

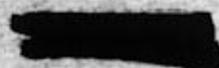
Report 48



NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

September 30, 1944

Prepared by
Bureau of the Budget
Executive Office of the President



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

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, 25, D. C.

October 18 1944

MEMORANDUM:

For the personal attention of the President.

H. D. S.

Att.

Report 48

[REDACTED]

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I. SUMMARY

Active Military Strengths

	<u>Total All Classes</u>	<u>Date</u>
Army	8,110,000	Sept. 25
Navy, Marine Corps, and Coast Guard . .	3,730,634	Sept. 15
The Army reported 4,350,021 overseas		Sept. 25 (Pages 10-11, 23-24)

Aeronautical Program

September airframe acceptances, 93.1 million lbs. vs. 93.9 million in August
(Pages 2-3)

Combat planes on hand:

Army: 33,441 on Sept. 30; losses--3,280 in September
Navy: 23,602 on Sept. 1; losses--1,123 in August
(Pages 4, 6)

Strength on Sept. 1:

Army Air Forces	2,403,056
Navy and Marine Corps	374,789
Total	2,777,845

(Pages 5, 7)

Navy Ship Construction

Completions of combatant vessels—Jan. 1 thru Sept. 20, 1944:

Battleships	2
Aircraft carriers	3
Aircraft carriers, escort	36
Large cruisers	2
Heavy cruisers	0
Light cruisers	8
Destroyers	62
Destroyer escorts	180
Submarines	55
Total	348

(Pages 13-19)

Contract Termination

Army and Navy cancellations of fixed-price prime contracts:
\$14.1 billion thru August 31, 1944

(Page 28)

II. AERONAUTICAL PROGRAM

September Aircraft Production

Preliminary reports indicate that 93.1 million pounds of airframes (spares included, gliders excluded) were accepted in September, a decrease of 0.8 percent from the weight of August acceptances.

The number of military aircraft accepted in September was 7,598, as compared with 7,939 in August. There were 1,372 four-engine bombers accepted, including 122 B-29's and 1 B-32.

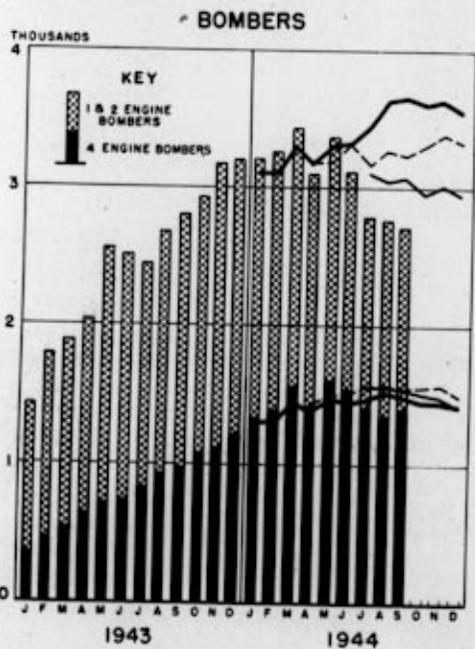
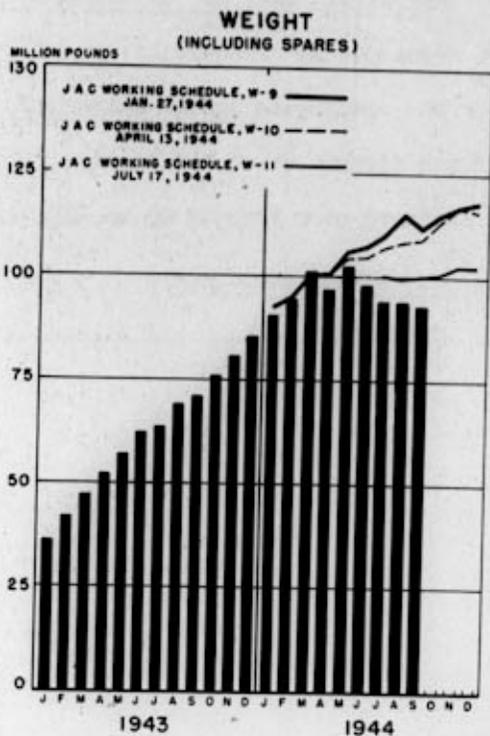
Aircraft Acceptances and Schedule, 1944

Type	Actual Acceptances			Total Scheduled 1944*
	August	Sept.	Jan. Thru Sept.	
Bomber, 4-engine, long-range	96	123	686	1,370
Bomber, 4-engine, other	1,258	1,249	12,318	15,187
Bomber, 2-engine	763	669	8,161	10,490
Bomber, 1-engine	658	670	6,628	8,825
Fighter	3,375	3,219	29,764	39,460
Reconnaissance	6	10	65	234
Total combat	6,156	5,940	57,622	75,566
Transport, 4-engine	59	46	410	716
Transport, 2- and 1-engine	755	688	7,290	9,394
Total tactical	6,970	6,674	65,322	85,676
Trainer	505	473	6,537	7,632
Liaison	308	300	2,813	3,705
Rotary wing	10	18	74	144
Target and drone	146	133	751	1,125
Grand total	7,939	7,598	75,497	98,282

*Actual acceptances, Jan. thru June; Joint Aircraft Committee schedule (revised Sept. 21) July thru Dec.

On September 30, there was a pool of 1,204 accepted but undelivered aircraft, of which 86 percent were tactical types.

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Airplanes of the Army Air Forces

A. Airplanes. On September 30 the Army Air Forces had on hand 33,441 first-line combat airplanes. Of these, 11,242 were four-engine bombers—an increase of 162 heavy bombers during September. Of the total combat planes, 20,131 or 60 percent were overseas on September 30.

Airplanes of the Army Air Forces on Hand, Sept. 30 and Gains and Losses in Sept.

	On Hand Sept. 30 1944	Sept. Gains and Losses				Net Change
		Gains		Losses		
		Produ- tion	Other*	Opera- tional, etc.	Other*	
Combat						
Bomber, very heavy	647	117	0	19	9	89
Bomber, heavy	10,595	956	69	672	280	73
Bomber, medium	3,790	184	28	145	546	-479
Bomber, light	2,038	180	10	43	17	130
Fighter	14,779	1,537	113	1,002	491	157
Reconnaissance	1,592	30	246	46	10	220
Total combat	33,441	3,004	466	1,927	1,353	190
Transport						
Heavy	1,357	199	42	33	22	186
Medium	4,995	214	24	149	33	56
Light	460	28	1	6	0	23
Amphibian	23	0	1	2	0	-1
Utility	3,552	47	7	29	98	-73
Total transport	10,387	488	75	219	153	191
Total tactical	43,828	3,492	541	2,146	1,506	381
Trainers	23,254	333	24	99	3,089	-2,831
Communications	3,733	167	625	57	573	162
Grand total	70,815	3,992	1,190	2,302	5,168	-2,288

*Includes gains or losses from conversion, survey, transfer to surplus, etc.

A.A.F. Airplanes in Continental U.S. and Overseas — Sept. 30, 1944

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,803	1,185	963	5,869	5,315	25,586	43,721
Overseas	6,439	2,605	1,075	8,910	5,072	2,993	27,094
Total	11,242	3,790	2,038	14,779	10,387	28,579	70,815

B. Personnel of the Army Air Forces. The active-duty strength of the Army Air Forces totaled 2,403,056 on September 1 — a decrease of 750 during August. Actual strength exceeded the planned strength by 51,000 on September 1. AAF personnel overseas increased 20,295 during the month to a total of 1,082,076 on September 1.

**Active-Duty Strength of the Army Air Forces, Sept. 1
and Troop Basis for Sept. 1 and Dec. 31, 1944**

	Troop Basis		Actual Sept. 1 1944
	For Dec. 31 1944	For Sept. 1 1944	
Continental U.S.	1,121,558	1,242,948	1,320,980
Overseas	1,194,318	1,109,185	1,082,076
Total	2,315,876	2,352,133	2,403,056

*Includes divorcées, reintroductions, reclassifications, and mobilization increases and decreases.

Bureau of Aeronautics

A. Airplanes. On September 1, the Navy, Marine Corps, and Coast Guard reported a total of 35,833 useful airplanes on hand. Of these, 23,602 were tactical combat types — an increase of 564 tactical combat planes during August.

Navy Airplanes on Hand — Aug. 1, Sept. 1,
and Additions and Losses in August

Type	On Hand Aug. 1	August*		On Hand Sept. 1
		Additions	Losses	
<u>Tactical Combat</u>				
Fighter	10,425	792	647	10,570
Scout bomber (dive)	5,413	454	265	5,602
Torpedo bomber	3,198	281	143	3,336
Patrol bomber—sea	1,537	29	18	1,548
Bomber—land:				
4-engine	439	56	11	484
2-engine	927	60	17	970
Observation scout	1,099	15	22	1,092
Subtotal	23,038	1,687	1,123	23,602
<u>Tactical Non-Combat</u>				
Utility	1,301	41	8	1,334
Transport	702	60	12	750
Subtotal	2,003	101	20	2,084
<u>Training</u>	9,645	288	333	9,600
<u>Experimental and Miscellaneous</u>	461	115	29	547
Grand total	35,147	2,189	1,503	35,833

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

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 14,999 during August to a total of 374,789 on September 1. This is 90 percent of the required strength by December 31, 1944. Pilots totaled 49,896 or 103 percent of requirements by December 31.

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

	Navy		Marine Corps		Total	
	Requirements 12-31-44	Actual Sept. 1	Requirements 12-31-44	Actual Sept. 1	Requirements 12-31-44	Actual Sept. 1
Pilots**	38,972	39,570	9,479	10,326	48,451	49,896
Other:						
Officers	26,358	26,737	5,844	4,743	32,202	31,480
Enlisted	229,420	196,866	104,950	96,547	334,370	293,413
Total	294,750	263,173	120,273	111,616	415,023	374,789

*Excludes personnel missing, prisoners of war, etc.

**Includes pilots of lighter-than-air craft.

C. Pilot Training. Student pilots in training for heavier-than-air planes on September 1 totaled 21,452, and 9,608 of these were in the last stage of training prior to commissioning. The total is a decrease of 3,649 from the number in training on August 3.

III. ARMY

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

Item	Aug. Deliv.	1944 Army Supply Program (Revised)	1944 Deliveries Jan. 1 to Sept. 1					
			Cumulative	Percent of 1944 A.S.P.				
				0	25	50	75	100
Combat Vehicles								
Light armored car	243	3,383	2,468					
Light tank	216	2,050	401					
Medium tank 1/	1,403	12,749	6,893					
Universal carrier	600	8,200	6,422					
Motor Vehicles								
1/2 ton, 4 x 4 command	16,335	180,833	122,639					
3/4 ton, 4 x 4 weapons carrier	6,564	57,726	37,056					
1 1/2 ton, 4 x 2 cargo	2,592	32,248	22,219					
1 1/2 ton, 4 x 4 cargo	2,298	30,317	20,030					
2 1/2 ton, 6 x 4 cargo	2,504	30,986	20,804					
2 1/2 ton, 6 x 6 dump	2,867	25,560	11,922					
2 1/2 ton, 6 x 6 cargo	11,769	138,639	79,662					
10 ton, 6 x 4 prime mover	662	8,266	4,225					
Artillery 2/								
155mm gun	74	521	237					
8 inch Howitzer	65	546	298					
155mm Howitzer	130	1,889	1,326					
Small Arms								
.30 cal. U.S. rifle, M1	76,866	1,106,752	807,375					
.30 cal. carbine M1	79,040	2,021,109	1,630,176					
.30 cal. machine gun	9,250	120,311	83,808					
.50 cal. machine gun	54,435	673,561	456,984					

1/ Includes T-26

2/ Proof firing may not be completed.

67%
8 mo. = 67% of year

Military Personnel

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

Item	Aug. Deliv.	1944 Army Supply Program (Revised)	1944 Deliveries Jan. 1 to Sept. 1					
			Cumulative	Percent of 1944 A.S.P.				
				0	25	50	75	100
Small Arms Ammunition								
(Million rounds)								
All .30 cal.	175	3,759	3,077					
All .50 cal.	177	2,310	1,449					
Antiaircraft Ammunition								
(Thousand rounds)								
For 40mm gun	1,586	20,224	17,462					
Artillery Ammunition								
(Thousand rounds)								
For 60 and 81mm mortar	1,726	31,194	15,344					
For 57mm gun	328	6,411	4,901					
For 75mm field, tank, and antitank gun	777	11,276	9,815					
For 76mm tank and antitank gun	1,120	9,401	5,549					
For 75mm Howitzer	25	4,361	4,117					
For 90mm antiaircraft, tank, & antitank gun	191	3,899	3,121					
For 105mm Howitzer	2,979	37,676	22,436					
For 155mm Howitzer	331	4,442	2,433					
For 155mm field gun	250	2,457	1,441					
Bombs (thousands)								
500 lb. G.P.	256	2,597	1,488					
260 lb. fragmentation	108	963	536					
23 lb. fragmentation	4	3,195	2,805					
20 lb. and 23 lb. cluster-fragmentation	184	2,815	1,567					

no. = 67% of year

On September 25, the total active-duty military personnel was distributed as follows: Ground Forces, 3,425,766 or 42 percent; Air Forces, 2,346,470 or 30 percent; and Service Forces, 2,897,764 or 38 percent.

Military Personnel

A. Strength. From Sept. 1 thru 25, the active-duty strength of the Army increased by 7,455 to an estimated total of 8,110,000.

Distribution of the Army Active-Duty Strength, by Class

Class of Personnel	Sept. 1 Actual	Sept. 25 Estimated	Increase
Commissioned officers	707,744	702,481	-5,263
Warrant and flight officers	42,843	39,700	-3,143
Enlisted men and selectees	7,225,946	7,245,468	19,522
WAC	83,944	79,957	-3,987
Subtotal	8,060,477	8,067,606	7,129
Army Nurse Corps	42,068	42,394	326
Grand total	8,102,545	8,110,000	7,455

The Army active-duty strength overseas increased by 177,522 to a total of 4,350,021 or 54 percent of the total Army strength.

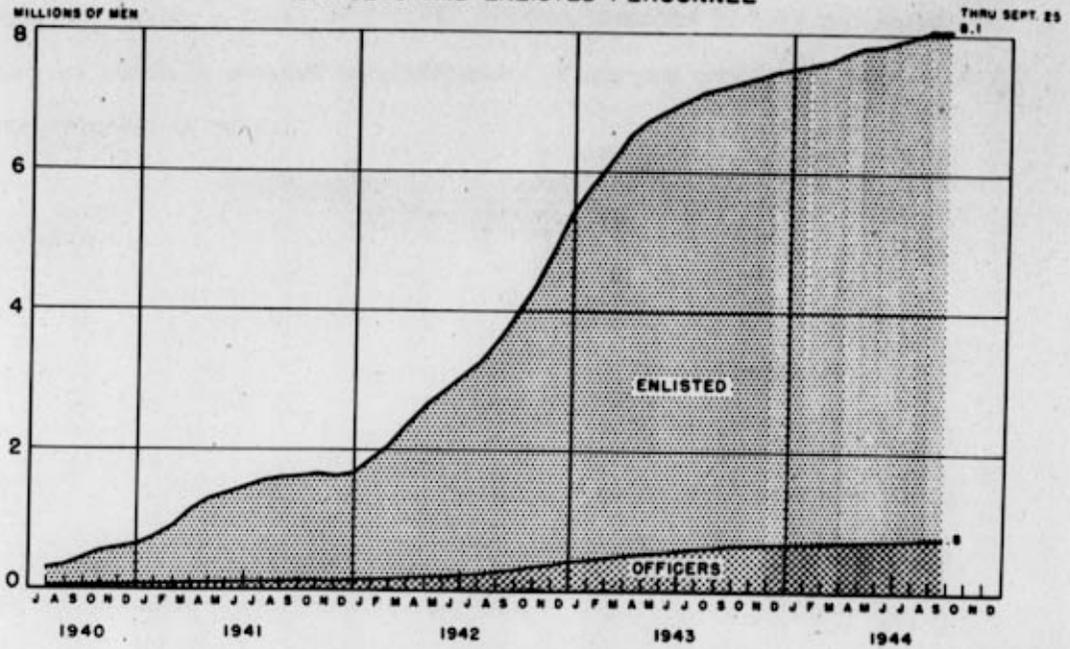
Assignment of Army Active-Duty Military Personnel

Assignment of Personnel	Sept. 1 Actual	Sept. 25 Estimated	Increase
Army Ground Forces in U.S.	1,363,651	1,337,652	-25,999
Army Air Forces in U.S.	1,326,124	1,245,275	-80,849
Army Service Forces in U.S.	1,072,673	993,429	-79,244
In defense commands in U.S.	30,419	30,419	0
In staging areas	47,431	60,000	12,569
In ships	89,748	93,204	3,456
Outside continental U.S.	4,172,499	4,350,021	177,522
Total	8,102,545	8,110,000	7,455

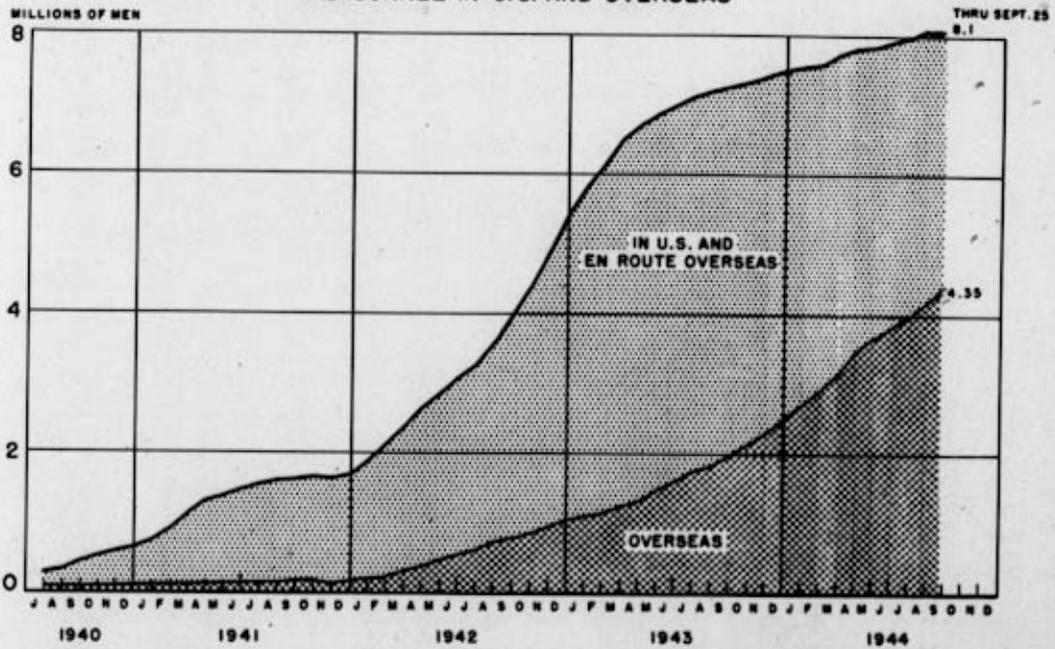
On September 25, the total active-duty military personnel was distributed as follows: Ground Forces, 3,425,766 or 42 percent; Air Forces, 2,386,470 or 30 percent; and Service Forces, 2,297,764 or 28 percent.

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL

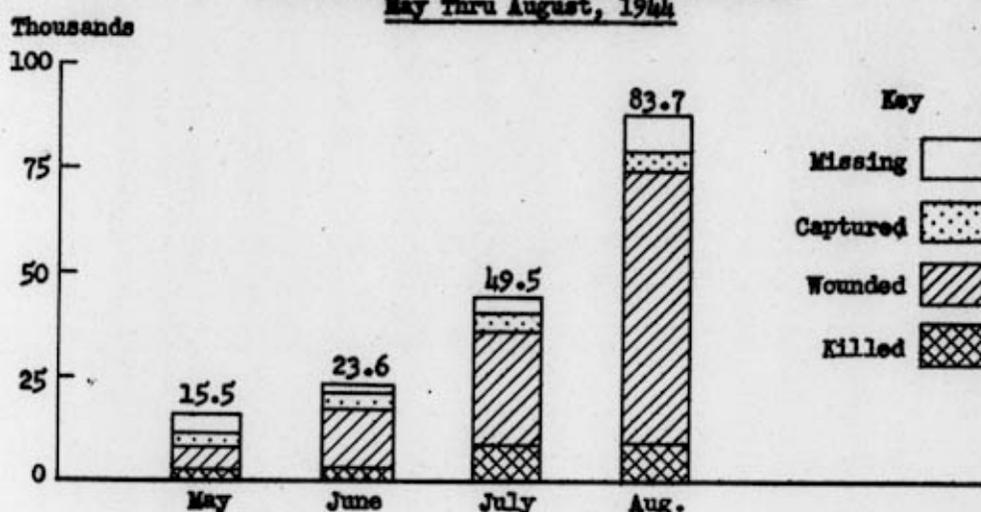


PERSONNEL IN U.S. AND OVERSEAS



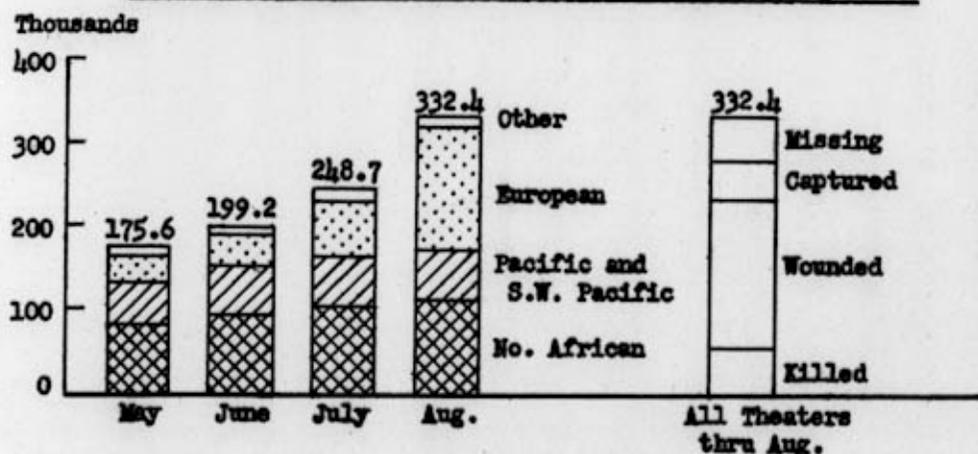
B. Army Casualties. During August, 83,689 battle casualties were reported, making a total of 332,417 between December 7, 1941 and August 31, 1944, of which 14 percent were officers. Forty-one percent of the wounded have returned to duty.

Monthly Army Battle Casualties Reported
May Thru August, 1944



The European Theater reported the largest number of casualties of any theater — 143,777 or 43 percent of the total through August 31.

Army Battle Casualties Reported, by Theater
Cumulative Totals from Dec. 7, 1941 — May Thru Aug. 1944



IV. NAVY

Completions of Naval Vessels

The second large cruiser, the GUAM, was completed on September 15. A total of 348 combatant vessels have been completed in 1944 through September 20 — 18 in August and 18 more during the first 20 days of September. There are 80 additional combatant vessels scheduled for completion during 1944.

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

Type	1944				1943 Actual
	Aug.	Sept. Thru 20th	Jan. 1 Thru Sept. 20	Scheduled Sept. 21 to Dec. 31	
Combatant Vessels:					
Battleship	0	0	2	0	2
Aircraft carrier	0	0	3	4	15
Aircraft carrier, escort	0	0	36	3	50
Large cruiser	0	1	2	0	0
Heavy cruiser	0	0	0	1	4
Light cruiser	1	2	8	4	7
Destroyer	3	3	62	22	128
Destroyer escort	9	8	180	22	306
Submarine	5	4	55	24	56
Total combatant	18	18	348	80	568
Patrol craft	22	5	367	139	718
Mine vessels	19	7	122	72	389
Auxiliaries	49	30	310	397	352
Landing force vessels*	139	77	1,006	433	649

*LST, LSM, LSD, LSV, LCI(L), and LCS(L)(3)

Status of Construction of Selected Naval Vessels

Twenty-six percent of the 366 combatant vessels on order on September 20 had been launched, 36 percent were on the ways, and 38 percent had not been placed on the ways.

Contracts were canceled for 98 submarines on July 29 and for 100 LCI(L)'s in August.

Status of Construction of Selected Naval Vessels, Sept. 20, 1944
(Includes Land-Lease Vessels)

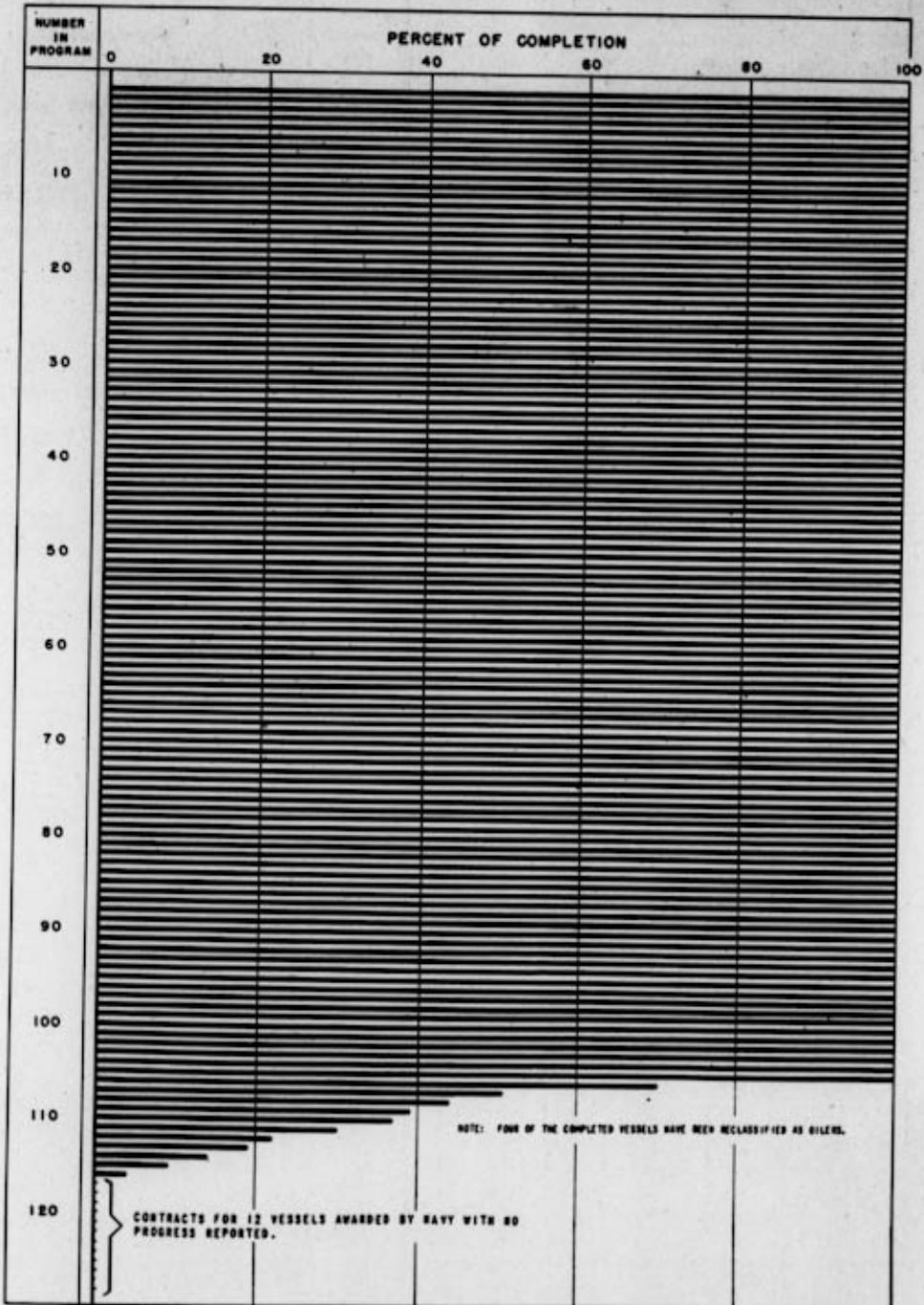
Type	New Construction on Order				Con- vert- ing
	Not Yet on Ways	On Ways	Launch- ed	Total	
Combatant Vessels:					
Battleship	2	0	0	2	0
Aircraft carrier	1	15	5	21	0
Aircraft carrier, escort	11	7	5	23	0
Large cruiser	0	1	0	1	0
Heavy cruiser	14	8	6	28	0
Light cruiser	13	11	8	32	0
Destroyer	83	51	14	148	0
Destroyer escort	0	0	23	23	0
Submarines	16	39	33	88	0
Total combatant	140	132	94	366	0
Patrol craft	113	89	69	271	5
Mine craft	3	24	87	114	0
Auxiliaries	101	66	126	293	419
Landing force vessels*	622	195	118	935	0

*LST, LSM, LSD, LSV, LCI(L), and LCS(L)(3)

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

CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

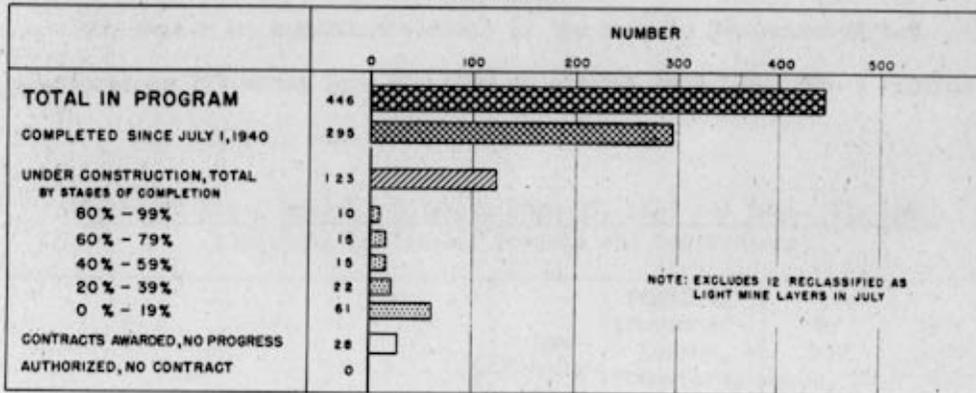
PROGRESS JULY 1, 1940 TO SEPTEMBER 1, 1944



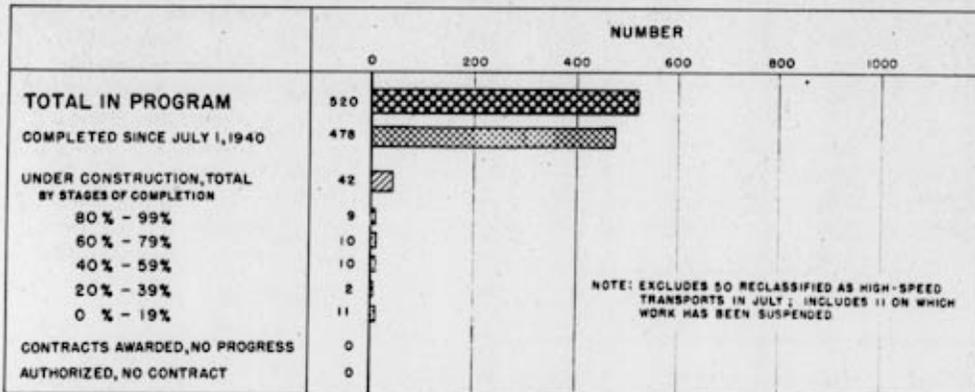
CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

SEPTEMBER 1, 1944

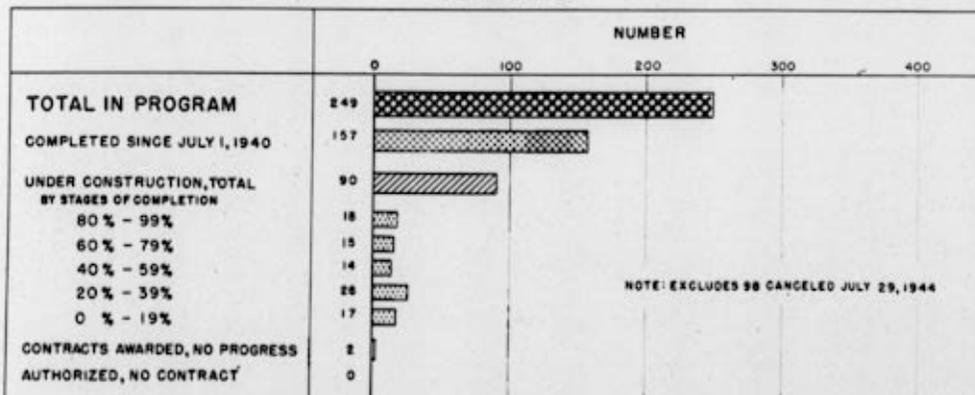
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on September 20 had increased by 773 since June 30, 1940 to a total of 1,156. These figures reflect only publicly announced losses.

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

Type	On Hand June 30 1940	New Comple- tions	Publicly Announced Losses, Transfers, & Reclasi- fications	On Hand Sept. 20 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	10	1	24	9
Aircraft carrier	6	20	4	22	16
Aircraft carrier escort	0	101	36	65	65
Large cruiser	0	2	0	2	2
Heavy cruiser	18	4	6	16	-2
Light cruiser	19	24	3	40	21
Destroyer	225	298	142	381	156
Destroyer escort	0	486	103	383	383
Submarine	100	161	38	223	123
Total combatant	383	1,106	333	1,156	773
Patrol craft	33	1,647	391	1,289	1,256
Mine craft	35	876	297	614	579
Auxiliaries	134	897	1/-2	1,033	899
Landing force vessels ^{2/}	0	1,870	392	1,478	1,478

^{1/} Vessels added to the total on hand.

^{2/} LST, LSD, LSV, LSM, LCS(L)(3), and LCI(L).

Analysis of Losses, Leases, Transfers, and Reclassifications

In September the following vessels were publicly announced by the Navy as lost: 1 destroyer, 1 destroyer escort, 3 submarines, 4 patrol craft, 6 mine craft, 1 auxiliary vessel, and 2 large landing craft.

A total of 99 combatant vessels have been announced as lost, 132 leased, 50 transferred, and 59 reclassified through September 1944.

Publicly Announced Losses, Leases, Transfers,
and Reclassifications -- July 1, 1940 Thru Sept. 1944

Type	Lost	Leased or Trans- ^{1/} ferred	Reclassi- fied	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	47	50	48	145
Destroyer escort	5	88	14	107
Submarine	31	6	1	38
Total combatant	99	182	59	340
Other Vessels:				
Patrol craft	81	333	0	414
Mine craft	27	214	75	316
Auxiliaries	44	130	2/ -136	38
Landing craft ^{3/}	31	254	111	396
Total other	183	931	50	1,164
Grand total	282	1,113	109	1,504

1/ Includes certain vessels sold or returned to owners.

2/ Vessels added to the total on hand.

3/ IST, ISD, and LCI(L).

Production of Naval Ordnance Material

From Jan. 1 to Sept. 1, cumulative deliveries of 6 of the 18 items of naval ordnance material listed below were less than 60 percent of the total scheduled for 1944. The time covered represents 67 percent of the year.

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

Item	Aug. Deliveries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to September 1						
			Cumulative	0	25	50	75	100	
<u>Torpedoes</u> 1/									
Surface craft	554	6,058	4,258						
Submarine 2/	1,138	11,339	7,453						
Aircraft 2/	524	6,979	5,329						
<u>Surface Fire Guns</u>									
Heavy, 12" and 16" turrets	1	11	10						
Medium, 8" and 6" turrets	11	108	76						
Light, 4" and 5"	9	199	129						
<u>Antiaircraft Guns</u>									
Heavy, 3" and 5" mounted barrel	642	8,676	6,583						
Light, 40mm and 20mm mounted barrel 3/	4,284	54,797	36,415						
<u>Fire Control Equipment</u>									
Gun directors	939	8,153	4,376						
Radar fire control	221	1,830	844						
Gun sights, Mk. 14	4,549	44,468	25,868						
<u>Ammunition</u>									
Heavy surface fire	11,214	120,706	67,181						
Medium surface fire	54,703	613,495	358,995						
Light surface fire	993M	7,390M	4,618M						
Antiaircraft:									
Heavy	679M	7,899M	5,131M						
Light:									
20mm HE, HEI, HET	29,454M	387,370M	272,370M						
40mm HE, HET, HEI, HEIT	8,626M	92,270M	52,770M						
1"1	265M	2,820M	2,770M						

M = 1,000 rounds

1/ Turned into store.

2/ Excludes the British-type torpedo.

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

8 mo. = 67% of year

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 3,707,871 on August 15 to 3,730,634 on September 15 — an increase of 22,763 or 0.6 percent. The total on September 15 was composed of 665,165 regulars, 2,964,499 male reserves, and 100,970 female reserves.

Strength of the Naval Services Aug. 15 and Sept. 15, 1944

	Navy	Marine Corps	Coast Guard	Total
Officers	293,062*	34,131	12,207	339,400
Officer candidates	104,769	7,093	501	112,363
Enlisted personnel	2,686,075	436,550	156,246	3,278,871
Total, Sept. 15	3,083,906	477,774	168,954	3,730,634
Total, Aug. 15	3,060,870	477,769	169,232	3,707,871
Increase	23,036	5	-278	22,763
Percent incr.	0.8%	—%	0.16%	0.6%

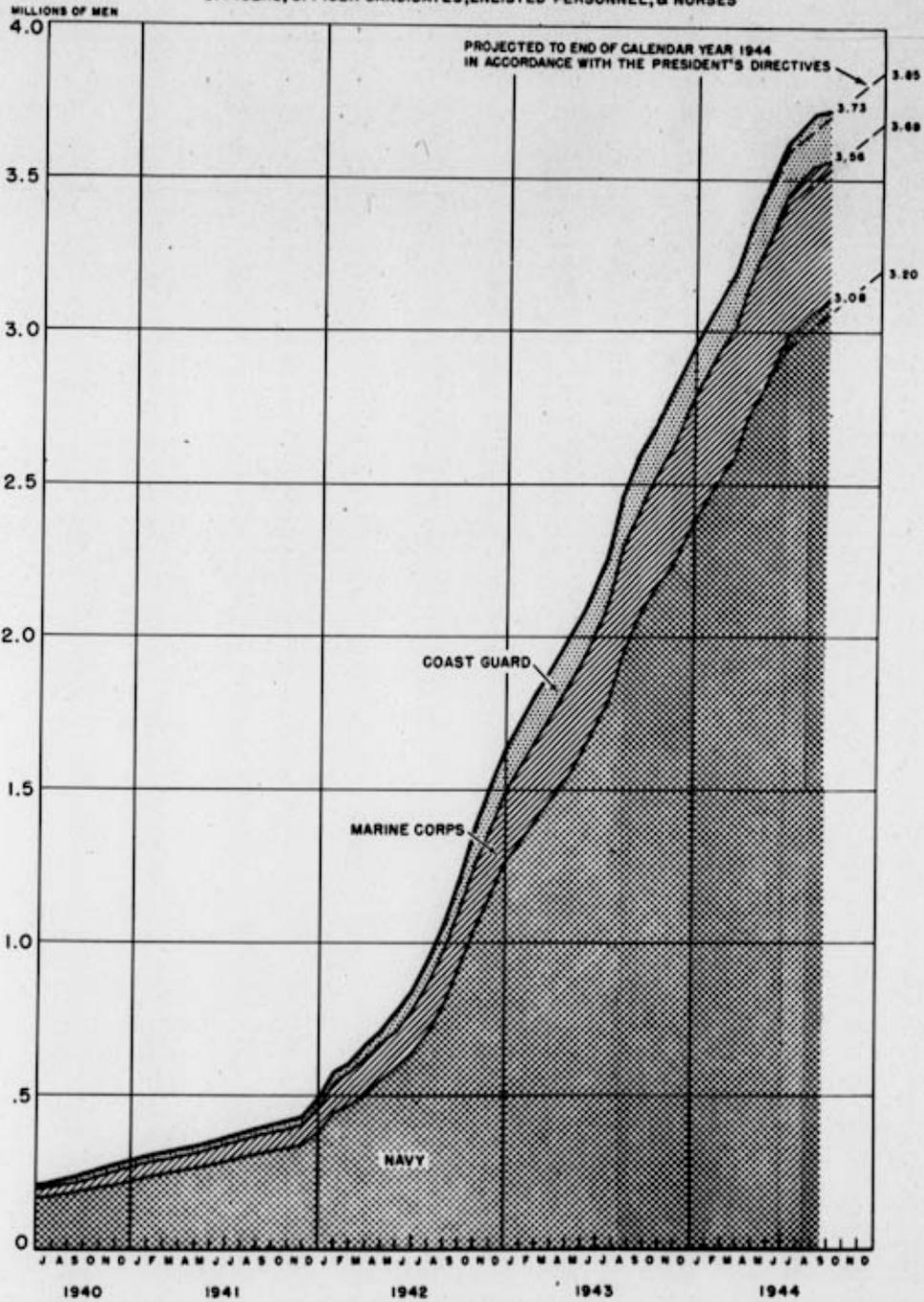
*Includes 8,755 nurses.

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 cal. yr. 1944
 Coast Guard 174,000 thru cal. yr. 1944

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

OFFICERS, OFFICER CANDIDATES, ENLISTED PERSONNEL, & NURSES



V. MERCHANT SHIPPING

Gains and Losses, United Nations

From September 1 thru 24, the United Nations reported construction of 779,300 deadweight tons of merchant vessels, while reported losses totaled 141,200 dwt. From December 1, 1941 thru September 24, 1944, a total of 45 million dwt. were constructed, as compared with reported losses of 19 million dwt. -- a net gain of 26 million dwt.

Gains and Losses of United Nations' Merchant Vessels
Reported Dec. 1, 1941 Through Sept. 24, 1944
 (000 Dwt.)

	Dec. 1, 1941 Thru July 31, 1944	August	Sept. Thru 24th	Total Thru Sept. 24
Gains	43,473	1,320	779	45,572
Losses	19,240	160	142	19,542
Net gains	24,233	1,160	637	26,030

Deliveries by U.S. Shipbuilders

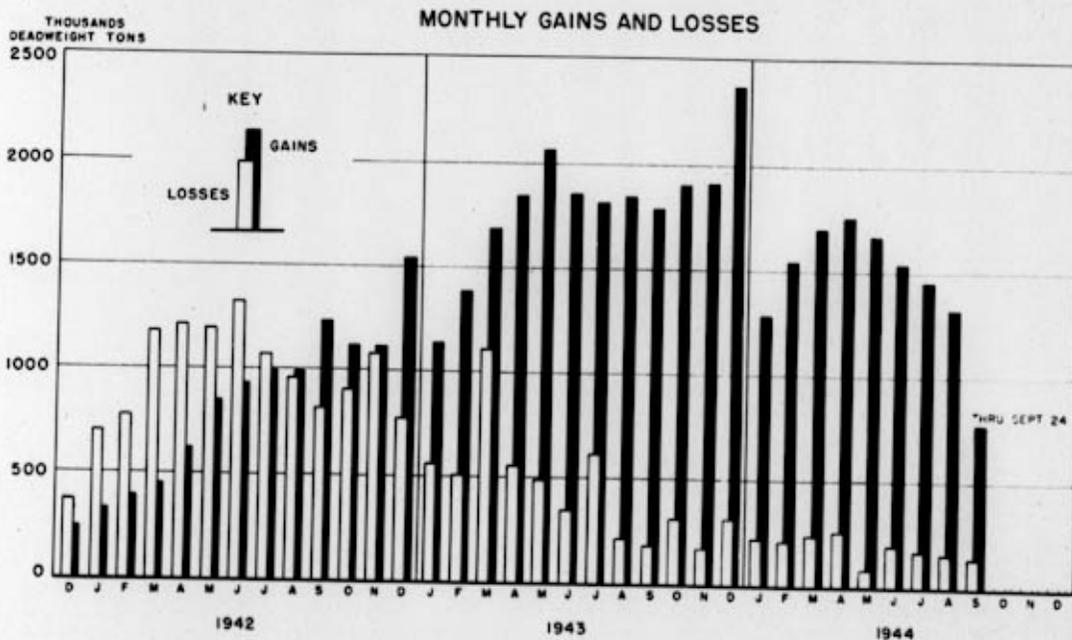
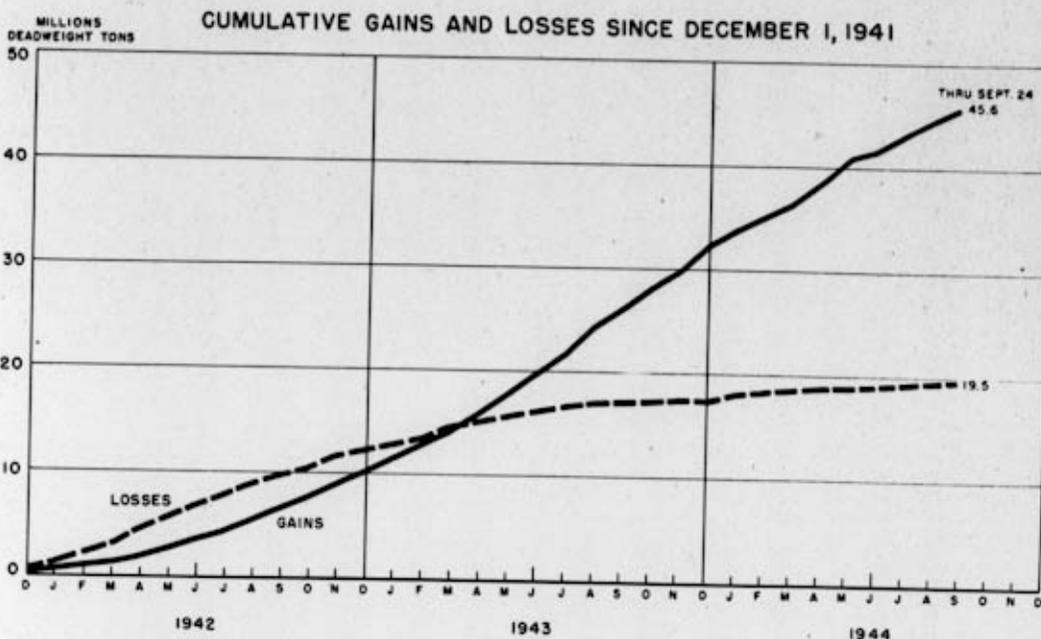
In September, U.S. merchant shipbuilders delivered 112 major-type vessels at 1.1 million dwt., including 38 vessels for military use. The August deliveries were 110 vessels at 1.1 million dwt.

Vessels Delivered by U.S. Merchant Shipyards
August and September 1944

Type	August		Sept.	
	Number	Dwt.	Number	Dwt.
Dry cargo	66	707,504	55	594,333
Tanker	16	268,240	19	318,352
Military	28	141,615	38	212,264
Total	110	1,117,359	112	1,124,949

CHART 9

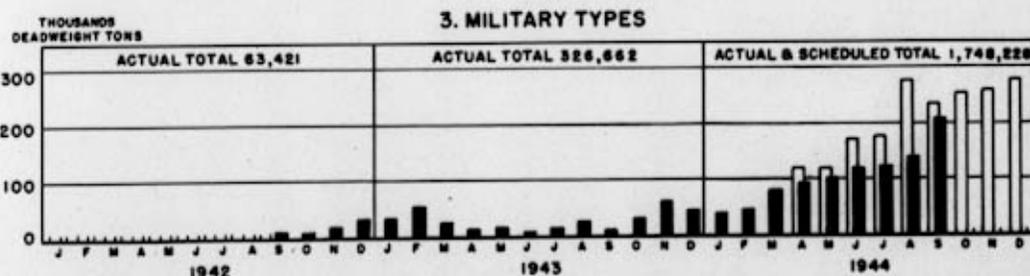
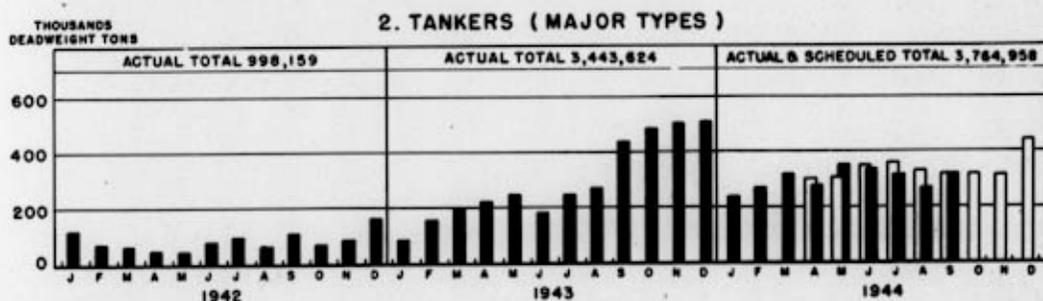
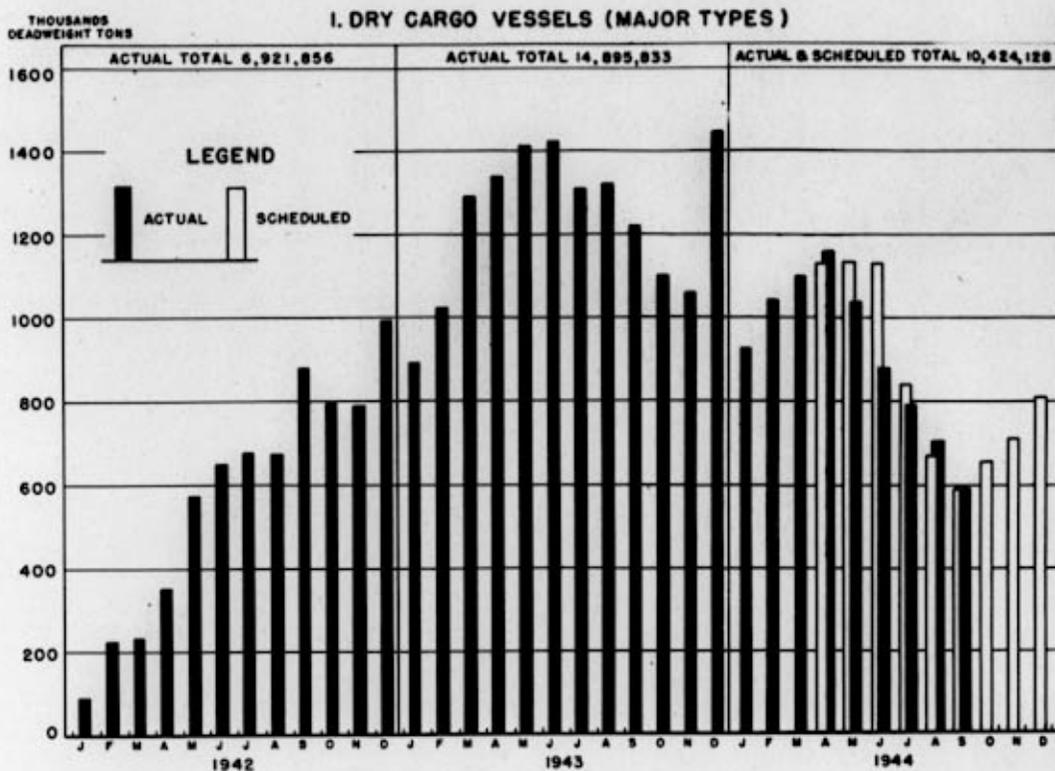
GAINS AND LOSSES OF MERCHANT OCEAN VESSELS AVAILABLE TO THE UNITED NATIONS*



* BEGINNING WITH AUGUST 1942, MERCHANT VESSELS FORMERLY IN MILITARY SERVICE ARE EXCLUDED. LOSSES ARE ON A NOTIFICATION BASIS.

SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



VI. CONTRACT TERMINATION

The contract price of items canceled under fixed-price prime contracts by the War and Navy Departments totaled \$14 billion through August 1944. This does not include cancellations or cutbacks in cost-plus-fixed-fee contracts.

Summary of Terminations and Settlements of Fixed-Price Prime Contracts
by the War and Navy Departments — Cumulative Thru Aug. 31, 1944
(Millions of Dollars)

	War Dept.	Navy Dept.	Total War and Navy Departments
Number terminated	27,791	2,748	30,539
Contract price of items canceled on terminations effected	\$11,775	\$2,316	\$14,091
Number of terminations settled	24,045	1,313	25,358
Without claim	16,982	1,149	18,131
With claim	7,063	164	7,227
Contract price of items canceled on terminations settled	\$ 7,517	\$ 292	\$ 7,809
Without claim	3,436	236	3,672
With claim	4,081	56	4,137
Amount of claims for settled terminations	\$ 372	\$ 7	\$ 379
Settlement amount (gross)	\$ 309	\$ 5	\$ 314
Number of terminations awaiting settlement	3,746	1,435	5,181
Contract price of items canceled in terminations awaiting settlement	\$ 4,259	\$2,023	\$ 6,282

VII. AGRICULTURE AND WAR FOOD ADMINISTRATION

The War Food Administration has ended all rationing and distribution control of farm machinery and equipment except corn pickers.

Of a total of 113 WFA orders issued, 42 have been terminated, and many still effective have been relaxed.

Farm income continues at high level: Total cash receipts for September are currently estimated at \$1,880 million, compared with \$1,697 million in August and \$1,935 million in September 1943. However, the index of prices received by farmers for September 1944 was about the same as for August. Prices of crops were down slightly, while prices of livestock and livestock products were up. The index of prices paid by farmers for commodities was 176 for September. It has remained constantly at this figure since June 1944. The ratio of prices received to prices paid, interest, and taxes was 113 for September. This is five points lower than a year earlier.

Total receipts from farm marketings for the period January thru September amounted to \$13,848 million, which is 6 percent above 1943. Crops were up 7 percent and livestock 6 percent.

War Food Administration orders terminated or relaxed: It is the War Food Administration's policy to lift restrictions imposed by WFA orders as soon as the direct war need for which they are designed ceases to exist. Of a total of 113 WFA orders issued, only 71 remain effective as of October 1, and many of these have been relaxed thru withdrawal of certain provisions or the minimizing of restrictions. Food orders applying to fats and oils have been reduced from 23 to 7, and those applying to meats from 15 to 4. All egg orders have been withdrawn, and only one poultry order now exists. This order is intended to supply Thanksgiving and Christmas turkey to our Armed Forces.

Farm machinery rationing ends, except on corn pickers: The War Food Administration has ended all rationing and distribution control of farm machinery and equipment, except corn pickers. This action is in line with its policy of constantly examining all wartime regulations and removing them as soon as they are no longer essential. For most rationed implements, the 1944 production period and season of use has passed, and the need for rationing these items during the 1944-45 crop year is not anticipated.

Farm auctions of surplus property initiated: A trial auction sale of hand tools and miscellaneous supplies owned by the Defense Plant Corporation was held at Ashland, Ohio on September 8 and was an outstanding success. The reaction of the public to this method of disposing of surplus property was highly gratifying, and numerous states have requested that auctions be

held in their territory as soon as possible. Arrangements have been made with Defense Plant Corporation for holding educational auctions in each of their six surplus property areas, namely, Chicago, Nashville, Houston, Kansas City, Philadelphia, and San Francisco. After these sales are held, it is anticipated that the individual states will be able to proceed with arrangements for auctions so that sales may be held in many communities at the same time.

Cotton and wheat price support announcements: The War Food Administration has announced the monthly schedule of prices that the Commodity Credit Corporation will pay farmer producers under the provisions of the Stabilization Extension Act of 1944 for all cotton of the 1944 crop for which a loan schedule has been provided and which may be placed in acceptable storage. Loans on cotton are now available at 95 percent of parity, as provided in the Surplus Property Act of 1944 approved October 3, 1944. The cotton sales policy was modified to permit Commodity Credit Corporation to sell cotton at a schedule of prices for October 1944 through June 1945 which is expected to encourage mills to purchase their cotton through regular trade channels and to keep at a minimum the purchases by Commodity Credit Corporation.

OCC will also offer to purchase from producers all unredesmed 1944 crop wheat, which is under loan May 1, 1945, at parity prices (1944 loan rates plus 15 cents per bushel) less all carrying charges to the end of the storage year. In addition, purchase prices will be advanced from time to time during the season for wheat, stored in terminal and subterminal elevators, which is being acquired to meet feed wheat and other Government requirements.

Outlook is good for civilian supplies of food for remainder of 1944: Food supplies for civilian consumption during the last three months of 1944 will continue to be moderately large and not much different from the past nine months. There will be seasonal increases in such items as poultry and citrus fruits and continued large supplies of fresh vegetables, fluid milk, eggs, and grain products, but supplies of meat, butter, fluid cream, and evaporated milk will be somewhat shorter. This appraisal of the civilian food situation is made on the basis of present allocations for military and lend-lease use. To the extent that these are altered by the progress of the war in Europe, the outlook for civilian supplies of some products could change. Civilian meat supplies for the rest of 1944 will be smaller than in either the corresponding period last year or during the third quarter of this year, because of the very large noncivilian takings now planned. The quality of the meat also will be generally lower. A considerable proportion of the better grades and cuts of both beef and pork will not be available for civilians because of requirements for the Armed Forces. The output of the better grades of pork will increase seasonally, whereas no improvement in the average quality of beef produced may be expected.

Butter and sugar situation: Although the entire production of butter during the winter months, beginning October 1, will be available for civilian use exclusively, civilian supplies are expected to be very tight during

the remaining months of 1944. Government purchases will not be resumed until production is higher seasonally next spring. This year, procurement for the Armed Forces and Lend-Lease will total 285 million pounds, compared with 464 million pounds in 1943. The smaller purchases were possible this year because of a carry-over in stocks from last year. In 1943, the Government had no stock carry-over and had to begin procuring butter under a set-aside program in February.

Consumption of sugar in the United States during the first eight months of 1944 has been more than 450,000 tons higher than for the same period of 1943 and also higher than was anticipated earlier this year. In addition, the equivalent of approximately 700,000 tons of sugar has been used in the form of high-test molasses for the manufacture of industrial alcohol for the synthetic rubber program. At the same time, sugar deliveries by U.S. distributors have been behind the unusually high volume of orders primarily because of labor shortages, especially at East Coast refining plants. Increased consumption and a smaller 1943 beet crop made it necessary to draw upon seaboard refiners more heavily than usual during this period of seasonally heavy demand. Although new-crop continental production of cane and beet sugar, coupled with off-shore arrivals, soon may be sufficient to enable distributors to rebuild their stocks, it is anticipated that the stock carry-over at the end of this year will still be smaller than at the end of last year.

Lend-Lease deliveries: Total deliveries of all Lend-Lease foodstuffs in August amounted to 558,577,695 pounds, compared with 522,851,964 pounds in July and 1,076,611,544 pounds in August of 1943. Meat, dairy and poultry products continued to head the list of products delivered. Meat products made up about 35 percent of the total, dairy and poultry products about 18 percent. Deliveries of fats and oils accounted for 15 percent of the total and were more than double the fats and oils deliveries in July.

Farm Employment slightly less than year ago: A total of 11,040,000 people were working on farms September 1, 1944. This is 4 percent less than a year earlier and 8 percent less than the 1935-39 September 1 average. Employment was lower this year than last in all of the geographic regions. On September 15, 1944 there were 83,827 foreign agricultural workers employed on American farms; of these, 59,528 were Mexican nationals, 17,039 were Jamaicans, 5,362 were Bahamians, 898 were Barbadians, and 1,000 were from Newfoundland. In addition to these foreign workers, 8,259 interstate domestic workers were engaged in agricultural work at mid-month. Transported workers, both foreign and domestic, have assisted with the crop harvest in a total of 38 states. In addition, reports from 38 states indicate that approximately 40,000 prisoners of war were employed on American farms during August 1944.

VIII. WAR FINANCES

Expenditures

Total expenditures for war purposes in September were \$7.1 billion, or at an annual rate of \$85.2 billion. War expenditures for the first quarter of F.Y. 1945 totaled \$22.3 billion, or 25 percent of the \$90 billion estimate for the year.

	<u>July</u>	<u>August</u>	<u>Sept.</u>	<u>Total</u>
		(B i l l i o n s)		F.Y. 1945
Monthly rate	\$7.4	\$7.8	\$7.1	\$22.3
Adjusted annual rate	88.2	90.1	85.2	87.8 (aver.)

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes increased \$400 million in September to a total of \$400.2 billion. Net expenditures against this amounted to \$222.1 billion.

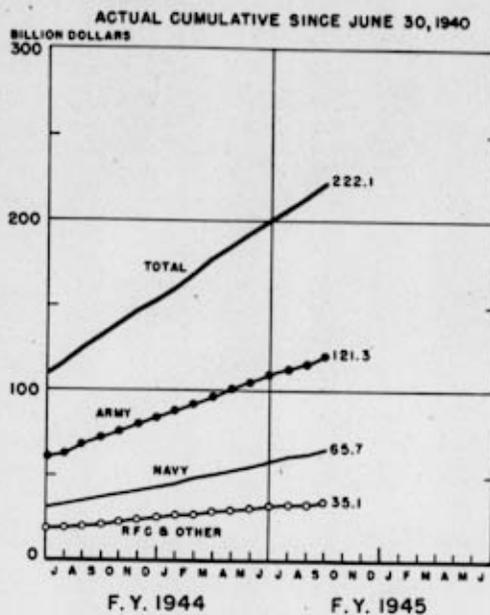
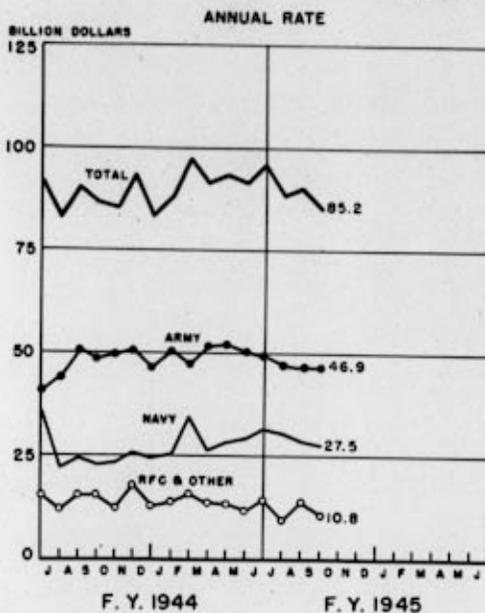
Appropriations and Expenditures, F.Y. 1941 Thru Sept. 1944 (Billions)

	Appropriations & Authorizations				Expenditures
	F.Y. 1941 Through F.Y. 1943	F.Y. 1944	F.Y. 1945	Total	F.Y. 1941 Through Sept. 1944
War Department	\$126.7	\$59.0	\$15.4	\$201.1	\$121.4
Navy Department	47.5	29.8	29.1	106.4	65.7
Maritime Commission	11.0	0.2	5.7	16.9	8.4
Govt. Corps. (commit.)*	19.9	4.3	0.7	24.9	8.9
Other	32.7	4.1	5.5	42.3	17.7
Est. approp. required beyond F.Y. 1945 for completion of Navy	—	—	—	8.6	—
Total	\$237.8	\$97.4	\$56.4	\$400.2	\$222.1

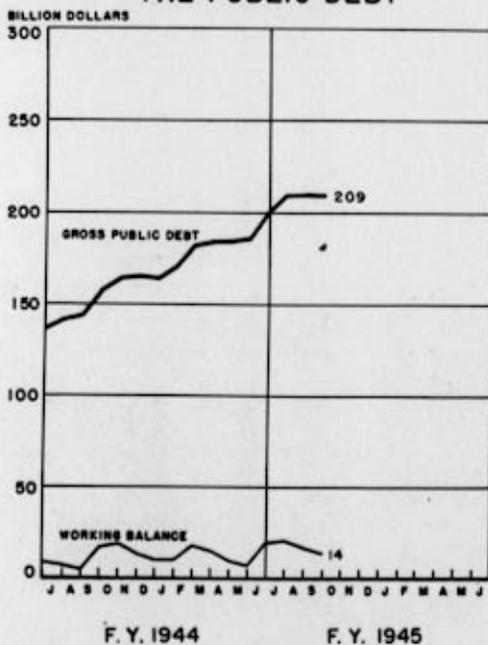
*Commitments do not reflect receipts (rents--repayments and sales) totaling \$7.5 billion.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

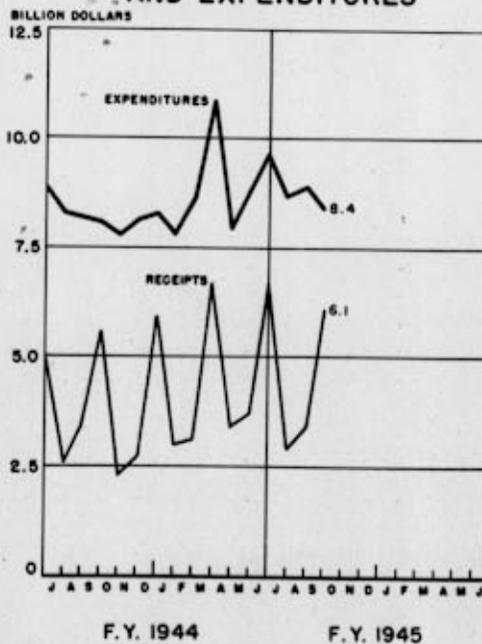
WAR EXPENDITURES



THE PUBLIC DEBT



TREASURY RECEIPTS** AND EXPENDITURES



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

** EXCLUDES PUBLIC DEBT ACCOUNTS

IX. ECONOMIC STABILIZATION

Preparations are proceeding for readjustment of Government programs to fit conditions after V-E Day. Basic controls, made necessary by inflationary pressures, will probably be needed until V-E Day at least. Following V-E Day, inflationary pressures may diminish although some controls will be necessary.

War expenditures. War expenditures, now running at about \$88 billion annual rate, are expected to decline by \$24 billion after V-E to a level of about \$64 billion annual rate in the fourth quarter after victory in Europe. Wage losses, associated with the partial elimination of overtime, reconversion unemployment, and transfer of workers to peacetime industry at peacetime wages, may reach \$10 billion in the year following V-E.

Prices and employment. The decline in consumer income following V-E will ease the pressure on prices of nondurable consumer goods and services. The demand for consumer durable goods is likely to increase, and the resumption of production of durable goods for civilian use is expected to furnish a substantial offset to the decline in Government purchases. Employment shifts may involve a substantial increase in short-term unemployment, although little unemployment of long duration is expected for the period of the one-front war.

Unemployment compensation. The magnitude of job shifts and short-term unemployment after V-E, involving perhaps 5 million workers, raises serious questions as to the adequacy of the present unemployment compensation system, particularly in view of limitations in coverage and inadequate benefit standards. Congressional action to extend coverage and liberalize benefits is important, not only for the period of war in the Pacific, but even more so for the period after V-J, when unemployment may reach more serious proportions.

Agriculture. Action on a request by the Commodity Credit Corporation for a \$2 billion increase in its borrowing authorization may determine the pattern of many Government programs in the field of agriculture after V-E. If support prices are sustained, as is implied in the CCC request, the resulting food surpluses after V-E will probably involve heavy losses by CCC as well as programs designed to absorb surpluses and control production.

Termination and settlement of contracts. Contractors are being advised by the procurement agencies of cutbacks which will follow V-E. Regulations issued by the Director of Contract Settlement, designed to speed settlement of terminated contracts, have provided for T (termination) loans, partial payments, pretermination agreements, purchase or removal of Government-owned equipment, principles for fixed-supply contracts, and small claims of subcontractors.

I. MANPOWER

Seasonal factors were principally responsible for the decline of the civilian labor force by nearly a million workers between August and September. Non-agricultural employment and the number of unemployed declined, while agricultural employment increased.

In July, employee separations again exceeded accessions to payrolls in important manufacturing industries. Strikes activity increased in August over the July total, with more workers affected and more man-days lost than in the earlier month.

Labor Force and Employment

The civilian labor force declined by 980,000 workers between August and September, following the usual seasonal pattern from the July seasonal peak. Employed persons numbered 920,000 fewer in September, while the number unemployed declined by another 60,000. Normally the summer months record the labor force at its highest level; during the fall it drops, as many withdraw to return to school and seasonal agricultural employment opportunities decline.

Labor force estimates for September 1943 and August and September 1944 follow:

Employment Status	Persons 14 Years of Age and Over		
	Sept. 1943	Aug. 1944	Sept. 1944
Civilian Labor Force	53,910,000	54,010,000	53,030,000
Employed	52,950,000	53,170,000	52,250,000
Unemployed	960,000	840,000	780,000

Agricultural employment showed an increase of 100,000 workers in September over the August total but was still nearly 400,000 below the September 1943 figure. Non-agricultural employment showed a sharp decline in September of slightly more than 1,000,000 workers, principally attributable to reopening of schools. The 43,580,000 employed in non-agricultural pursuits in September 1944 compares with 43,900,000 so employed in September 1943.

Wage-earner employment in manufacturing industries showed nearly 100,000 seasonal increase in non-durable goods, such as food processing and apparel, between July and August, but durable goods employment declined sharply thru cutbacks in aircraft and shipbuilding. Public employment increased slightly, but employment in most other industries was lower.

Manpower Shortages

The spotty nature of the manpower shortage situation is illustrated by the War Manpower Commission action in tightening the classification of ten areas, while relaxing the classification of eleven other areas in September. Currently 68 areas are classified as having acute labor shortages and 122 as having serious labor shortages.

Products on the "must" production list, currently handicapped by manpower shortages, include heavy-duty tires, tire cord and fabric, cotton duck, shipbuilding and repair, heavy ammunition, steel plate, forgings and castings, and lumber.

Hours and Earnings

The general observance of the Independence Day holiday in July by manufacturing industries resulted in a decline in average weekly hours worked by wage earners to 44.7 hours for the month as compared with 45.5 in June. Average weekly earnings similarly declined to \$45.52 from the June weekly average of \$46.27. Average hourly earnings remained practically unchanged at \$1.019.

In durable goods manufacturing, average weekly hours worked were reported at 45.8 for the month and in non-durable goods, 43.0.

Labor Turnover and Absenteeism

The number of workers separating from employment in important war industries again exceeded the number of workers hired in July. For that month, separations were 6.56 per 100 employees, while new hires were only 5.70. The average quit-rate for 26 selected war industries was 4.51, with particularly high rates reported for aluminum smelting and refining (9.23), heavy ammunition (5.99), and shipbuilding (5.96).

The absence rate in selected manufacturing industries showed little change in July at 6.4 as compared with 6.1 in June.

Strikes

August strike activity was substantially greater than in July. A total of 485 strikes were reported for August, compared with 470 in July. Man-days lost in August aggregated 935,000, affecting 190,000 workers, while July data showed 680,000 days lost, with 145,000 workers affected. Largest strikes were those at Wright Aeronautical Co., Electric Boat Co., Walsh-Kaiser Co., and Briggs Mfg. Co., all engaged in war production.

II. ADMINISTRATIVE DEVELOPMENTS

The President's letter of September 18, requesting the Director of the Bureau of the Budget to submit recommendations for the reconversion of the Government to peace, high lighted the problems of Governmental reconversion.

In other agencies during September there was further refinement of policies and procedures for the management of the reconversion of industry. In most of the agencies concerned, substantial accomplishments were made in the translation of general objectives earlier agreed upon into specific plans of action.

Planning for Reconversion of the Government

The President's letter of September 18, requesting the Director of the Bureau of the Budget to submit recommendations for the liquidation of war agencies and for the reconversion of the Government to peace, was followed up by re-emphasis within the Bureau on this planning work and by a letter of September 23 to the heads of Federal agencies asking them to submit their respective plans within 30 days. Stress has been placed on those steps which can be taken soon after the end of the war in Europe.

Concurrently, the Bureau is developing plans with respect to: (1) the ultimate disposition of permanent activities temporarily located in war agencies; (2) the future organizational location of such war-generated activities as may continue into the peacetime period; (3) the probable evolution of the general governmental structure pattern between now and the time at which a peacetime footing is attained; (4) the preparation of legislation to provide suitable disposition of such agencies and functions as would otherwise revert to their pre-war status under Title I of the First War Powers Act, 1941; (5) the manner of organizing the Government for carrying forward the liquidation of war agencies, the development of generally applicable liquidation procedures for agency guidance, and negotiation with the General Accounting Office to speed up the audit of agencies which will be liquidated; (6) arrangements which would expedite the personnel adjustments occasioned by reconversion, including participation in the development of policies and procedures for handling reductions in force, the placement of returning veterans, the rapid disposition of personnel records; (7) the moving back to Washington or elsewhere of some of the agencies which were moved out at the beginning of the war; and (8) the furnishing of consultative assistance to agencies on reconversion problems.

War Production Board

Early in September the War Production Board agreed upon the general principles to be applied in reconversion of industry following V-E Day. The general objective adopted was to remove as large a proportion of the detailed controls as would be compatible with the assurance of the continuation of such war production as would be necessary after that time. Following the action of the Board on questions of broad principle, the Acting Chairman designated a committee of administrative officials to work out the details. This committee completed a preliminary report to be considered by the Board in October.

The Acting Chairman made important changes in the organization of the Board, with the object of clearing up some of the situations that had caused trouble. In the rearrangement of the organization, he grouped the major part of the Board's work under two officials — a Chief of Staff and a Chief of Operations. The assignment of the Chief of Staff was designed to aid in developing and coordinating policies, while the Chief of Operations was assigned the coordination of operating activities.

Reductions in personnel precipitated the issue of the workability of Civil Service Commission reduction-in-force procedures in temporary agencies. The Civil Service Commission has undertaken to make revisions to ease the problems of war agencies in reductions in force. WPB personnel numbered 14,864 (excluding dollar-a-year) at the end of August, and by the end of November a reduction to 13,619 is scheduled under Budget ceiling determinations. Peak WPB employment was 22,000.

Office of Price Administration

Tentative plans for pricing during the reconversion period were under consideration. The absence of machinery for systematic exchange of information between WPB and OPA presents a problem in relating reconversion pricing and the maintenance of price stabilization to the relaxation of WPB controls.

Greatly increased workloads for OPA and significant increases in mill prices will result from the Bankhead amendment requiring the price on every major mill item to be adequate to permit the mill to pay parity prices for cotton. Estimates are that this amendment may result in a total increase in mill prices of approximately \$150 million per year as against an original estimate of \$25 to \$50 million per year.

Office of Defense Transportation

ODT started a reduction of nearly 1,000 positions in its field staff. This action was the result of the new arrangements, sponsored by the Bureau of the Budget, between ODT and OPA on gasoline rationing.

Liquidation of Central Administrative Services

The liquidation of CAS and the transfer of its functions to other agencies, as directed in Executive Order 9471 of August 25, 1944, was carried forward by orders issued by the Director of the Bureau of the Budget. Transfer of all functions except fiscal were scheduled for October 1. Communications functions were to be transferred to Public Buildings Administration, procurement and duplicating functions to Treasury Procurement Division, and other miscellaneous activities to the constituent administrative agencies.

Liberated Areas

The planning and establishment of economic missions to the liberated countries of Europe is still much delayed at this late hour. There seems to be agreement at the top levels of the State Department and the Foreign Economic Administration that these economic missions should be joint in character under a joint head representing the interests of both agencies. Nevertheless, the personnel and organization have not been agreed on by State and FEA.

Enemy Areas

The functions which the civilian agencies may be called upon to perform in enemy areas are far from clear to those agencies. The State Department has proposed to appoint an economic staff to assist the political adviser to the Supreme Allied Commander. The Foreign Economic Administration has assumed that all the economic assistance required by the military occupation authorities will be provided by FEA, in accordance with the President's recent letter to the Secretary of War. The whole problem of relating the activities of the civilian and military authorities in this economic field requires policy direction if intelligent and effective plans are to be ready when needed.

Coordination of Economic Policy

Further progress has been made in the coordination of economic policy under the Executive Committee on Economic Foreign Policy. The Committee completed the following policy recommendations: Continuation of the Proclaimed List, export of technical information, control of inflation in liberated areas, and the future of the Combined Boards. Cartel policy formulation has been brought into the general framework of foreign economic policy formulation through work of a cartel subcommittee. The need for greater coordination of foreign financial activities has been recognized in a proposal for a financial section under the Executive Committee on Economic Foreign Policy. Similar efforts are being made to bring international shipping, aviation, and communications policies into the deliberations of this Committee.