

Report 46

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

July 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

DECLASSIFIED

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

OMB letter 11-27-72

By SLR, MARS Date JAN 22 1973

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

August 18, 1944.

file

MEMORANDUM

For the personal information
of the President.

H. D. S.

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I. SUMMARY

Active Military Strengths

	<u>Total All Classes</u>	<u>Date</u>
Army	8,000,000	Aug. 1
Navy, Marine Corps, and Coast Guard . .	3,632,329	June 30
The Army reported 4,022,890 overseas		Aug. 1
	(Pages 10-11, 23-24)	

Aeronautical Program

July airframe acceptances, 97 million lbs. vs. 97.8 million in June
(Pages 1-3)

Combat planes on hand:

Army: 33,134 on August 1

Navy: 22,116 on July 1

(Pages 5-6)

Navy Ship Construction

Completions of combatant vessels--four years ending June 30, 1944:

Battleships	9
Aircraft carriers	20
Aircraft carriers, escort	99
Large cruisers	1
Heavy cruisers	4
Light cruisers	21
Destroyers	285
Destroyer escorts	455
Submarines	<u>144</u>
Total	1,038

(Pages 13-19)

Merchant Shipping, United Nations

Gains: July thru 30th -- 1,264,000 dwt. vs. 1,563,000 in June

Losses: July thru 30th -- 175,000 dwt. vs. 195,000 in June

(Pages 25-27)

Contract Termination

Army and Navy terminations of contracts with prime contractors --
\$13 billion total through June 30, 1944

(Pages 29-30)

II. AERONAUTICAL PROGRAM

July Aircraft Production

Preliminary reports indicate that 97 million pounds of airframes (spares included, gliders excluded) were accepted in July, a decrease of 0.8 percent from the weight of June acceptances.

The number of military aircraft accepted in July was 8,000, as compared with 8,049 in June. There were 1,424 four-engine bombers accepted, including 75 B-29's.

Aircraft Acceptances and Schedule, 1944

Type	Actual Acceptances			Total Scheduled 1944*
	June	July	Jan. Thru July	
Bomber, 4-engine, long-range	82	75	467	1,391
Bomber, 4-engine, other	1,468	1,349	9,811	16,563
Bomber, 2-engine	846	736	6,729	10,701
Bomber, 1-engine	727	636	5,300	9,058
Fighter	3,202	3,247	23,170	40,577
Reconnaissance	--	2	49	196
Total combat	6,325	6,045	45,526	78,486
Transport, 4-engine	58	57	305	716
Transport, 2- and 1-engine	851	809	5,847	9,531
Total tactical	7,234	6,911	51,678	88,733
Trainer	363	631	5,559	8,037
Liaison	307	300	2,205	3,705
Rotary wing	8	17	46	155
Target and drone	137	141	472	1,275
Grand total	8,049	8,000	59,960	101,905

*Actual acceptances, Jan. thru June; Schedule W-11, July thru Dec.

On July 31, there was a pool of 1,038 accepted but undelivered aircraft, of which 80 percent were tactical types.

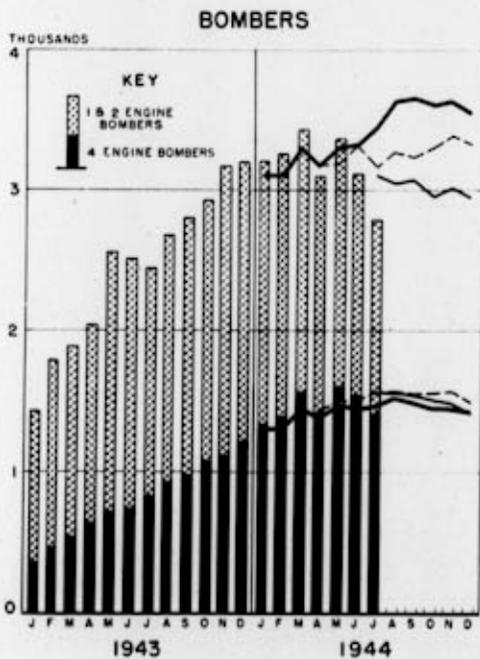
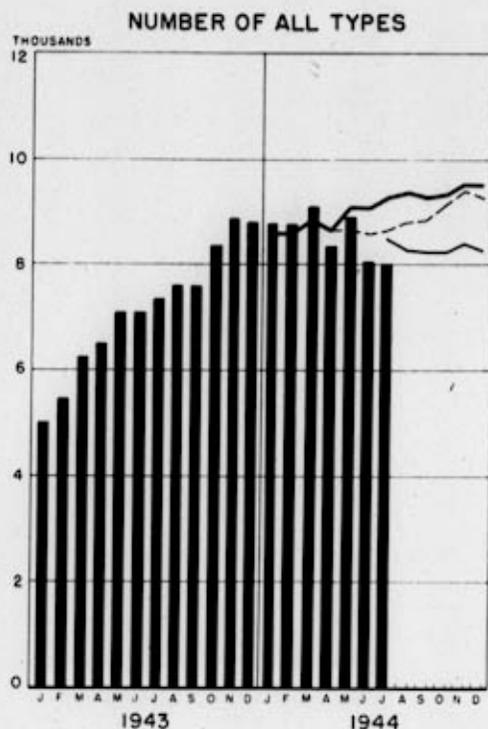
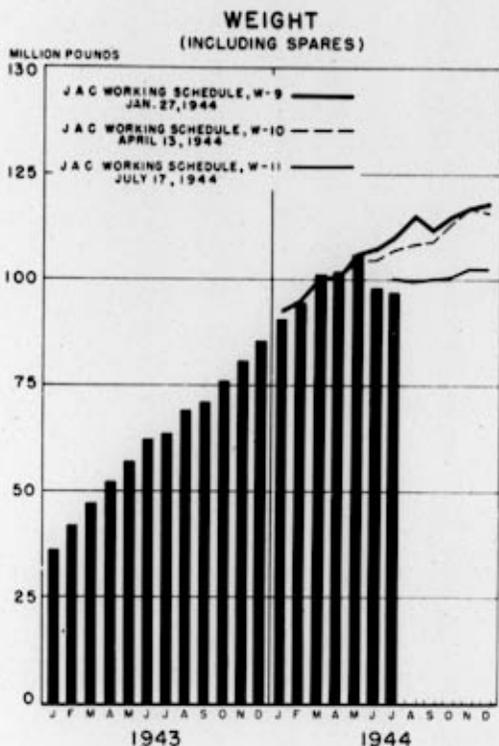
The Joint Aircraft Committee Working Schedule W-11, approved July 17, represents a reduction for 1944 of 4,846 airplanes (nearly 5 percent) from the original W-10 schedule issued three months earlier. W-11 calls for a monthly average of about 8,300 planes for the last half of 1944 and a total for the year of slightly over 100,000. For 1945 the schedule averages about 8,000 planes monthly, with a total of nearly 97,000 for the year.

Airplane Production Schedule for 1944
W-11 Compared with Original W-10

Type	Number of Airplanes, 1944 Schedule		
	Original W-10 ^{1/} as of April 13, 1944	W-11 ^{2/} as of July 17, 1944	Change
Bomber, 4-eng., long-range	1,455	1,391	- 64
Bomber, 4-eng., other	16,626	16,563	- 63
Bomber, 2-engines	11,703	10,701	-1,002
Bomber, 1-engine	9,311	9,058	- 253
Fighter	42,866	40,577	-2,289
Reconnaissance	198	196	- 2
Total combat	82,159	78,486	-3,673
Transport, 4-engine	759	716	- 43
Transport, 2- and 1-eng.	9,783	9,531	- 252
Total tactical	92,701	88,733	-3,968
Trainer	8,334	8,037	- 297
Liaison	3,694	3,705	+ 11
Rotary wing	664	155	- 509
Target and drone	1,358	1,275	- 83
Grand total	106,751	101,905	-4,846

^{1/} W-10 - actual acceptances Jan. thru Mar.; scheduled Apr. thru Dec.
^{2/} W-11 - actual acceptances Jan. thru June; scheduled July thru Dec.

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Airplanes of the Army Air Forces

On July 31, the Army Air Forces had on hand 33,134 first-line combat airplanes. Of these, 10,923 were four-engine bombers — an increase of 183 heavy bombers during July. Of the total combat planes, 19,991 or 60 percent were overseas on July 31.

Airplanes of the Army Air Forces on Hand
June 30, July 31, and Gains and Losses in July

Type	On Hand June 30 1944	July		On Hand July 31 1944	July Net Gain
		Gains	Losses*		
<u>Combat</u>					
Bomber, heavy, long-range	435	74	17	492	57
Bomber, heavy, other	10,305	1,221	1,095	10,431	126
Bomber, medium	4,348	425	315	4,458	110
Bomber, light	1,598	272	137	1,733	135
Fighter	14,673	1,706	1,551	14,828	155
Reconnaissance	915	310	33	1,192	277
Total combat	32,274	4,008	3,148	33,134	860
<u>Transport</u>					
Heavy	891	177	20	1,048	157
Medium	4,548	365	105	4,808	260
Light	373	37	9	401	28
Amphibian	26	0	2	24	-2
Utility	3,595	91	59	3,627	32
Total transport	9,433	670	195	9,908	475
Total combat & transport	41,707	4,678	3,343	43,042	1,335
<u>Trainers</u>	27,907	418	757	27,568	-339
<u>Communications</u>	4,211	140	160	4,191	-20
Grand total	73,825	5,236	4,260	74,801	976

*Includes losses from enemy action, survey, etc.

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

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,862	1,654	770	5,532	5,176	30,797	48,791
Overseas	6,061	2,804	963	9,296	4,732	2,154	26,010
Total	10,923	4,458	1,733	14,828	9,908	32,951	74,801

Bureau of Aeronautics

A. Airplanes. On July 1, the Navy, Marine Corps, and Coast Guard reported a total of 34,071 useful airplanes on hand. Of these, 22,116 were tactical combat types -- an increase of 1,179 tactical combat planes during June.

Navy Airplanes on Hand -- June 1, July 1,
and Net Increase in June

Type	On Hand June 1	June Net Increase	On Hand July 1
<u>Tactical Combat</u>			
Fighter	9,311	726	10,037
Scout bomber	4,820	292	5,112
Torpedo bomber	2,966	145	3,111
Patrol bomber--sea	1,536	11	1,547
Bomber--land:			
4-engine	361	32	393
2-engine	912	-3	909
Observation scout	1,031	-24	1,007
Subtotal	20,937	1,179	22,116
<u>Tactical Non-Combat</u>			
Utility	1,209	52	1,261
Transport	656	22	678
Subtotal	1,865	74	1,939
<u>Training</u>	9,631	21	9,652
<u>Experimental and</u> <u>Miscellaneous</u>	344	20	364
Grand total	32,777	1,294	34,071

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 14,745 during June to a total of 349,054 on July 1. This is 88 percent of the required strength by December 31, 1944. Pilots totaled 47,274 or 96 percent of requirements by December 31.

Navy and Marine Corps Active-Duty Military Aviation Personnel*
July 1, 1944, and Requirements for Dec. 31, 1944

	Navy		Marine Corps		Total	
	Require- ments 12-31-44	Actual July 1	Require- ments 12-31-44	Actual July 1	Require- ments 12-31-44	Actual July 1
Pilots	39,698	37,037	9,470	10,237	49,168	47,274
Other:						
Officers	27,540	26,538	5,844	4,402	33,384	30,940
Enlisted	209,477	179,733	104,959	91,107	314,436	270,840
Total	276,715	243,308	120,273	105,746	396,988	349,054

*Excludes personnel missing, prisoners of war, etc.

C. Pilot Training. Student pilots in training for heavier-than-air planes on June 22 totaled 32,775, and 10,414 of these were in the last stage of training prior to commissioning. The total is a decrease of 2,846 from the number in training on May 25.

III. ARMY

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

Item	June Deliv.	1944 Army Supply Program (Revised)	1944 Deliveries January 1 to July 1					
			Cumulative	Percent of 1944 A.S.P.				
				0	25	50	75	100
<u>Combat Vehicles</u>								
Light armored car	234	3,383	1,969					
Light tank	74	3,763	2,038					
Medium tank	1,359	12,636	4,297					
Universal carrier	1,000	8,200	4,822					
<u>Motor Vehicles</u>								
1/2 ton, 4 x 4 command and 3/4 ton, 4 x 4 weapons carrier	15,747	180,833	91,770					
1 1/2 ton, 4 x 2 cargo	5,078	57,726	25,157					
1 1/2 ton, 4 x 4 cargo	2,600	32,248	17,132					
2 1/2 ton, 6 x 4 cargo	2,470	30,851	15,192					
2 1/2 ton, 6 x 6 dump	2,600	30,986	15,800					
2 1/2 ton, 6 x 6 prime mover	1,620	25,560	7,519					
10 ton, 6 x 4 prime mover	568	8,266	2,982					
<u>Artillery*</u>								
155mm gun	46	521	112					
8 inch Howitzer	55	546	173					
155mm Howitzer	206	1,889	1,020					
<u>Small Arms</u>								
.30 cal. U.S. rifle, M1	95,010	1,106,752	645,384					
.30 cal. carbine	82,100	2,021,109	1,447,687					
.30 cal. machine gun	8,775	120,308	64,683					
.50 cal. machine gun	60,155	673,561	347,519					

* Proof firing may not be completed.

50%
6 mo. = 50% of year

Military Personnel

A. Strength. The active-duty strength of the Army increased 7,132 during July to an estimated total of 8,000,000 on August 1.

Distribution of the Army Active-Duty Strength, by Class
July 1, August 1, and July Increase

Class of Personnel	July 1 Actual	August 1 Estimated	July Increase
Commissioned officers	692,351	687,052	-5,299
Warrant and flight officers	36,893	36,545	-348
Enlisted men and selectees	7,144,601	7,157,268	12,667
WAC	77,152	77,166	14
Subtotal	7,950,997	7,958,031	7,034
Army Nurse Corps	41,871	41,969	98
Grand total	7,992,868	8,000,000	7,132

During July the Army active-duty strength overseas increased 204,873 to a total of 4,022,890 or 50 percent of the total Army strength.

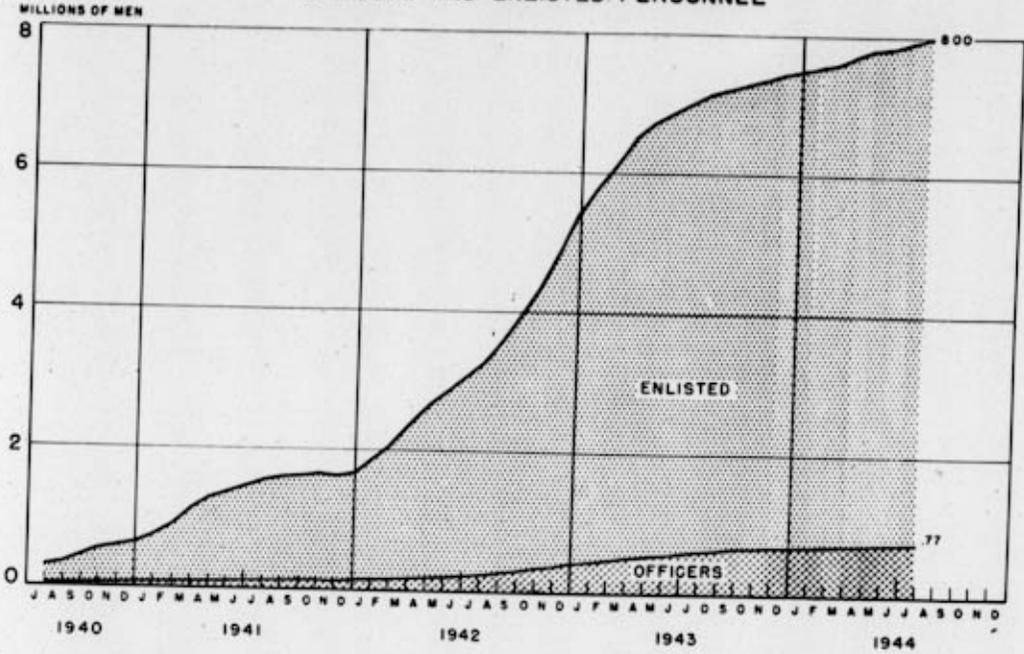
Assignment of Army Active-Duty Military Personnel
July 1, August 1, and July Increase

Assignment of Personnel	July 1 Actual	August 1 Estimated	July Increase
Army Ground Forces in U.S.	1,499,087	1,473,393	-25,694
Army Air Forces in U.S.	1,344,448	1,281,883	-62,565
Army Service Forces in U.S.	1,096,241	1,015,807	-80,434
In defense commands in U.S.	47,295	47,296	1
In staging areas	123,573	90,000	-33,573
In ships	64,207	68,731	4,524
Outside Continental U.S.	3,818,017	4,022,890	204,873
Total	7,992,868	8,000,000	7,132

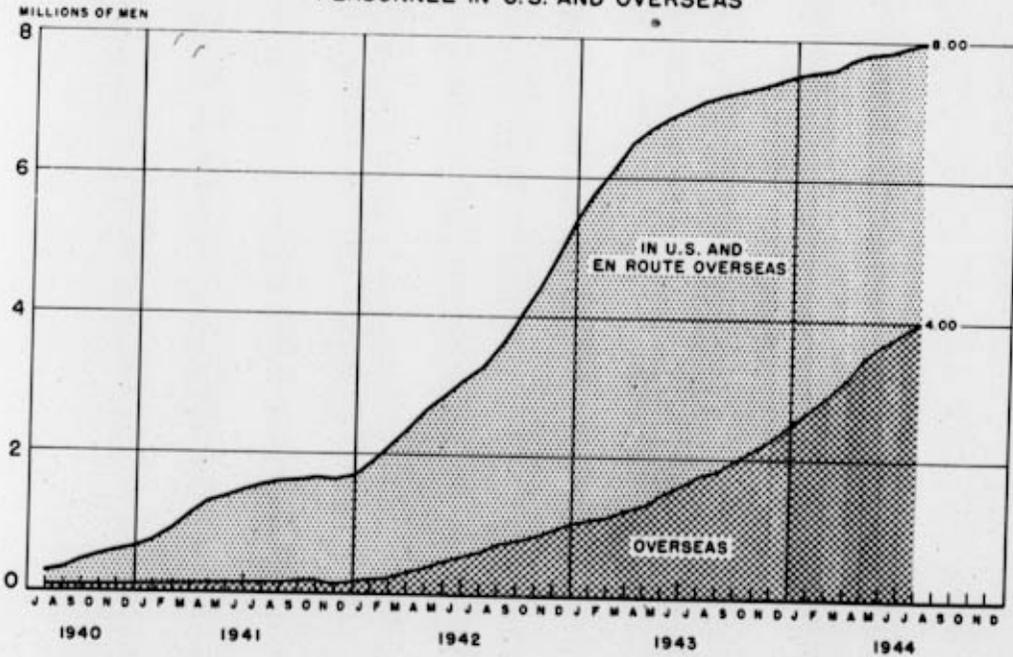
On August 1, the total active-duty military personnel was distributed as follows: Ground Forces, 3,372,486 or 42 percent; Air Forces, 2,362,415 or 30 percent; and Service Forces, 2,265,099 or 28 percent.

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL



PERSONNEL IN U.S. AND OVERSEAS



B. Army Casualties. During June, 23,603 battle casualties were reported, making a total of 199,218 between December 7, 1941 and June 30, 1944, of which 16 percent were officers. Of the total casualties, 50,401 or 25 percent have returned to duty.

The North African Theater reported the largest number of casualties, 96,169 or 48 percent of the total, of which 35,868 or 37 percent have returned to duty.

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

	North African	Pacific and S.W. Pacific	European	Other	Total
<u>Killed in Action</u>	16,401	6,889	5,680	2,332	31,302
<u>Wounded or Injured</u>					
Died of wounds	2,444	806	156	104	3,510
Returned to duty	34,457	9,301	2,736	724	47,218
Evacuated to U.S.	8,987	3,326	391	192	12,896
Wounded	15,058	4,311	2,659	1,100	23,128
Subtotal	60,946	17,744	5,942	2,120	86,752
<u>Captured or Interned</u>					
Died of wounds	13	0	16	3	32
Died of disease	7	1,545	18	4	1,574
Repatriated	418	4	517	122	1,061
Prisoners of war	10,246	12,347	11,141	832	34,566
Internees	19	1	1,374	30	1,424
Subtotal	10,703	13,897	13,066	991	38,657
<u>Missing in Action</u>					
Declared dead	276	1,460	397	112	2,245
Died--cause unknown	2	188	0	38	228
Returned to duty	1,411	727	581	464	3,183
Status undetermined	6,430	16,074	12,155	2,192	36,851
Subtotal	8,119	18,449	13,133	2,806	42,507
Grand total	96,169	56,979	37,821	8,249	199,218

IV. NAVY

Completions of Naval Vessels

In the four years ending June 30, 1944, Navy ships totaling 8.4 million tons were completed, including 3.1 million tons of combatant vessels, 1.8 million tons of landing craft, 2.5 million tons of auxiliaries, and 1.0 million tons of mine craft, patrol craft, and district craft.

The number of naval vessels constructed during this period totals 57,922, including 1,038 combatants.

Physical Completions of Naval Vessels

July 1, 1940 Thru June 30, 1944

(Includes Lend-Lease Vessels and Conversions)

Type	Number	Tonnage
Combatant Vessels:		
Battleship	9	345,000
Aircraft carrier	20	389,800
Aircraft carrier, escort	99	724,705
Large cruiser	1	27,500
Heavy cruiser	4	53,600
Light cruiser	21	186,000
Destroyer	285	547,640
Destroyer escort	455	589,250
Submarine	144	217,701
Total combatants	1,038	3,081,196
Patrol craft	1,577	329,535
Mine vessels	834	265,155
Auxiliaries	782	2,532,441
Landing craft, all sizes	51,708	1,760,679
District craft	1,983	462,929
Total, all types.	57,922	8,431,935

Status of Construction of Selected Naval Vessels

Twenty-five percent of the 594 combatant vessels on order on June 30 had been launched, 27 percent were on the ways, and 48 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels

June 30, 1944

(Includes Lend-Lease Vessels)

Type	New Construction on Order				Con- vert- ing
	Not Yet on Ways	On Ways	Launched	Total	
Combatant Vessels:					
Battleship	2	0	1	3	0
Aircraft carrier	7	10	4	21	0
Aircraft carrier, escort	13	8	2	23	2
Large cruiser	0	1	1	2	0
Heavy cruiser	15	12	1	28	0
Light cruiser	15	13	7	35	0
Destroyer	102	49	22	173	0
Destroyer escort	13	18	73	104	0
Submarine	119	50	34	203	0
Total combatants	286	161	145	592	2
Patrol craft	171	55	99	325	21
Mine craft	5	46	93	144	0
Auxiliaries	120	69	78	267	487
Landing force vessels*	785	167	92	1,044	0

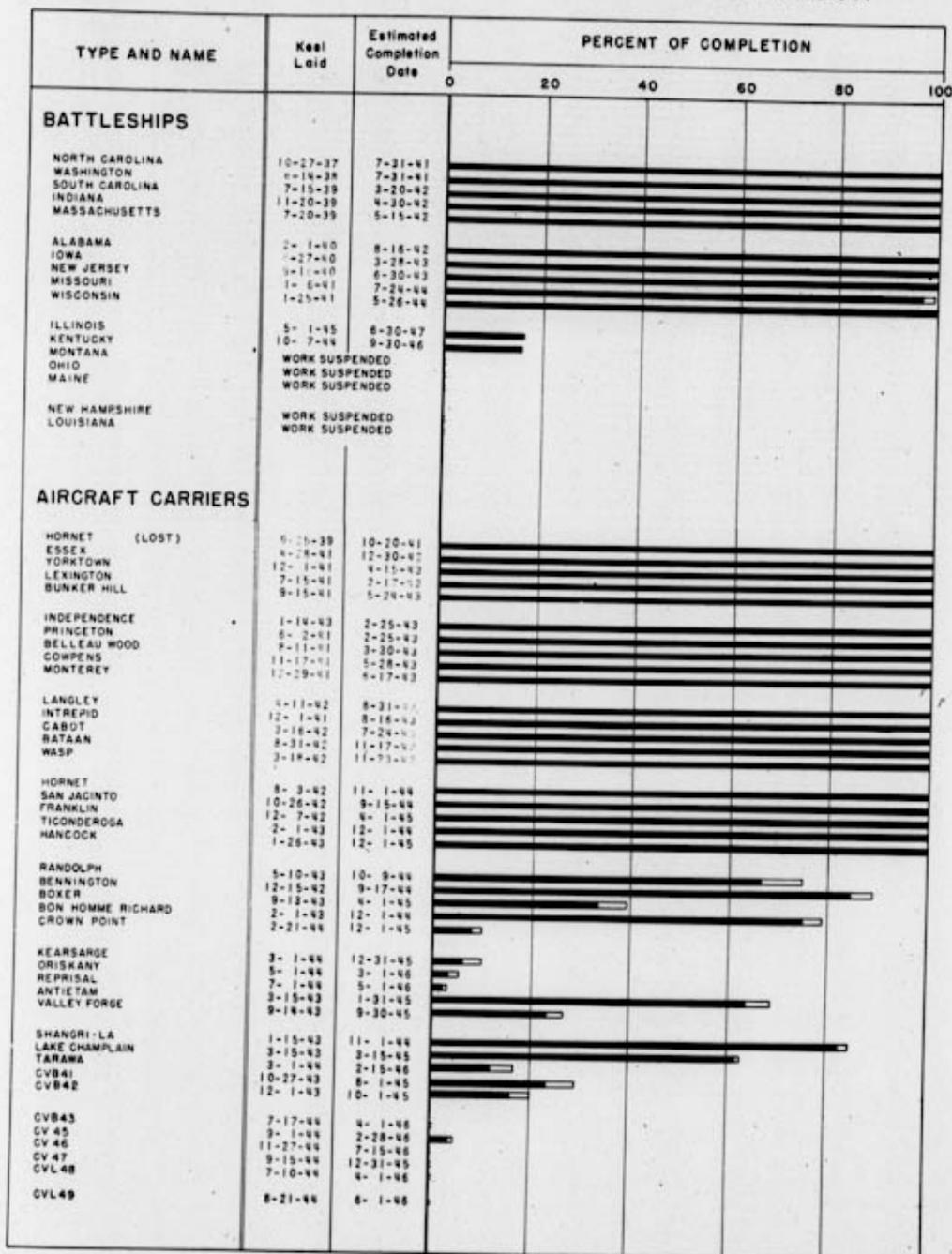
*LST, LSM, LSD, ISV, and LCI(L).

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

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

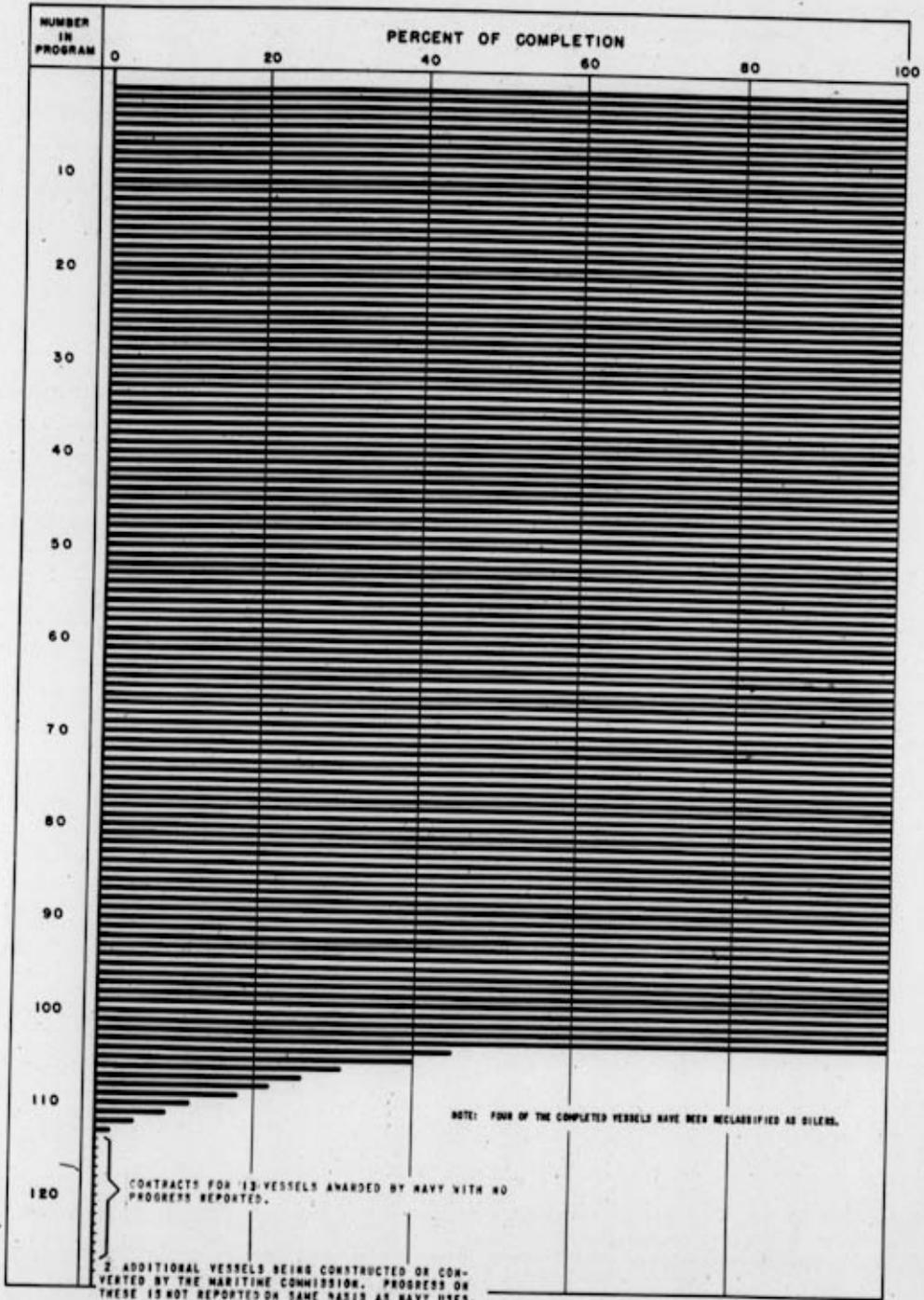
■ PROGRESS JULY 1, 1940 TO JUNE 1, 1944

▬ PROGRESS FOR JUNE 1944



CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

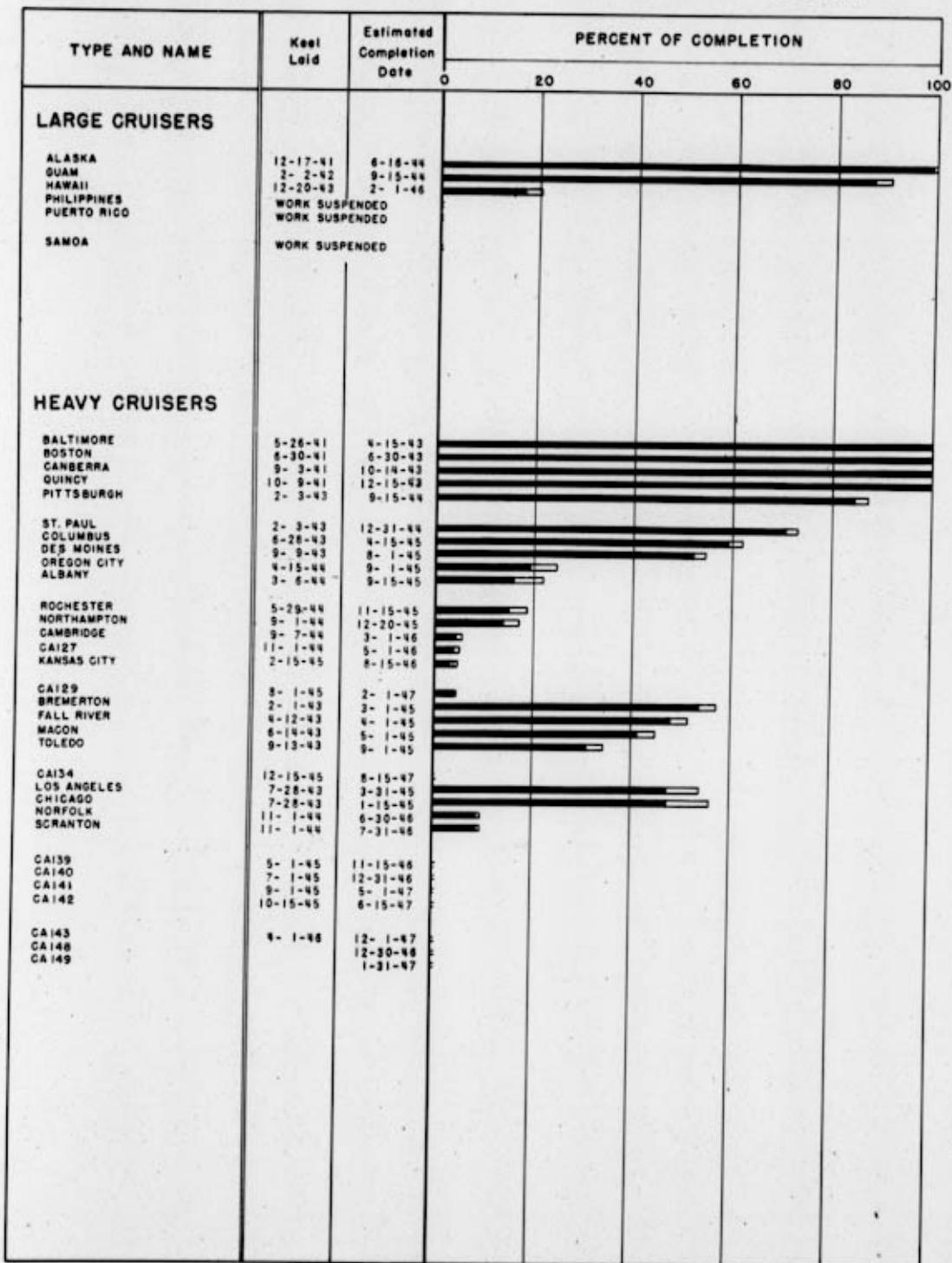
PROGRESS JULY 1, 1940 TO JULY 1, 1944



CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

■ PROGRESS JULY 1, 1940 TO JUNE 1, 1944

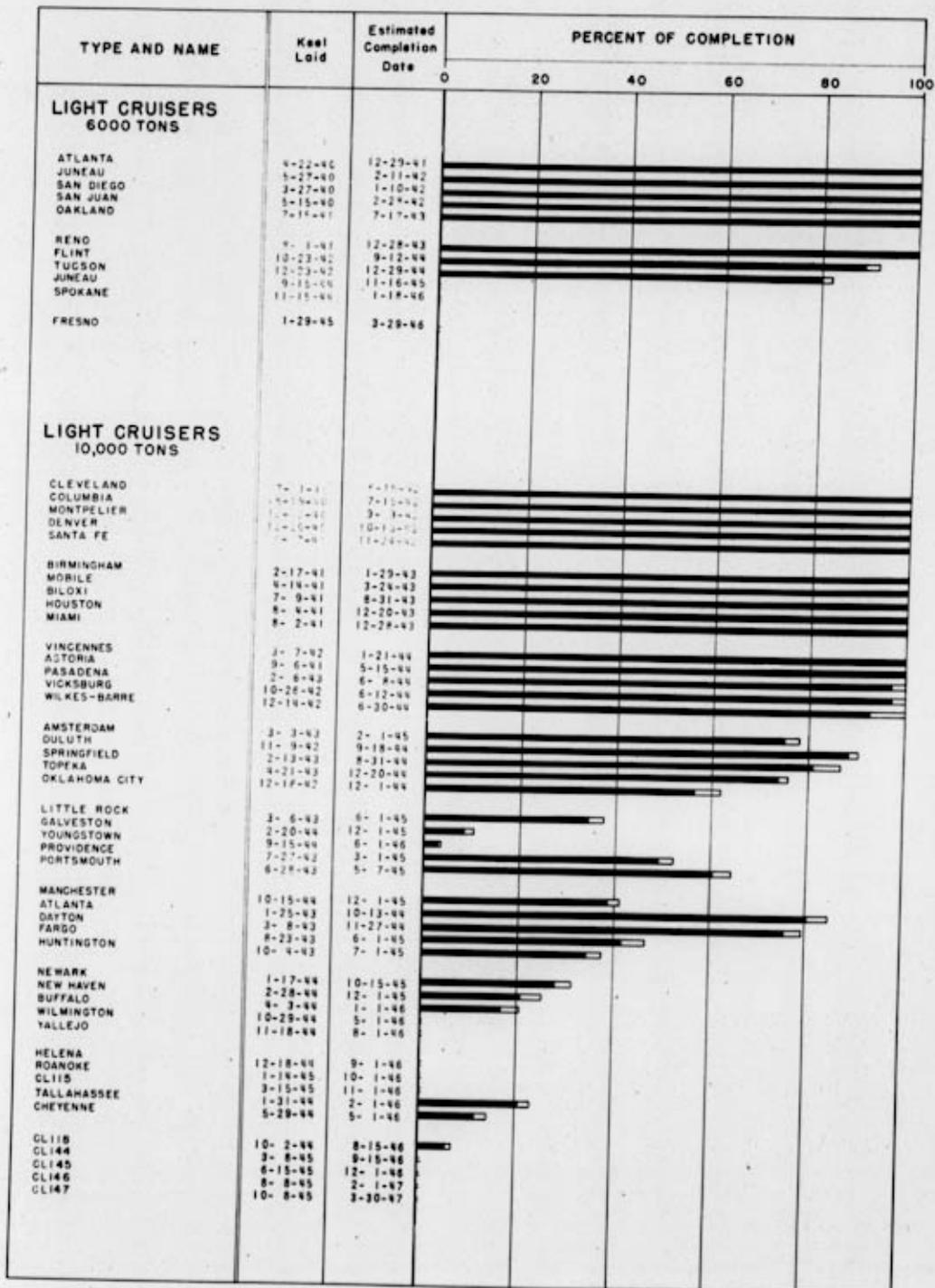
□ PROGRESS FOR JUNE 1944



CONSTRUCTION PROGRESS ON LIGHT CRUISERS

■ PROGRESS JULY 1, 1940 TO JUNE 1, 1944

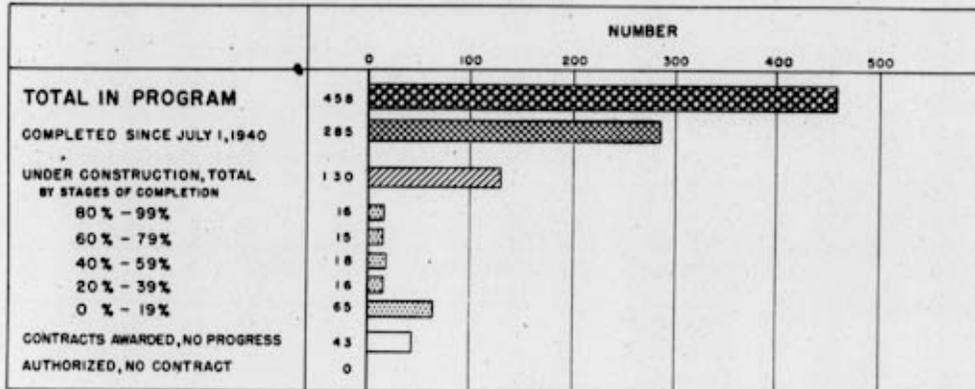
□ PROGRESS FOR JUNE 1944



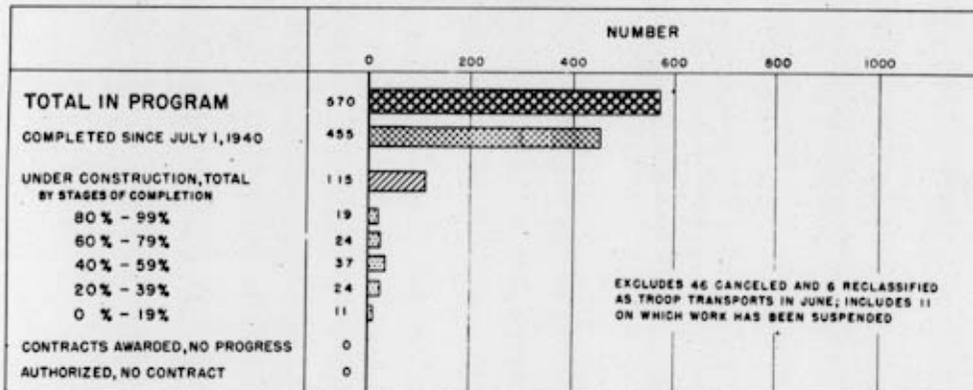
CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

JULY 1, 1944

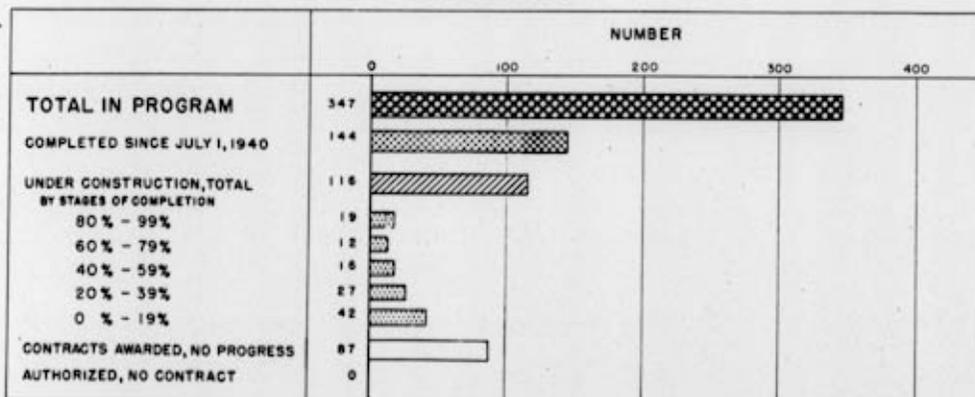
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

In the four years since June 30, 1940 the number of combatant vessels of the Navy has increased 730 to a total of 1,113 on June 30, 1944. These figures reflect only publicly announced losses.

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

Type	On Hand June 30 1940	New Comple- tions	Publicly Announced Losses, Transfers, & Reclassi- fications	On Hand June 30 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	9	1	23	8
Aircraft carrier	6	20	4	22	16
Aircraft carrier, escort	0	99	36	63	63
Large cruiser	0	1	0	1	1
Heavy cruiser	18	4	6	16	-2
Light cruiser	19	21	3	37	18
Destroyer	225	285	137	373	148
Destroyer escort	0	455	86	369	369
Submarine	100	144	35	209	109
Total combatant	383	1,038	308	1,113	730
Patrol craft	33	1,577	338	1,272	1,239
Mine craft	35	834	280	589	554
Auxiliaries	134	782	7	909	775
Landing force vessels*	0	1,520	378	1,142	1,142

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

Analysis of Losses, Leases, Transfers, and Reclassifications

The following vessels were publicly announced by the Navy as lost during July: 4 destroyers, 1 destroyer escort, 3 submarines, 3 patrol craft, 3 mine craft, 2 auxiliaries, and 6 large landing craft.

A total of 93 combatant vessels have been announced as lost, 131 leased, 50 transferred, and 53 reclassified through July 31, 1944.

Publicly Announced Losses, Leases, Transfers, and Reclassifications -- July 1, 1940 Through July 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	46	50	45	141
Destroyer escort	3	84	11	98
Submarine	28	9	1	38
Total combatant	93	181	53	327
Other Vessels:				
Patrol craft	77	294	2/-1	370
Mine craft	18	198	73	289
Auxiliaries	43	122	2/-123	42
Landing force vessels ^{3/}	25	254	2/-106	173
Total other	163	868	2/-157	874
Grand total	256	1,049	2/-104	1,201

- 1/ Includes certain vessels sold, disposed of, returned to owners, etc.
 2/ Vessels added to the total on hand.
 3/ IST, ISD, and LCI(L).

Production of Naval Ordnance Materiel

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

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

Item	June Deliveries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to July 1				
			Cumulative	Percent of 1944 Sched.			
				0	25	50	75
<u>Torpedoes</u> ^{1/}							
Surface craft	621	6,128	3,198				
Submarine	1,047	11,639	5,139				
Aircraft	512	7,237	4,316				
<u>Surface Fire Guns</u>							
Heavy, 12" and 16" turrets	0	11	9				
Medium, 8" and 6" turrets	9	102	48				
Light, 4" and 5"	18	249	88				
<u>Antiaircraft Guns</u>							
Heavy, 3" and 5", mounted barrel	842	9,391	5,340				
Light, 40mm and 20mm mounted barrel	4,321	54,598	27,988				
<u>Fire Control Equipment</u>							
Gun directors	592	7,811	2,730				
Radar fire control	129	1,921	469				
Gun sights, Mk. 14	3,158	39,088	17,488				
<u>Ammunition</u>							
Heavy surface fire	9,019	123,402	47,202				
Medium surface fire	52,367	643,325	245,525				
Light surface fire	518M	7,120M	3,001M				
Antiaircraft:							
Heavy	676M	8,002M	3,712M				
Light:							
20mm HE, HEI, HET	21,719M	349,053M	214,053M				
40mm HE, HET, HEI, HEIT	7,440M	94,171M	36,171M				
141	275M	4,626M	2,226M				

M = 1,000 rounds

1/ Turned into store

2/ Excludes the British-type torpedo

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

4/ Mk. 20 radar fire control has been included.

50%
6 mo. = 50% of year

Personnel

During the four years ending June 30, 1944, the active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 203,126 to 3,632,329 — an increase of 1,688 percent. The total on June 30, 1944 included 64,592 WAVES, 17,477 MARINES, and 8,159 SPARS.

Strength of the Naval Services
June 30, 1940 and June 30, 1944

	Navy	Marine Corps	Coast Guard	Total
Officers	276,153*	32,788	11,955	320,896
Officer candidates	105,059	7,474	299	112,832
Enlisted personnel	2,606,099	435,521	156,981	3,198,601
Total, June 30, 1944	2,987,311	475,783	169,235	3,632,329
Total, June 30, 1940	161,083	28,277	13,766	203,126
4-year increase	2,826,228	447,506	155,469	3,429,203

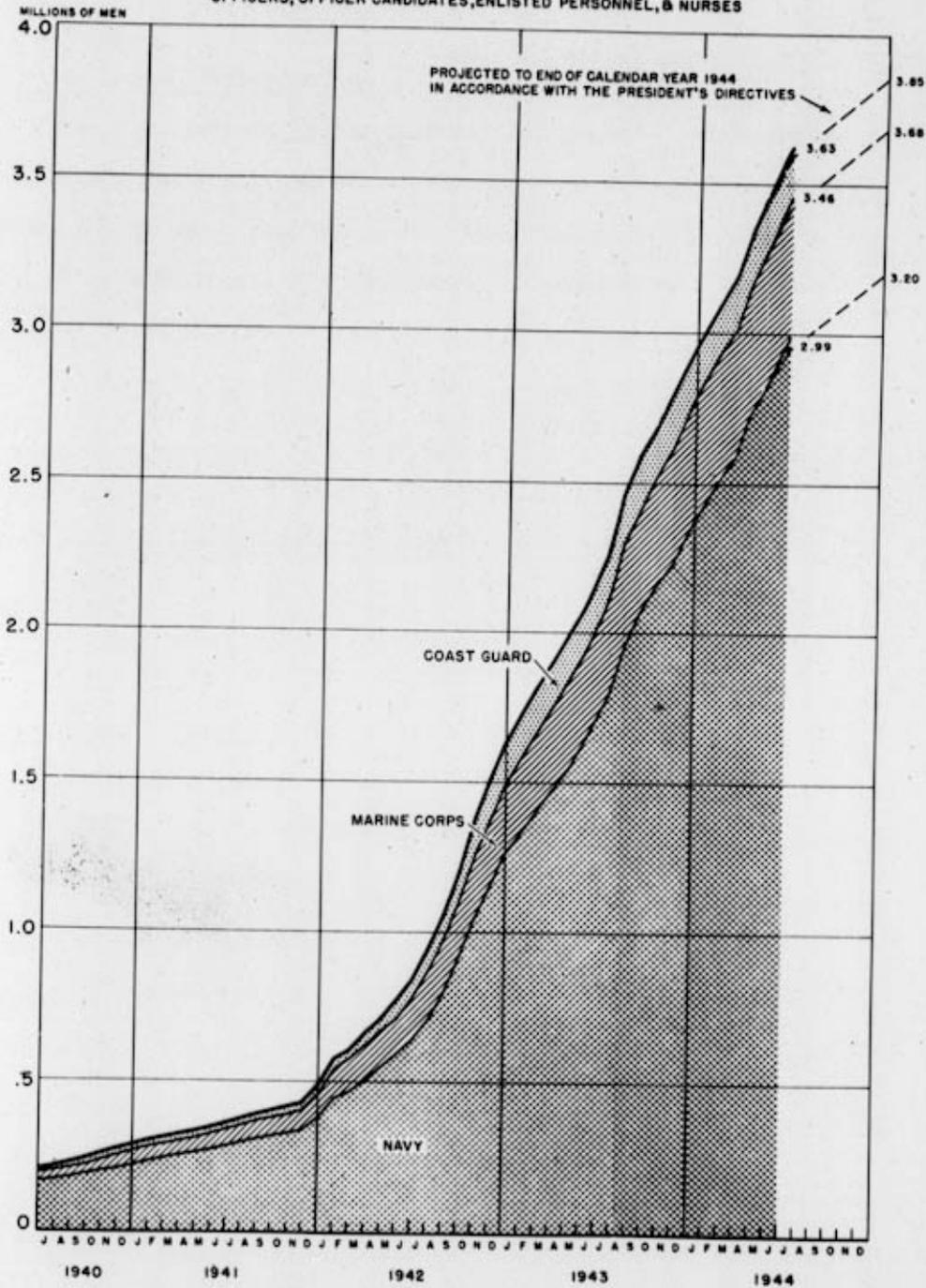
*Includes 8,399 nurses.

Note: Strengths approved by the President are:

Navy	3,200,000 by Dec. 31, 1944
Navy (for planning purposes)	3,389,000 by June 30, 1945
Marine Corps	478,000 thru calendar year 1944
Coast Guard	174,000 thru calendar year 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 July 1 through 30, the United Nations reported construction of 1,264,000 deadweight tons of merchant vessels, while reported losses totaled 175,000 dwt. From December 1, 1941 through July 30, 1944, a total of 43 million dwt. were constructed, as compared with reported losses of 19 million dwt. — a net gain of 24 million dwt.

Gains and Losses of United Nations' Merchant Vessels
Reported Dec. 1, 1941 Through July 30, 1944
 (000 Dwt.)

	Dec. 1, 1941 Through May 31, 1944	June	July Through 30th	Total Through July 30
Gains	40,461	1,563	1,264	43,288
Losses	18,862	195	175	19,232
Net gains	21,599	1,368	1,089	24,056

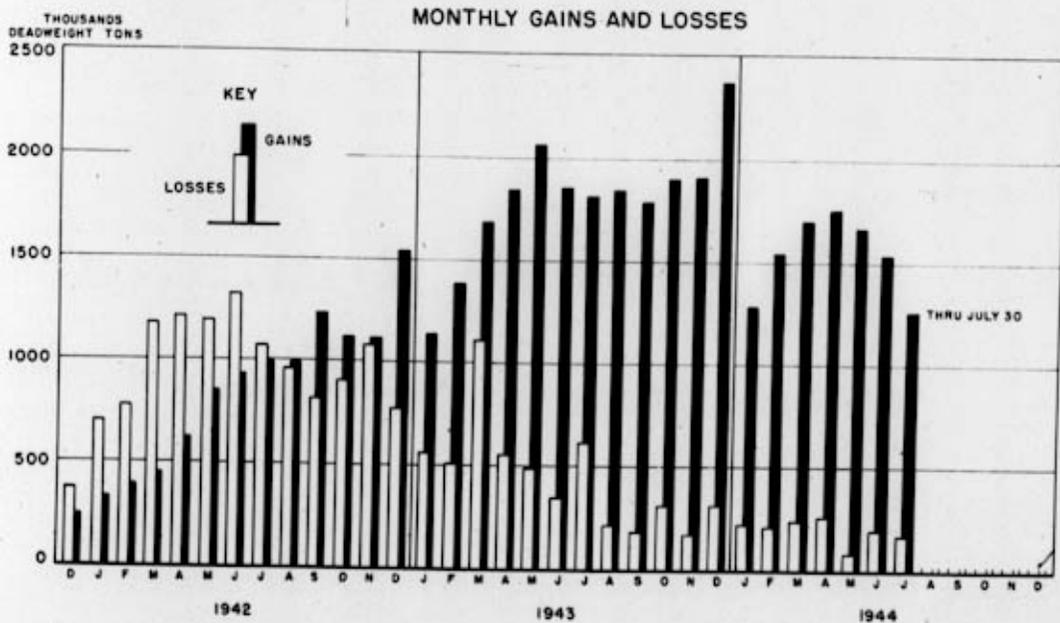
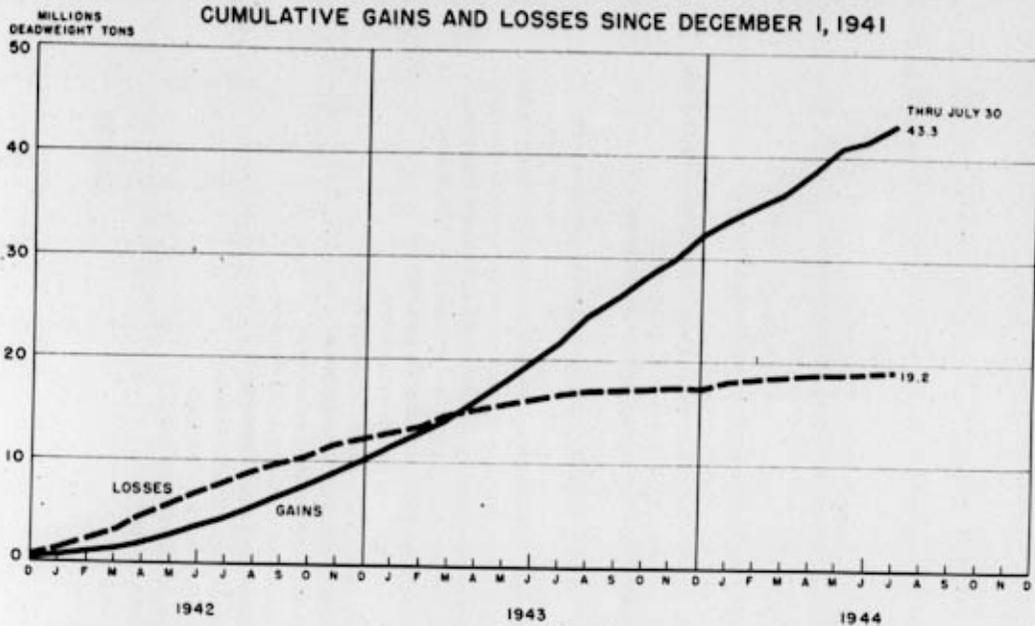
Deliveries by U.S. Shipbuilders

In July, U.S. merchant shipbuilders delivered 117 major-type vessels at 1,238,222 dwt., including 24 vessels for military use. The June deliveries were 131 vessels at 1,336,013 dwt.

Vessels Delivered by U.S. Merchant Shipyards
June and July 1944

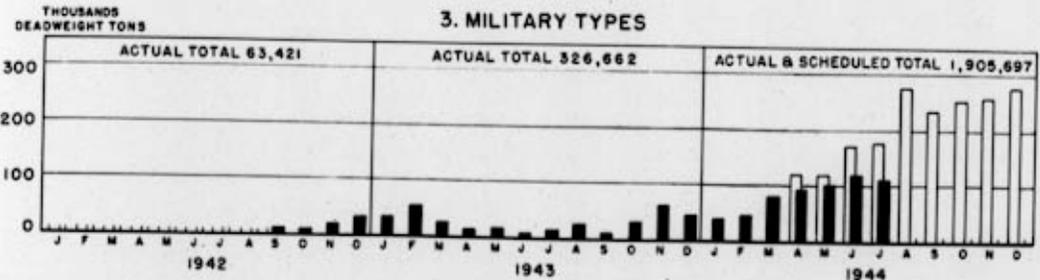
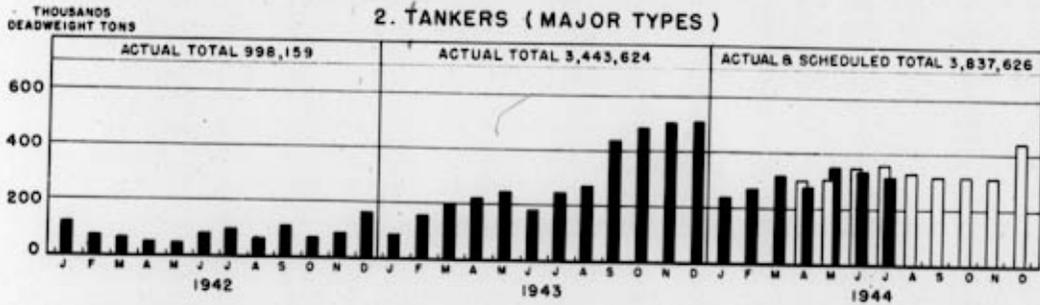
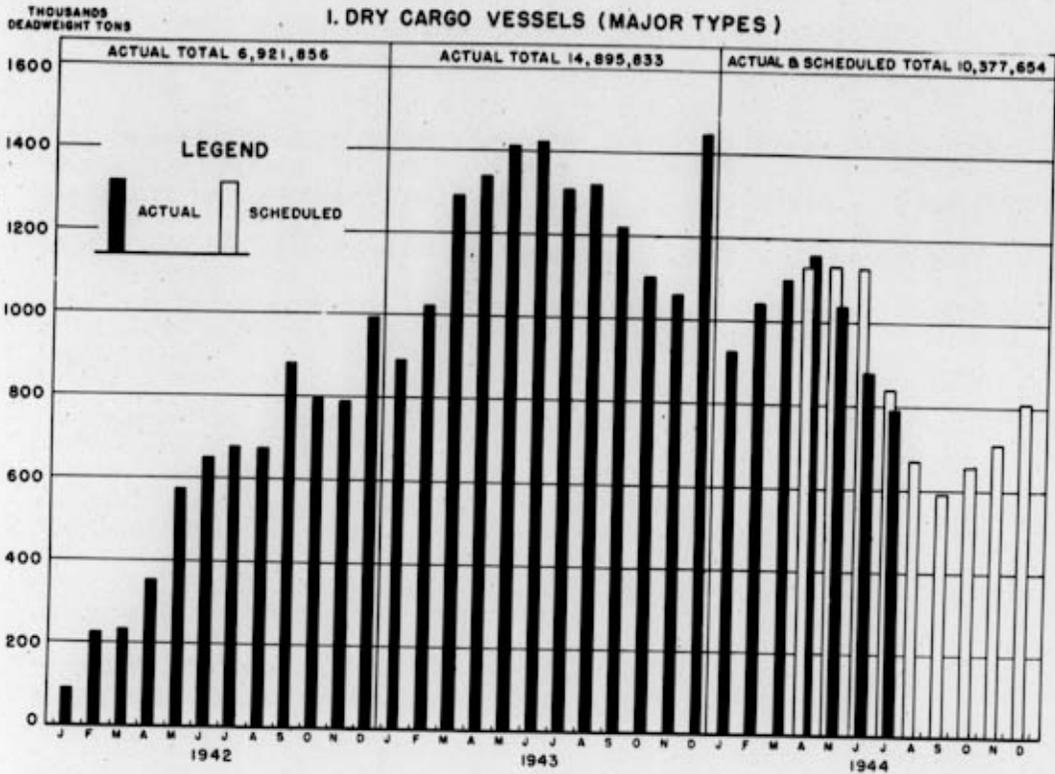
Type	June		July	
	Number	Dwt.	Number	Dwt.
Dry cargo	83	881,825	74	797,103
Tanker	20	336,489	19	317,807
Military	28	117,699	24	123,312
Total	131	1,336,013	117	1,238,222

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

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)

Magnesium production has been curtailed by the War Production Board because of reduced requirements and surplus stocks on hand. On the other hand, increased production of TNT, smokeless powder, and ammonia is scheduled by the Army Ordnance Department because of increased requirements.

Magnesium. Since the last supplemental report (April 1944) the estimate of magnesium requirements for 1944 has been reduced from 450 million pounds to 409 million pounds, which is 30 percent less than designed capacity. Production during the first quarter of 1944 was at the annual rate of 480 million pounds. Production for the rest of the year has been curtailed by the War Production Board, by closing three Government plants and operating four at rates of either 50 or 60 percent of capacity. Present total plant operation is at 64 percent of designed capacity. This rate is sufficient to meet estimated requirements for the remainder of the year. Surplus stocks at the end of April amounted to about three months' output.

TNT. June 1944 production was 108 million pounds or 48 percent of plant capacity. December 1944 scheduled production is 177 million pounds or 80 percent of plant capacity. Scheduled production reaches a peak of 253 million pounds per month in June 1945. Capacity of some existing plants will be increased to meet peak production requirements.

Smokeless Powder. June 1944 production was 87 million pounds or 66 percent of plant capacity. December 1944 scheduled production is 108 million pounds or 80 percent of plant capacity. Scheduled production reaches a peak of 131 million pounds per month in June 1945, which is existing plant capacity.

Ammonia. June 1944 production was 57 thousand tons, which was 100 percent of Ordnance plant capacity. Scheduled production for December 1944 is approximately the same. Requirements reach a peak of 72,000 tons per month in May 1945. To meet requirements, Ordnance plans to obtain 5,600 tons per month from Mathieson Alkali plant, Lake Charles, La.; 5,600 tons per month from TVA and 4,000 tons from other commercial plants. Ordnance production of ammonia for fertilizer purposes is to be discontinued in August 1944.

VII. CONTRACT TERMINATION

In round figures the Army and Navy had terminated contracts totaling \$13 billion with prime contractors through June 30, and the contracts for \$6 billion of this amount had been settled.

Army -- Contract Terminations with Prime Contractors

1. The Army had terminated through June 30, 1944 a total of 25,900 contracts and had settled approximately four-fifths of them, or 20,800. Of the 20,800 settled, only 5,600 required the settlement of a claim, while 15,200 involved no claim.
2. On June 30, the work load of 5,100 terminations awaiting settlement included approximately 4,000 for which claims had not yet been filed and 1,100 for which claims had been filed but had not yet been settled.
3. This work load of 5,100, or one-fifth of the terminations thru June 30, involved approximately one-half of the total contract price of the items canceled in all 25,900 terminations. The total contract price of items canceled by the 25,900 terminations was approximately \$11.2 billion. The contract price of the items canceled in the 5,100 terminations remaining unsettled on June 30 was approximately \$5.3 billion.
4. The settlement of the 20,800 terminations involved cancellations, in terms of contract price, of \$5.9 billion and resulted in the filing of claims, amounting to \$247 million, which were settled for \$204 million gross, or 82.5 percent of the amount claimed.

Navy -- Contract Terminations with Prime Contractors

1. The Navy had terminated through June 30 a total of 1,679 contracts and had settled approximately two-fifths of them or 641. Of the 641 settled, only 76 required the settlement of a claim, while 565 involved no claim.
2. On June 30 the work load of 1,038 terminations awaiting settlement included approximately 853 for which claims had not been filed and 185 for which claims had been filed but had not yet been settled.
3. This work load of 1,038, or three-fifths of the terminations thru June 30, involved approximately nine-tenths of the total contract price of the items canceled in all 1,679 terminations. The total contract price of items canceled by the 1,679 terminations was approximately \$1.88 billion. The contract price of the items canceled in the 1,038 terminations remaining unsettled on June 30 was approximately \$1.7 billion.

4. The settlement of the 641 terminations involved cancellations, in terms of contract price, of \$180 million and resulted in the filing of claims, amounting to \$3.55 million, which were settled for \$2.97 million gross, or 83.5 percent of the amount claimed.

VIII. AGRICULTURE AND WAR FOOD ADMINISTRATION

As of July 1, the crop production estimates for the year were about the same as actual production volume for 1943 with a slight increase in dollar value. Farm-mortgage debt on January 1, 1944 was 14 percent lower than on January 1, 1940, but farm real estate values were 42 percent above the 1935-39 average. Farm employment is 3 percent below that of a year ago, but wage rates are 20 percent higher.

Agricultural income similar to 1943: Preliminary estimates indicate comparatively slight changes in 1944 agricultural income in relation to 1943. Total cash receipts from farm marketings may be up 2 or 3 percent, providing 1944 crop production proves to be as large as is now indicated. This increase may take place entirely in receipts from crops and will be due to a considerable gain in receipts from wheat because of the apparent record crop and to smaller increases from tobacco, feed grains and hay, and fruits and nuts. No significant change in receipts from livestock and livestock products is expected. Income from hogs probably will not quite equal the 1943 receipts of almost \$3 billion, but increases in income from cattle and calves and dairy products may nearly offset the slight drop. Because of the dairy production payment program, Government payments to farmers will exceed those of last year.

1944 crop production expected to equal that of 1943: Aggregate crop production in 1944 will be about the same as in 1943, according to prospects on July 1. There will be marked differences between the two years for individual crops and groups of crops, but on the whole production will be larger than in any year prior to 1942. The harvested acreage of the 52 principal crops is expected to be about 355 million acres, which would be about 2 percent above the acreage last year and the largest since 1932.

The effect of the unfavorable growing conditions which have prevailed in some areas during parts of the past four weeks will be reflected in the August 1 Crop Report, which will be out in a few days.

Farm-mortgage debt reduced \$952 million, 1940-1944: Total farm-mortgage debt outstanding on January 1, 1944, is estimated at \$5,634,772,000, which is a reduction of \$952,000,000 from the total outstanding four years earlier. Almost \$850,000,000 of this reduction occurred in 1942 and 1943. The reduction of 13 percent in these two years of greatly increased farm income compares with reductions of 15 percent in the period 1932-33 and 8 percent in 1923-24 when debt liquidation was greatly accelerated by foreclosures and related distress transfers of mortgaged farms. On January 1,

1944 the farm-mortgage debt was almost 8 percent below that for a year earlier, 14.4 percent below the total for January 1, 1940, and almost 48 percent below the peak-year total for 1923. At the beginning of 1918, roughly four years after the outbreak of World War I, mortgage debt was \$6,536,860,000, or almost one-sixth larger than at the beginning of 1944.

Farm real estate values continue upward: The upward movement in farm real estate values continued during the four months ended July 1, 1944, with an increase for the country as a whole of about 3 percent. The increase brings the United States index (1912-14 = 100) to 117, a rise of about 15 percent from July 1943, and a level 42 percent above the 1935-39 average. The rate of increase during the last four months was about one-third as large as the sharp increase reported from November 1943 to March 1944, the season in which the land market is usually most active.

Farm employment 3 percent below year ago; wage rates 20 percent higher: Total farm employment has been rising seasonally in recent months, but is below the level for the corresponding months in 1943. On July 1, 1944 11,355,000 persons were working on farms in the United States. This is 3 percent fewer than one year earlier and 9 percent below the 1935-39 average. Farm wage rates, which began increasing in January 1941, rose to the highest level on record for July 1, 1944 when the index was 328 (1910-14 = 100). Wage rates this year average 20 percent above those of July 1943. The increase has been general throughout the country, with the largest gain recorded in the West South Central Region.

Thousands of foreign nationals and prisoners of war at work on farms: The Office of Labor reported that on July 15, 1944, 86,528 foreign agricultural workers were employed on American farms. Of these, 61,484 were Mexican Nationals, 17,400 Jamaicans, 5,756 Bahamians, 908 Barbadians, and 980 Newfoundlanders. Also, reports indicate that about 22,000 prisoners of war were employed on farms in 26 states during June.

Fewer types of farm machinery now rationed: Fewer types of farm machinery and equipment are now rationed. The new ration list, effective July 20, includes 19 types, compared with 31 types rationed during the last fiscal year. The production of farm machinery again shows improvement over previous months, with the over-all production now at an annual level approximating that of 1940. Of the items of rationed farm machinery scheduled for production between July 1, 1943 and June 30, 1944, the following percentages have been completed: For spring use, corn and cotton planters, 92.2; potato planters, 111.5; grain drills, 88.2; listers, 91.7; beet and bean drills, 72.3; disc harrows, 82.6; soil pulverizers, 68.4; rotary hoes, 49.9; midseason use, combines, 64.1; mowers, 80.4; side delivery rakes, 54.6; hay loaders, 86.0; pick-up balers, 60.1; irrigation pumps, 88.6; grain and rice binders, 63.1; potato diggers, 26.0; fall use, corn binders, 15.1; corn pickers, 28.5; stationary balers, 60.9; feed grinders, 87.2; year-round use, manure spreaders, 86.8; tractors, 94.2; garden tractors, 65.6; milking machines, 91.8; milk coolers, 81.1; well systems, 87.3; windmills, 86.2.

"Corn for War" program successful: The "Corn for War" program, operated under War Food Order No. 98, effective April 25, 1944, restricted the movement of corn off farms for 60 days in 125 heavy corn-producing counties in Iowa, Illinois, Nebraska, Indiana, and Minnesota. The order expired June 23; however, the time for signing contracts was extended to July 8 for those who had pledged corn prior to its expiration. The program was successful, having resulted in sales to the Commodity Credit Corporation, which directed corn purchased to approved processors, aggregating 67,831,348 bushels distributed as follows: Illinois 27,495,976, Indiana 1,306,537, Iowa 30,278,118, Minnesota 2,616,785, and Nebraska 6,133,932. This corn, together with prospective imports and additional domestic supplies, is sufficient to meet the essential processor needs until the new crop becomes available in the fall.

Lend-lease food deliveries decline: Deliveries of food and other agricultural products under lend-lease and other war programs for June totaled 806,942,749 pounds. This is about 24 percent less than deliveries in May, which amounted to 1,060,963,642 pounds. Deliveries at shipside amounted to 658,116,418 pounds or 82 percent of total June deliveries, compared with 857,870,924 pounds or 81 percent of total May deliveries. The shipment of goods to lend-lease claimants is usually light in the month of June, accentuated this year by the demand for ship bottoms needed for the invasion.

IX. WAR FINANCESExpenditures

Total expenditures for war purposes in July were \$7.4 billion, or at an annual rate of \$88.2 billion -- 8 percent below the June rate.

	<u>May</u>	<u>June</u>	<u>July</u>
	(Billions)		
Monthly rate	\$7.9	\$8.0	\$7.4
Adjusted annual rate	91.8	95.7	88.2

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes increased \$300 million in July to a total of \$399.5 billion. Net expenditures against this amounted to \$207.1 billion.

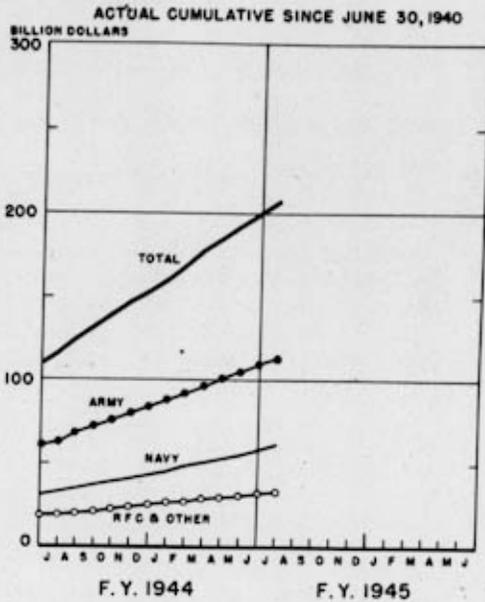
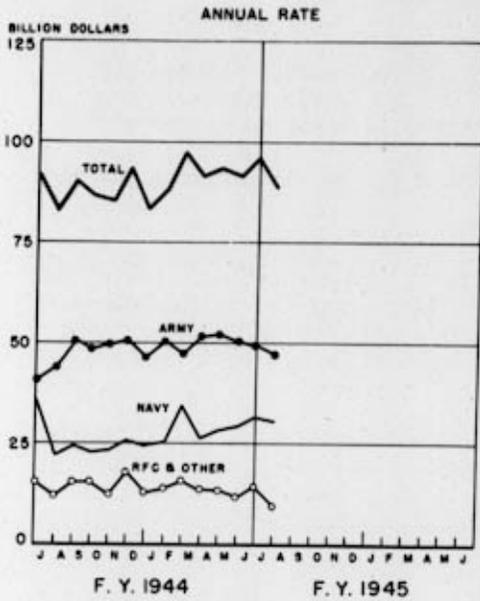
Appropriations and Expenditures, F.Y. 1941 Thru July 1944
(Billions)

	Appropriations & Authorizations				Expenditures F.Y. 1941 Through July 1944
	F.Y. 1941 Through F.Y. 1943	F.Y. 1944	F.Y. 1945	Total	
War Department	\$126.7	\$59.0	\$15.4	\$201.1	\$113.3
Navy Department	47.5	29.8	29.1	106.4	60.9
Maritime Commission	11.0	-.1	5.7	16.6	7.7
Govt. Corpn. (commit.)*	19.9	4.3	.3	24.5	8.6
Other	32.7	4.1	5.5	42.3	16.6
Est. approp. required beyond F.Y. 1945 for completion of Navy	—	—	—	8.6	—
Total	\$237.8	\$97.1	\$56.0	\$399.5	\$207.1

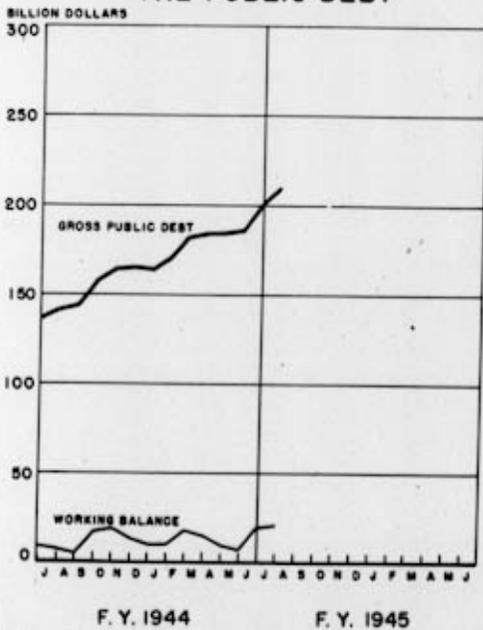
*Commitments do not reflect receipts (rents--repayments and sales) totaling \$6.9 billion.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

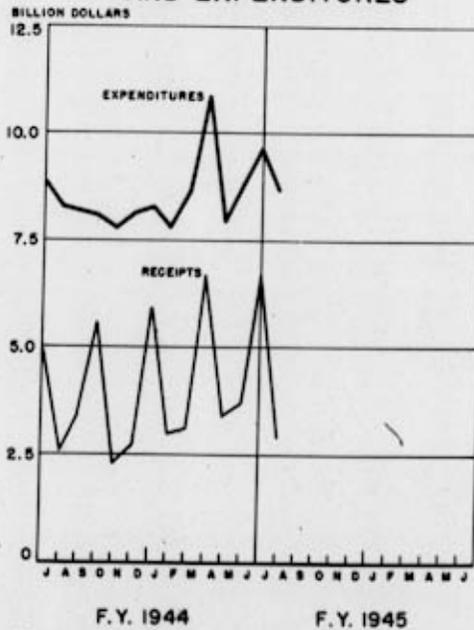
WAR EXPENDITURES



THE PUBLIC DEBT



TREASURY RECEIPTS** AND EXPENDITURES



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

** EXCLUDES PUBLIC DEBT ACCOUNTS

X. ECONOMIC STABILIZATION PROGRAM

The cost of living rose 0.2 percent between May 15 and June 15.

The War Labor Board is studying the Little Steel formula to determine the advisability of recommending its modification.

Prices--Cost-of-living: The cost of living rose 0.2 percent between May 15 and June 15, reflecting slight increases in food, clothing, and house-furnishing prices. The WPB-OPA program designed to increase the supply of essential and inexpensive garments, including women's house dresses and slips and men's shirts and shorts, is being put into operation.

Prices--farm: Prices received by farmers averaged 113 percent of parity in mid-July, compared with 114 percent a month earlier. Downturns in prices received for grains, truck crops, and meat animals were more than sufficient to offset upturns in cotton, fruit, milk, and egg prices. Prices paid by farmers remained unchanged.

War Bonds: In total volume, the Fifth War Loan drive set a new high of \$20.6 billion, in part because of unusually high indirect bank participation. Sales of Series E bonds amounted, however, to little over \$3 billion, a slight decline from the Fourth War Loan. The starting date for the Sixth War Loan has been tentatively set for November 11.

Taxes: Revised estimates of net receipts for fiscal year 1945 total \$45.7 billion, \$4.9 billion above the January estimate. The revised figure is the result mainly of additional revenue legislation enacted this year, an expected increase in disposal of surplus property, more experience with contract renegotiation, and the fact that individual and corporate incomes are running somewhat above those previously estimated.

Wages: The War Labor Board is now collecting reports bearing upon the demands of unions going beyond the limits of the Little Steel formula. The Board has yet to decide whether it would be warranted in carrying further the investigation of the formula's operation and the advisability of recommending its modification.

XI. MANPOWER

An all-time high in the employment of women was reached in June. The closing of schools and increased seasonal employment in agriculture added 1,380,000 workers to the labor force from May to June. Although factory employment declined in June, the rate of decline was lower than in the previous six months. Unemployment rose seasonally with the advent of young persons leaving school to seek jobs. A comparison of the composition of the actual labor force in the spring of 1944 with what might have been expected had there been no war, indicates an excess of 6.7 million persons in the labor market and the armed forces.

Labor Force and Employment

Expansion of the civilian labor force with the closing of the schools brought an addition of 630,000 males and 750,000 females into the labor market. The estimates of the civilian labor force for May and June 1944 and June 1943 are as follows:

<u>Employment Status</u>	<u>Persons 14 Years of Age and Over</u>		
	<u>June 1944</u>	<u>May 1944</u>	<u>June 1943</u>
Civilian labor force	54,220,000	52,840,000	55,220,000
Employed	53,220,000	51,960,000	54,000,000
Unemployed	1,000,000	880,000	1,220,000

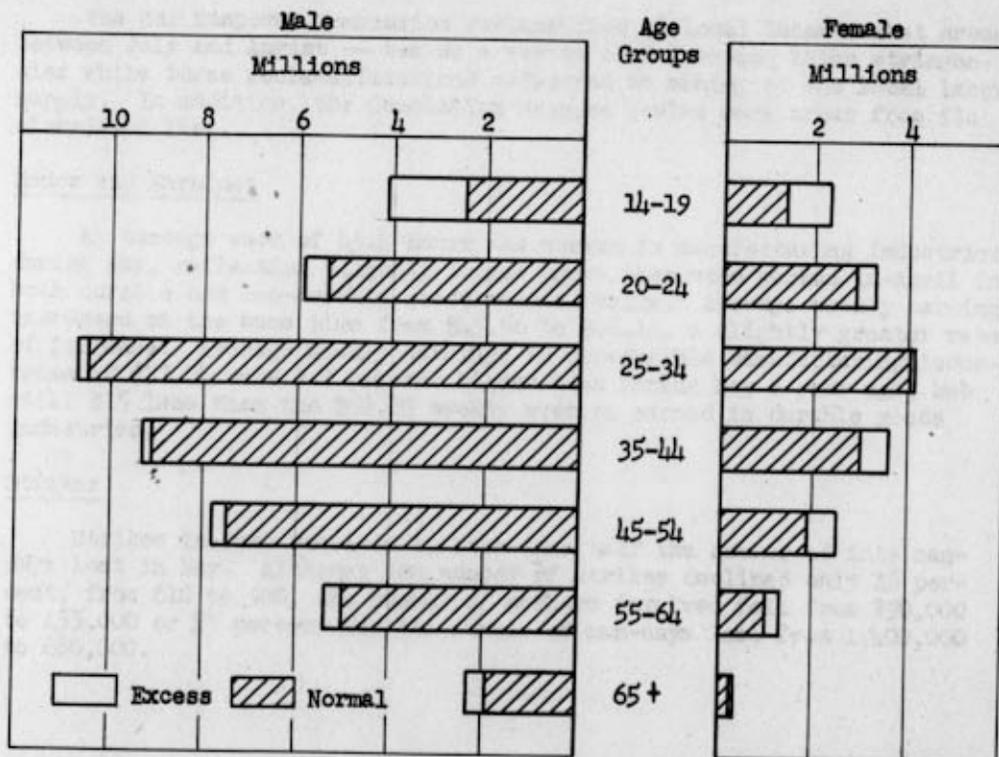
The employment of women reached an all-time high of 18,180,000 in June 1944, 100,000 above the previous record of July 1943. Most of the gain in employment in June took place in agriculture, bringing the level of agricultural employment to 9,560,000. Total non-agricultural employment increased by 300,000 to 43,660,000. The seasonal rise in unemployment in June was lower this year than in previous years and was restricted to persons of school age. There is as yet no evidence of the effect of war production cut-backs on the levels of national unemployment.

The number of factory wage-earners declined by 50,000 between May and June. This decline was considerably below the average monthly decline of the past six months. The only sizeable decline was reported in aircraft factories and shipyards. There were seasonal increases in employment in some manufacturing industries, particularly food processing. Employment gains were also reported in construction, transportation, public utilities, finance, and services.

Character of War-Time Labor Supply

A comparison of the composition of the actual labor force (including the armed forces) with that of an estimated "normal" (a projection of pre-war trends) for April 1944 reflects the effect of the war on manpower and indicates the character of the withdrawals from the labor market which may be anticipated after the war. The outstanding development has been the large increase in the number of women in the labor market, particularly younger girls and older women. Rising marriage and birth rates during the war have kept the participation in the labor market of women from 25 to 34 years of age down to normal. There are, however, many more married women in the labor market than before the war. The largest increases in males in the labor force occurred in the age groups over 64 and under 24. The accompanying chart compares the excess of the actual labor force (including the armed forces) over the normal for different age groups by sex.

Estimated Excess in Labor Force over Normal, April 1944
By Age Groups and Sex, Including the Armed Forces



The total excess of the actual labor force in April 1944 over the estimated normal was 6.7 millions, 3.7 million men and 3 million women, of whom a substantial number will probably leave the labor market after the war. It may be anticipated that many of the persons over 55 years of age will retire. Many married women in the age groups from 35 to 54 will return to home housework. A large number of young persons who left school prematurely to enter the armed forces or to take jobs may return to school or college.

Net figures indicating the increase in the size of the labor force since the start of the war conceal large movements of workers into and out of the labor market. For example, more than 2 million women who were not in the labor force in March 1944 had had jobs or were looking for work during the week before Pearl Harbor. Furthermore, many more women probably went into the labor force and out again between these two dates. This exodus from the labor force took place during the same time that the total number of women in the labor force increased from 13.8 to 16.9 million.

Manpower Shortages

The War Manpower Commission reclassified 13 local labor market areas between July and August — ten as a result of increasing labor stringencies while three reclassifications reflected an easing of the local labor supply. In addition, the Commission dropped twelve more areas from its classified list.

Hours and Earnings

An average week of 45.4 hours was worked in manufacturing industries during May, reflecting slightly longer hours than were worked in April in both durable and non-durable goods manufacturing. Average weekly earnings increased at the same time from \$45.56 to \$46.13, a slightly greater rate of increase. Average weekly earnings in non-durable manufacturing industries of \$37.04 were 9.2 percent higher than during May a year ago, but still \$15 less than the \$52.05 weekly average earned in durable goods industries.

Strikes

Strikes in June resulted in less than half the number of idle man-days lost in May. Although the number of strikes declined only 18 percent, from 610 to 500, the number of workers involved fell from 290,000 to 155,000 or 47 percent and the number of man-days lost from 1,400,000 to 680,000.

Labor Turnover and Absenteeism

The average monthly separation rate in manufacturing industries rose from 6.78 per 100 employees in April to 6.97 in May. Military separation and lay-off rates were lower in May than in April, but quit and discharge rates were higher. The accession rate in May (6.20) was higher than in April but still lower than the separation rate. The highest separation rates in war industries were reported in aluminum and magnesium smelters and refineries, ammunition plants, and shipyards.

Absenteeism rates in important war production plants declined in May to 6.3 from 6.8 in April. The May rate was the lowest of any month in 1944, but slightly higher than the rate for May 1943.

The Production Board

In June, the WPB Chairman approved a policy of restricting production of civilian goods when and where the production does not interfere with war production. In accordance with this policy, he directed four specific steps to be taken. Subsequent to the public announcement of policy, there was considerable discussion and objection in WPB, particularly in the Production Executive Committee, which strongly reflects the viewpoint of those, to taking the directed steps.

The controversy was finally resolved by a decision to take the steps one after the other, spreading out the issuance of the necessary orders.

1. The first order, lifting some restrictions on the use of aluminum and magnesium in the manufacture of civilian goods, such as pots and pans, was issued July 15.

2. The second order, permitting manufacturers to make experimental models of civilian products, became effective July 22.

3. The third order, permitting manufacturers to place orders immediately for civilian tools and equipment which they will need for subsequent civilian production, was issued July 29.

4. The fourth and most far-reaching order, empowering WPB Regional Directors to authorize manufacturers to begin production of presently prohibited civilian items, provided materials and manpower are available, was scheduled for issuance August 15.

The delayed issuance of the orders beyond the July 1 deadline originally set by the War Production Board Chairman gave the War Relocation Commission time to perfect its organization and administrative controls required to make available the necessary resources.

XII. ADMINISTRATIVE DEVELOPMENTS

Administrative matters of significance during July were (1) steps taken by the War Production Board toward removing nonessential restrictions on production, steps which would minimize the disturbing effects of later cancellation of war contracts, and (2) the absence of progress by the Department of State and the Foreign Economic Administration in dealing with problems of organization and management.

War Production Board

In June, the WPB Chairman announced a policy of reviving production of civilian goods when and where the production does not interfere with war production. In accordance with this policy, he directed four specific steps to be taken. Subsequent to the public announcement of policy, there was considerable discussion and objection in WPB, particularly in the Production Executive Committee, which strongly reflects Services' point of view, to taking the directed steps.

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Office of Price Administration

As required by the Stabilization Extension Act of 1944, rationing suspension orders were declared no longer applicable to price violation.

Developments in the rationing program were two: (1) a marked decrease in the available quota of heavy truck tires required the Office of Price Administration to set up special local board panels on a district-wide basis to administer the available quota rather than permit each board to administer its own quota; (2) the control over the distribution of new passenger automobiles to the Army, Navy, Maritime Commission, certain other Government agencies, and for export by certain individuals was transferred from the War Production Board to the Office of Price Administration.

Office of Defense Transportation

The tire crisis, predicted in previous reports, materialized. Some controversy existed between the Office of Defense Transportation and the Office of Price Administration with respect to the handling of tire rationing, and the War Production Board was asked to decide the controversy.

State Department Organization

As indicated over a period of several months, the State Department had still not established the type of administrative management staff required by the reorganization of last January; in fact, the Division of Administrative Management still continued without a permanent head.

Meanwhile, there was continuing conflict as to distribution of functions within the Department. Relations between the two economic offices under Assistant Secretary Acheson remained confused and strained. The cultural relations function was not defined nor was responsibility for it properly assigned. Housekeeping services, especially personnel processing, were much too slow. There was no evidence that the so-called "political" offices had even partially begun to reorganize in line with the intention of the January reorganization to make these offices the pivotal point in departmental activities. They remained understaffed and failed to provide the forward drive which should come from this central part of the Department.

Excellent work continued to be done, however, in reorganizing foreign service reporting for departmental and other agency use.

State Department-FEA Relations

State-FEA relations in the formulation of policy and in the administration of foreign economic activities continued to be muddled in Washington. While special efforts were made to improve personal relations between the two agencies at the operating level, the basic issue of the extent of control that State should exercise over FEA operations was unsolved.

Of increasing importance were the wide differences between the two agencies as to when private foreign trading shall begin and the degree to which Government trading shall continue. A partial effort to resolve this issue was the joint FEA-State trade mission to North Africa.

Surplus Disposal Abroad

The lack of clarity as to the major responsibilities of the Foreign Economic Administration and the Services in the foreign disposal of surplus property, and the slowness with which FEA was preparing itself for such tasks as seem assured, were creating critical delay in a vital field for which this Government is poorly prepared.

Balkan Developments

As a result of a joint Anglo-American survey (with Budget Bureau participation) in Cairo during May and June, the Department of State proposed to the British that the Balkan Supply Center be abolished. The Center was originally conceived to carry out relief and rehabilitation in Greece, Albania, and Yugoslavia at a time when military operations were contemplated and before UNRRA was organized. It was subsequently believed that this field agency might serve as the "eyes and ears" of the Combined Boards and screen UNRRA's requirements estimates. The State Department, after consulting the supply authorities, took the position that the Combined Boards should not exercise this function, and the original reason for creating the Center — to act in the place of UNRRA — disappeared. In place of the Balkan Supply Center, State suggested that a joint planning staff be created to plan for (a) procurement of strategic materials in the Balkans, (b) requirements falling outside the scope of UNRRA, and (c) reconstruction projects.

In addition, the Department suggested terms of reference for a Balkan Affairs Committee, to be composed of U.S., U.K., and Russian representatives, and an Economic Advisory Committee to AMHQ (Balkans), both of which would be established in Cairo. British reactions to the proposals were awaited.