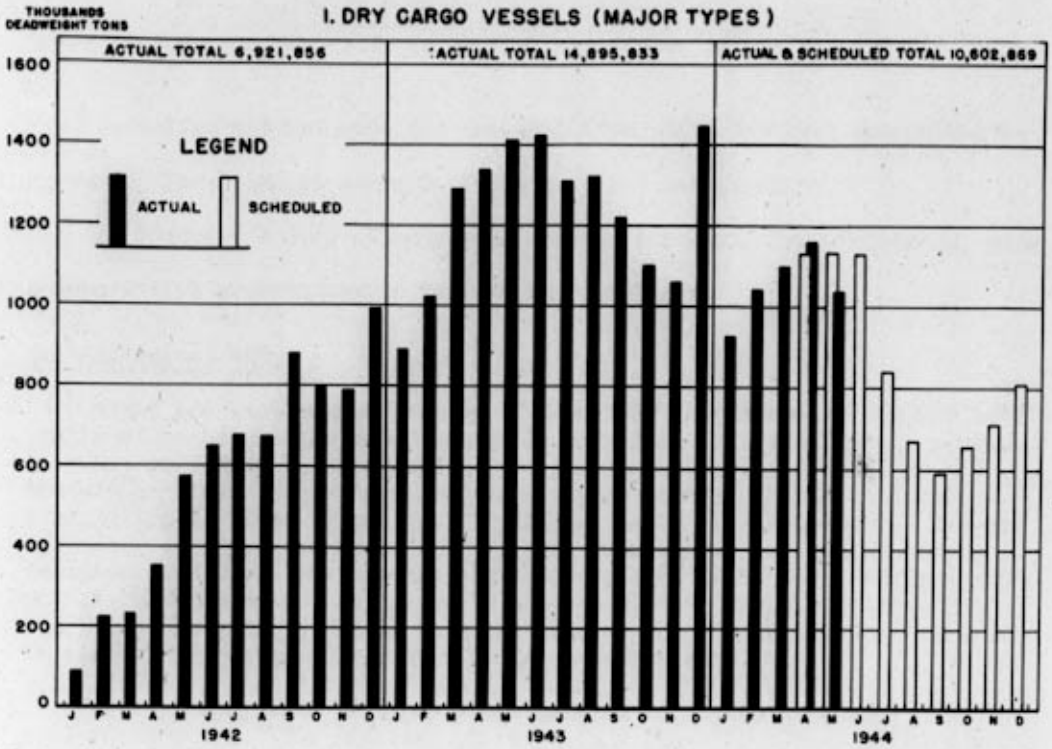


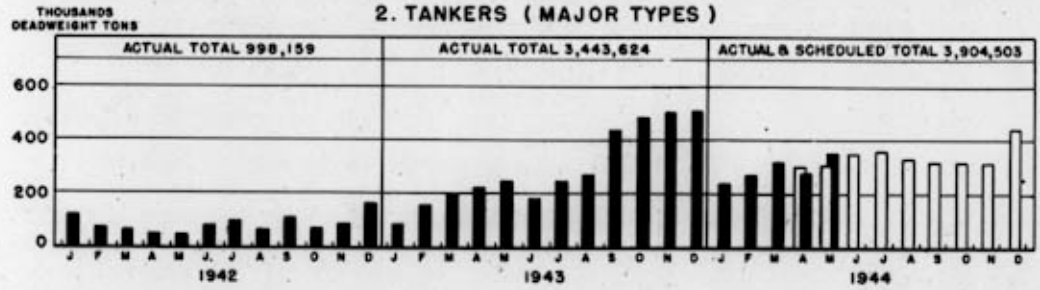
*BEGINNING WITH AUGUST 1943, MERCHANT VESSELS COMMISSIONED FOR MILITARY SERVICE ARE INCLUDED. LOSSES ARE ON A NOTIFICATION BASIS.

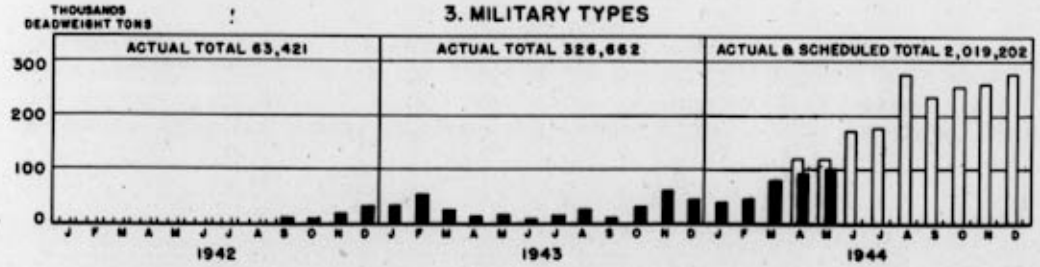
SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

CHART II

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS







SOURCE: MARITIME COMMISSION - SCHEDULE AS OF 4-1-44

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

Curtailed requirements for the explosive, TNT, for 1944 can be met by operating less than 40 percent of the original new capacity.

An adequate supply of anhydrous ammonia for explosives continues, with a substantial present margin for use in fertilizer.

The Explosive, TNT

Since the last review (report of June 1943) requirements for TNT have continued to be greatly under available capacity. Practically all production has come from 14 Government-owned plants containing a total of 128 production lines. Only seven of these plants were in operation in March 1944, using 31 lines to produce 93 million pounds for that month. Because of technical improvements in the process, this output is greatly beyond designed capacity. The present schedule for 1944 calls for a maximum output of 144 million pounds per month throughout the fourth quarter. This can be met by using 47 lines in eight plants; 25 other lines are available in standby or convertible status in these same plants.

Four plants, with 48 lines (costing $200 million), have been closed semi-permanently. The smallest of these (six lines) has been officially declared surplus by the War Ordnance Department and has had its equipment removed. Two other small plants have been completed, one of which was never used and the other was converted to other related production.

Anhydrous Ammonia

The last review of anhydrous ammonia (report for August 1943) noted a Government expansion program in ten plants estimated to cost $300 million. This was expected to double the domestic supply. Surplus capacity has continued since the last review, in part because in nine plants the actual total capacity of 72,000 tons per month surpasses the designed capacity by 22 percent.

An average output of about 55,000 tons per month from seven plants is scheduled for 1944. During the first eight months of the year, this volume accrues a substantial margin beyond the anticipated requirements for Ordnance. This difference will be sold commercially or used for fertilizer.

VII. AGRICULTURE AND WAR FOOD ADMINISTRATION

Contrary to the usual movements, receipts from farm marketings showed a decrease from March to April this year.

Looking several months ahead, the civilian food outlook for some foods is not as favorable as for the earlier months of 1944.

Production of rationed farm machinery for many items is running substantially below the approved program.

Farm Income

Total cash receipts from farm marketings in April were $1,404 million, 2 percent less than in March. Ordinarily, there is a slight increase from March to April. The decrease resulted from a drop in income from livestock and livestock products.

The preliminary estimate of total cash receipts from farm marketings for the first four months was $5,716 million, compared with $5,019 million in 1943. Higher prices were particularly important in bringing about increased income from nearly all crops. Larger marketings of cattle, calves, and hogs resulted in a gain of 21 percent in receipts from meat animals, while slightly higher sales of milk both at wholesale and at retail, combined with somewhat more favorable prices, were responsible for the 8 percent increase in income from dairy products.

Food

Most food will be in plentiful supply for civilians during the early summer. However, looking several months ahead, the civilian food outlook for some foods is not as favorable as for the earlier months of 1944. Total meat supplies available to civilians apparently will remain large through most of the July-September quarter although they will decline somewhat from present high levels as production decreases seasonally until fall and as noncivilian takings increase. Civilian supplies of eggs, fluid milk and cream probably will be less than in the first half of the year but still above pre-war (1935-39) levels. Civilians may have less butter in the last half of 1944 than in the first half; however, the quantity available is likely to exceed the supply for the same period of 1943. Processed foods, such as canned fruits and vegetables, cheese, and corn products, may be in somewhat shorter supply for the last six months of 1944 than for those of 1943. The decreases in canned fruits and vegetables may be offset in part by fresh products.

Heavy hog runs which started about the middle of April have continued through May. Marketings of all livestock have continued heavier during May 1944 than for the same month a year ago. U.S. civilian consumption of meat for the first half of 1944 is expected to be at an annual rate of 155 pounds per capita, as compared with 137 pounds in 1943 and a pre-war average of 126 pounds.

Production of milk has continued seasonally abundant, and WFA market agents in all metropolitan areas have been instructed to raise sales quotas for cream, fluid milk, and fluid milk by-products to eliminate the possibility that such quotas might be responsible for milk "dumping". In May, the Government bought 40 percent of the butter being produced and in June will need 50 percent. It also is buying 60 percent of the Cheddar cheese, 90 percent of the whole milk powder, 75 percent of the spray-dried milk powder, 50 percent of the roller-dried milk powder, and roughly half of all the evaporated milk being produced.

Since January 1, WFA purchases of both shell and dried eggs amounted to nearly 18 million cases, 3 million cases being purchased in support of the producers' market. Egg production is expected to decrease seasonally from now until the year's low is reached in November. In the meantime, surplus eggs will be converted into animal feed, currently in short supply. Market supplies of chickens are increasing seasonally, and during the next four or five months probably will exceed the 1943 record supplies for the same months.

Government requirements for canned fruits this year are 72 percent greater, and for canned vegetables 74 percent more, than for 1943. The principal 1944 increases for fruits are for apricots, red sour pit cherries, fruit cocktail, peaches, and pineapple juice; the greatest increases in vegetables are for snap beans, beets, carrots, green peas, sweet corn, tomatoes, and tomato products. This means about 9.6 pounds of canned fruits (not including fruit juices) per capita in 1944-45 for U.S. civilians as compared with 11.3 in 1943-44, 14.2 in 1942-43, and 14.9 for the five-year average 1935-39. It means about 27.2 pounds per capita for canned vegetables as compared with 30.6 in 1943. Per capita civilian supplies of canned fruit juices in 1944 are expected to average 7.1 pounds, slightly above the 6.5 pounds consumed in 1943 and much larger than the average per capita consumption in 1935-39 of 4.1 pounds.

Lend-Lease deliveries of food and other agricultural products by WFA to claimant agencies in March totaled 798,736,255 pounds as compared with 865,884,856 pounds in February. Deliveries included meats, 41.2 percent; grain products, 17.5 percent; sugar, 12.1 percent; dairy and poultry products, 9.8 percent; fruits and vegetables, 9.1 percent; and fats and oils, 4.7 percent.

Office of Distribution has been developing plans for the resale of Government-owned food stocks not needed for military and other war uses. While these stocks are not large and at no time are expected to represent more than a small fraction of the total supply of a given commodity, steps are being taken to curb speculation, prevent dumping, and to avoid disrupting established distribution patterns.

Farm Machinery

Production of rationed farm machinery items during the ten-month period July 1, 1943 to April 30, 1944 is shown below in percentages of our approved program for the year ending June 30, 1944.

	Percent Completed April 30, 1944
For Spring Use:	
Corn and cotton planters	66.5
Potato planters	71.6
Grain drills	61.5
Listers	83.5
Beet and bean drills	96.2
Disc harrows	76.6
Soil pulverizers	75.2
Rotary hoes	94.3
For Midseason Use:	
Combines	50.6
Mowers	57.2
Side delivery rakes	41.7
Hay loaders	57.4
Pick-up balers	54.8
Irrigation pumps	71.2
Grain and rice binders	29.4
Potato diggers	19.8
For Fall Use:	
Corn binders	20.6
Corn pickers	36.1
Stationary balers	40.7
Feed grinders	89.4
For Year-round Use:	
Manure spreaders	68.8
Tractors	73.3
Garden tractors	55.9
Milking machines	80.6
Milk coolers	62.8
Well systems	69.2
Windmills	68.6

Due to the lack of enough farm machinery and equipment to fill all demands, there is a growing interest in the possible farm use of surplus war property as it is released. The Office of Materials and Facilities is maintaining close contact with the Surplus War Property Administration and the various disposal agencies, particularly Treasury Procurement.

Farm Labor

Farm employment in May was estimated by the Bureau of Agricultural Economics to have been 10,068,000, a decline of 424,000 or 4 percent from May 1, 1943, and of 930,000 or 9.5 percent from the 5-year (1938-42) average for May. Although the number of operators and unpaid family workers decreased only about 2 percent from last May, hired farm employment was down 13 percent. Delays caused by abnormally wet weather accounted for some of the decrease in employment from a year ago.

The Office of Labor announced that arrangements have been made to bring 900 workers to the United States from Barbados, British West Indies colony, for farm employment during the summer and fall months. Other foreign workers employed on American farms at present are Mexicans, Jamaicans, Bahamans, and Newfoundlanders, totaling 43,300, with 62,000 more of these workers to be employed as soon as they can be transported to this country.

During May, an intensive campaign was carried out by OWI and WFA to impress on the public the need for emergency workers on the farms and to urge town and city men, women, and youth to participate in the U.S. Crop Corps movement this summer and fall. Toward the end of the month, however, some State Extension Service directors were reporting that the release from rationing of many food items was resulting in an apparent trend by the public to disregard appeals to do emergency work on this year's food crops.

Limitation on Sale, Delivery, and Use of Corn

To meet an acute shortage of corn available to processors of strategic war materials, the War Food Administration issued War Food Order 98 on April 22, 1944, restricting sales and delivery of corn in 125 cornbelt counties to the Commodity Credit Corporation, with certain exceptions, for a period of 60 days starting April 25, 1944. The Office of Defense Transportation and the Interstate Commerce Commission issued supplementing orders controlling transportation of corn in the area with authorization for shipment being issued by the AAA and its county committees.

The Secretary of War, the Chairman of the WPB, and the War Food Administrator appealed to farmers to sell up to 80 million bushels of corn if possible. On May 27, farmers in the designated counties located in Iowa, Illinois, Indiana, Minnesota, and Nebraska had pledged almost 51 million bushels of corn. A simple contract has been drawn which will transfer ownership of the pledged corn to the CCC. Under the contract, CCC will pay 50 cents a bushel in advance, the balance at the elevator. A shelling and transportation service is provided by WFA.

VIII. ECONOMIC STABILIZATION

When partial demobilization takes place, a substantial drop in national income is anticipated. Demand will, however, still be high, particularly for many consumers' durable goods. In such a period of transition, we may expect a downward trend in prices for certain products (perhaps raw materials and food) and a continuation of upward pressure on other products. Thus, during the transition a policy of price ceilings will probably be needed. On the other hand, we should be sure that the process of demobilization does not produce disorganization of important commodity markets.

Prices--Cost of living: A rise of 0.6 percent in the cost of living between March and April, the first over-all increase in three months, was produced by higher excise taxes and higher prices for food and furniture. The difficulty of securing adequate control over textile prices is the chief source of continuing concern, particularly in view of the Bankhead amendment to the Price Control Act, which, if adopted, might destroy the delicate balance of the price-wage structure and endanger the stabilization program.

Prices--Farm: Prices received by farmers declined 1 percent, while prices paid remained constant between April and May. The price index for several important commodity groups showed a decline during the past month, meat animals and fruit in particular. Farm prices averaged 114 percent of parity on May 15, compared with 115 percent a month earlier and 119 percent a year earlier.

Wages: Unless war programs go up suddenly and sharply as the unexpected result of military operations, the general manpower situation will ease considerably, although shortages for particular programs may persist. Chairman Davis of the War Labor Board has cited the apprehension on the part of workers concerning possible surplus manpower as a new source of labor disputes.

War Bonds and Taxes: Net sales (total sales less redemptions) of war savings bonds were $479 million in May, on the eve of the Fifth War Loan, as compared with $502 million in April. Enactment of the tax simplification measure has secured a substantial improvement in the revenue system.

Contract Cancellation: The Brewster incident demonstrated the need for coordination in the reconversion planning of the procurement agencies, the War Production Board, and the War Manpower Commission. The Production Executive Committee in the War Production Board has been designated to provide such coordination.

IX. WAR FINANCES

Expenditures

Expenditures for war purposes during May were $7.9 billion or at an annual rate of $91.8 billion. The total for the first eleven months of F.Y. 1944 was $81.9 billion — 89 percent of the estimate of $92 billion for the fiscal year.

	April	May	11-Month Average for F.Y. 1944
		(Billions)	
Monthly rate	$7.5	$7.9	$7.4
Adjusted annual rate	93.8	91.8	89.4

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes increased $300 million in May to a total of $348 billion. Net expenditures against this amounted to $191.9 billion.

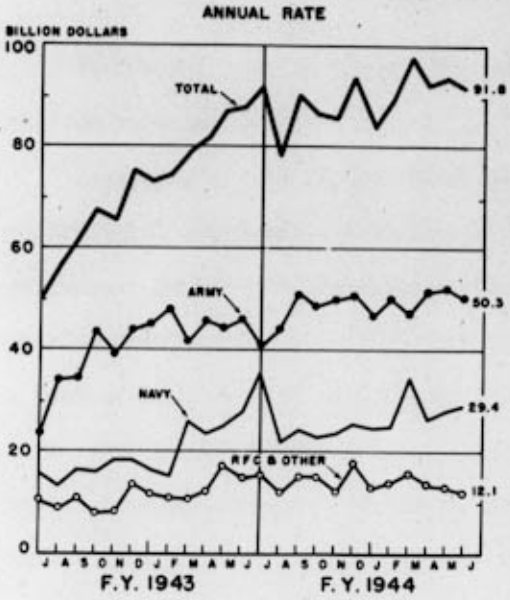
Appropriations and Expenditures, F.Y. 1941 Through May 1944
(Billions)

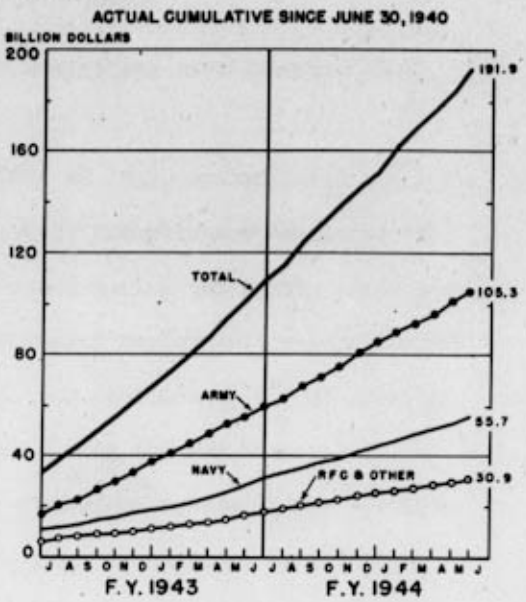
	Appropriations & Authorizations			Expenditures
	F.Y. 1941 Thru F.Y. 1943	F.Y. 1944	Total	F.Y. 1941 Thru May 1944
War	$126.6	$59.1	$185.7	$105.3
Navy	47.5	28.7	76.2	55.7
Maritime Commission	11.0	.03	11.0	7.5
Govt. Corpns. (commit.)	19.9	3.7	23.6	8.0
Other	32.7	3.8	36.5	15.4
Est. approp. required beyond F.Y. 1944 for completion of Navy	--	—	15.0	--
Total	$237.7	$95.3	$348.0	$191.9

CHART 12

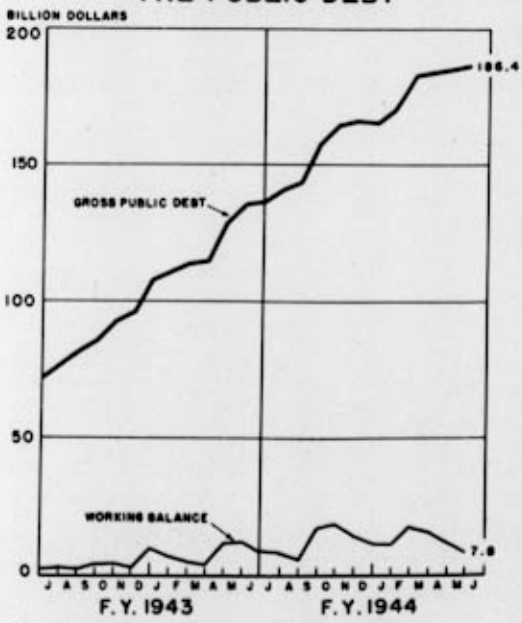
RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

WAR EXPENDITURES

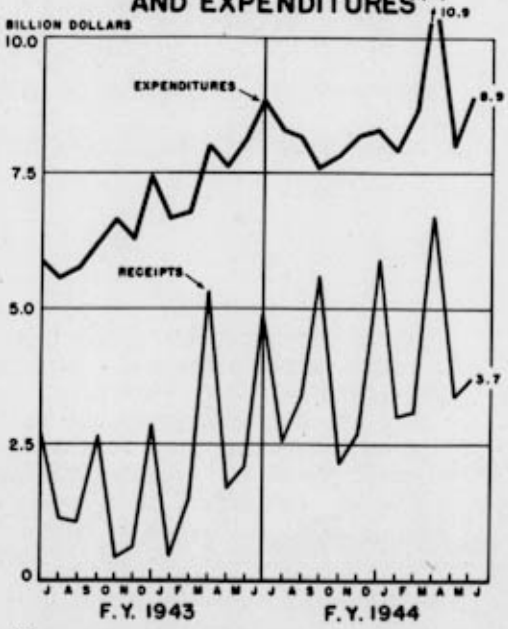




THE PUBLIC DEBT



TREASURY RECEIPTS AND EXPENDITURES**



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

**EXCLUDES PUBLIC DEBT ACCOUNTS

X. MANPOWER

From April 1940 to April 1944, war activities have absorbed 19.1 million persons.

Reversing trends in the first quarter of 1944, agricultural and non-agricultural employment increased in April. Unemployment continued to decrease. Manufacturing employment declined during the month, while non-manufacturing employment increased. Munitions employment, which reached a peak of 10.4 million in November 1943, had declined to 9.8 million by April and is expected to decline further during the remainder of the year. Despite divergent trends in the production schedules for specific combat items, labor stringencies are expected to continue during 1944.

Increased labor turnover in March over February reflected a rise in the lay-off and quit rates, while separations continued to exceed accessions. No change was reported in current rates of absenteeism. There was no change in the average work-week in March as compared with February, although average earnings increased slightly. Strike activity, however, increased from March to April.

Labor Force and Employment

In the period from April 1940 to April 1944, the expansion of war activities has absorbed 19.1 million persons. The armed forces have increased by 10.5 million, the munitions industries by 5.8 million, and other manufacturing, Federal war agencies, and transportation and utilities, by 2.8 million. These increases have been obtained from a variety of sources. There has been a net addition to the labor force of 9.3 million and a net reduction in unemployment of 7 million. In addition, agriculture declined by 1.5 million and construction, mining, and other activities declined by 1.3 million.

Growth and Distribution of Labor and Armed Forces
April 1940 Through April 1944
(In Millions)

	April 1940	April 1941	April 1942	April 1943	April 1944
Total labor force, including Armed Forces	53.8	54.5	56.8	60.9	63.1
Armed Forces	.5	1.4	3.0	8.4	11.0
Civilian labor force	53.3	53.1	53.8	52.5	52.1
Unemployment	7.8	5.8	2.7	.9	.8
Employment	45.5	47.3	51.1	51.6	51.3
Agricultural	9.0	8.4	8.4	7.9	7.5
Nonagricultural	36.5	38.9	42.7	43.7	43.8
Munitions industries 1/..	4.0	5.4	7.1	9.9	9.8
Other manufacturing 2/...	6.5	7.2	7.6	7.3	7.0
Federal war agencies	.1	.2	.6	1.6	1.6
Transportation and public utilities	2.9	3.1	3.4	3.6	3.7
Construction	1.5	2.0	2.0	1.4	.7
Mining	.9	.6	1.0	.9	.8
Trade and service	11.0	11.7	11.7	11.1	11.0
Other 3/.....	9.6	8.7	9.3	7.9	9.2

1/ Includes all metal-using industries, rubber industries, and selected chemical industries as well as Government manufacturing arsenals and Navy Yards.

2/ Includes tobacco, paper and allied products, printing, publishing, lumber, furniture, finished lumber products, stone, clay and glass industries, food, textiles, apparel, leather, and parts of chemicals and miscellaneous manufacturing.

3/ Includes state and local government, Federal Government (except war agencies, Navy Yards and manufacturing arsenals), self-employed, proprietors, domestic servants, and adjustment for statistical differences between Bureau of Labor Statistics and Census series.

The civilian labor force and total employment increased from March to April, reflecting a normal seasonal rise in agricultural employment and a slight increase in non-agricultural employment. There were 52,060,000 in the civilian labor force, of whom 51,290,000 were employed and 770,000 unemployed during the first week of April. Although agricultural employment in April (7,500,000) rose seasonally from the winter levels, this level was lower than April levels in the years from 1940 to 1943. Non-agricultural employment in April (43,790,000) was higher than in the first quarter of 1944 but also higher than April a year ago.

Wage-earner employment in manufacturing industries (13,203,000) was 125,000 less than in March and 150,000 below April 1943. Slight increases in employment in April were reported in transportation and utilities, trade, finance and services, and Federal, State, and local government.

Munitions employment has declined by about 100,000 a month from November to April. In April 1944, 9.8 million persons were employed in the production of munitions, as compared with 9.9 million in April 1943 and 10.4 million in November 1943. It is anticipated that munitions employment may decline by about 500,000 by December 1944. Despite the recent decline in employment, most munitions production schedules have been met. This is attributed to stabilization of manpower requirements in certain programs and more effective utilization of labor or increased efficiency in other programs. Although there are divergent trends in the production schedules for specific combat items for the remainder of 1944, the over-all schedule is expected to rise during the summer months, and labor stringencies are expected to continue. The stringencies will be important in industries or areas with a relatively high demand for able-bodied male workers.

Manpower Shortages

Changes in the classification of 27 labor-market areas occurred between April and May. Of these areas, 17 were classified into groups of increased labor stringency. Of the total 355 labor market areas classified by the War Manpower Commission, 68 were in Group I (areas of current acute shortages), 112 in Group II (areas of labor stringency), 131 in Group III (areas with slight labor reserves), and 43 in Group IV (areas with substantial labor reserves).

The Effect of Production Adjustments

Recent surveys indicate that relatively little unemployment has resulted from recent cutbacks in munitions schedules although there has resulted some net loss in the labor force in the areas affected. The so-called "evaporation" of women from the labor force occurs through migration to other areas, return to employment in non-war industries, or retirement from the labor market. In the St. Louis area, for example, 1,000 women were notified that work was available in another plant operated by the same management as the ordnance plant from which they had been laid off late in 1943. There was to be no change in pay rates, but less than 1 out of 4 women responded to the notice. In other areas, the percentage of loss has been smaller, depending on job opportunities in other plants or adjacent localities, rates offered on such jobs, and other factors such as an increased interest in seeking more permanent employment. The loss of women workers to war plants in a few areas, as a result of cut-backs, appears to have been offset by increased employment of women in other industries and by the entrance of additional women into other labor markets.

Labor Turnover and Absenteeism

The average monthly separation rate in manufacturing industries rose from 6.69 and 6.52 in January and February to 7.27 in March. This increase reflects a rise in the lay-off and quit rates and in military inductions. The average monthly accession rate in March was 5.64, at a level lower than in January but higher than in February. Labor turnover rates continue to show wide variations between industries, with very high separation rates reported for March in aluminum and magnesium smelters and refineries (14.60) and in small-arms ammunition plants (24.65).

Absence rates in selected war industries averaged 6.7 in March. The same rate was reported in February.

Hours and Earnings

The average work week was the same in March as in February (45.3 hours) although this represented a decline from November 1943, the peak month of man-hour utilization. Plants producing durable goods averaged 46.7 man-hours per week, while plants producing non-durable goods averaged 43.2 hours. Gross average hourly earnings of factory workers rose slightly from $1.003 to $1.006, and weekly earnings rose from $45.44 to $45.62 from February to March. Average weekly earnings showed wide variations between manufacturing industries, ranging from $20 to $25 in cotton manufacturing and certain apparel trades to $62 in aircraft engine factories.

Strikes

Strike activity was higher in April than in March. The number of strikes beginning in April was 435. These involved an estimated 155,000 workers and an estimated loss of 580,000 man-days, or 0.08 percent of available working time. These figures exclude strikes lasting less than 1 day (or shift) and those involving fewer than 6 workers.

XI. ADMINISTRATIVE DEVELOPMENTS

The urgency of preparations for handling extensive cutbacks, early efforts of agencies to organize for surplus disposal, and intensified efforts to establish administrative arrangements for liberated areas -- these are the highlights of the administrative picture for May.

State Department

The Executive Committee on Economic Foreign Policy, meeting weekly, gave primary attention to the organization of subcommittees. Toward the end of the month, consideration was begun on several substantive issues, such as the financing of post-war foreign reconstruction. The work is being done under pressure since national policy needs to be formulated on a number of international economic issues prior to scheduled conversations with our Allies.

Efforts continue to improve Foreign Service reporting. About 75 officers of various interested agencies, including State, have given intensive attention to revision of instructions for technical reporting on economic, political, and cultural subjects.

Although much remains to be done in regard to personnel procedures and key employment, the Department has made some important progress, including the appointment of a management consultant, recruitment of professional personnel, issuance of an official statement of personnel policy, and the establishment of a Training Section. With the appointment of a Director for the Office of Special Political Affairs, only two of the twelve office directorships remain vacant.

Foreign Economic Administration

The chief organizational issue in FEA is the type of set-up needed for foreign surplus property disposal. Two widely varying plans are under consideration. Quick decision and preparation are needed if the agency is to meet its responsibilities in the field.

The interdepartmental clearing house for reporting on U.S. transactions abroad is now organized and starting operations.

Foreign Food Responsibilities

During May several rather basic differences arose between the War Food Administration and the Foreign Economic Administration on their respective functions relative to foreign food procurement, development, and allocation. The questions raised are complicated by their relationship to U.S. food negotiation on the Combined Food Board level.

Efforts are being made to clarify these responsibilities on a mutually agreed basis.

United Nations Relief

Considerable progress is being made by the United Nations Relief and Rehabilitation Administration in relating its work to that of the Army and governments in exile. On the military side, Plan A for civilian relief and rehabilitation in Western Europe and Italy has been transmitted to UNRRA by the Combined Chiefs of Staff. Extensive conversations are now under way between the Army and the exiled governments (including the French) and between UNRRA and those governments.

The indefinite postponement of the UNRRA Council session because of British travel restrictions complicates some phases of UNRRA planning, particularly as regards ex-enemy areas.

War Production Board

The manner in which the Brewster contract cancellation case was handled forcibly illustrates the acute embarrassment through lack of administrative preparation which the Government would face if extensive cutbacks should suddenly become necessary. The failure to develop general administrative arrangements prior to this incident is surprising in view of the February report of Messrs. Baruch and Hancock which pointed out in general terms what was required. The Bureau of the Budget has also called the need for effective administrative arrangements to the attention of officials concerned.

Late in May, over four months after the issuance of the Baruch-Hancock report, one step was taken by the Executive Vice Chairman of the WPB to organize the Board for the exercise of some direction of production cutbacks through the creation of a so-called staff for the Production Executive Committee, a makeshift system with no clear definition of procedure, authority, machinery, or objective.

Small Business

Although the Smaller War Plants Corporation is beginning to enjoy a better reputation under its new management, the better press only thinly conceals the inadequacy of the present small business policy. In the readjustment period, a favorable policy toward small business would require concerted action by a large number of agencies. The uncertainty of purpose and program of the SWPC, its ineffectiveness in its dealings with other agencies, and the absence of any evidence of advance planning do not augur well for treatment of this problem in the later phases of the war and in the post-war period.

Office of Defense Transportation

Substantial changes in the administrative organization of ODT took place in May through the consolidation of all operating divisions into four major departments: one for highways, one for railways, one for waterways, and one for petroleum. Each department is headed by an assistant director reporting to the Director of ODT. The change reduced the number of men reporting directly to the head of the Office.

Office of Price Administration

Rent control was extended to 13 additional areas on June 1. The most critical problem facing the agency is the stimulation of production of low-cost clothing. The joint "Task Committee" of OPA-WPB on "low-end items" has made recommendations for the solution of the problem, and these recommendations are now before the Director of Economic Stabilization.