

Report 51



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NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

December 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President



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

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

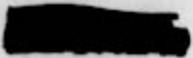
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For the personal attention of the President.

H. D. S.

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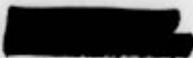
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I. SUMMARY

Active Military Strength

	<u>Total All Classes</u> <u>Dec. 1, 1944</u>
Army	8,102,061
Navy, Marine Corps, and Coast Guard	<u>3,838,336</u>
Total active-duty strength	11,940,397
Army overseas strength	4,803,452

(Pages 10-11, 22-23)

Selective Service

Continental U.S. registrants, Dec. 1, 1944 (18-37)	22,086,000
Total furnished armed forces, Dec. 1, 1944 (18-37)	10,657,000

(Pages 25-30)

Aeronautical Program

1944 airframe acceptances, 1.1 billion lbs. vs 743 million in 1943
(Pages 2-3)

Combat planes on hand:

Army: On Jan. 1 -- 33,179	Dec. losses -- 2,935
Navy: On Dec. 1 -- 24,995 (est.)	Nov. losses -- 935

(Pages 4-6)

Strength, Dec. 1:

	<u>Total</u>	<u>Pilots</u>
Army Air Forces	2,355,572	139,768
Navy and Marine Corps aeronautical	<u>391,546</u>	<u>53,590</u>
Total aeronautical strength	2,747,118	193,358

(Pages 5, 7)

Navy Combatant Ship Construction

Jan. 1 to Dec. 1, 1944 -- 388 combatant vessels completed
(Pages 13-18)

U.S. Merchant Ship Construction

1944 deliveries -- 1,786 vessels at 16,443,000 deadweight tons
(Pages 33-36)

II. AERONAUTICAL PROGRAM

Aircraft Production

Preliminary reports indicate that 82 million pounds of airframes (spares included, gliders excluded) were accepted in December, making a total of 1.1 billion pounds accepted in 1944 as against 743 million in 1943, an increase of 49.7 percent.

In numbers, military aircraft acceptances were 6,697 in December and 96,370 in 1944, compared with 85,946 in 1943. There were 1,042 four-engined bombers accepted in December, including 190 B-29's and 12 B-32's.

Aircraft Acceptances

Type	Nov.	Dec.	Total 1944	Total 1943
Bomber, 4-engine, long-range	164	202	1,177	92
Bomber, 4-engine, other	925	840	15,157	9,524
Bomber, 2-engine	636	645	10,060	10,742
Bomber, 1-engine	637	655	8,616	9,380
Fighter	2,908	2,998	38,975	24,282
Reconnaissance	35	46	167	449
Total combat	5,305	5,386	74,152	54,469
Transport, 4-engine	39	56	544	183
Transport, 2- and 1-engine	669	595	9,250	7,087
Total tactical	6,013	6,037	83,946	61,739
Trainer	382	292	7,641	19,306
Liaison	223	239	3,571	4,358
Rotary wing	14	18	125	19
Target and drone	115	111	1,087	524
Grand total	6,747	6,697	96,370	85,946

On December 31, there was a pool of 1,558 accepted but undelivered aircraft, of which 86 percent were tactical types.

Army Air Forces

A. Airplanes. On Dec. 31, the Army Air Forces had on hand 33,179 first-line combat airplanes, of which 19,892 (60%) were overseas. Four-engined bombers totaled 11,045, an increase of 10 heavy bombers in December.

Airplanes of the Army Air Forces on Hand, Dec. 31 and Gains and Losses in December

	On Hand Dec. 31 1944	Gains and Losses in December				Net Change
		Gains		Losses		
		Produc- tion	Other*	Opera- tional etc.	Other*	
Combat						
Bomber, very heavy	948	191	0	55	23	113
Bomber, heavy	10,097	653	89	678	167	-103
Bomber, medium	3,181	132	28	174	179	-193
Bomber, light	2,107	169	5	67	34	73
Fighter	15,100	1,498	151	1,078	394	177
Reconnaissance	1,746	95	78	65	21	87
Total combat	33,179	2,738	351	2,117	818	154
Transport						
Heavy	1,962	213	3	42	0	174
Medium	5,188	129	10	80	51	8
Light	820	75	25	13	17	70
Amphibian	21	0	0	0	1	-1
Utility	2,465	0	42	23	113	-94
Total transport	10,456	417	80	158	182	157
Total tactical	43,635	3,155	431	2,275	1,000	311
Trainers	17,060	137	168	85	639	-419
Communications	3,249	119	591	57	513	140
Grand total	63,944	3,411	1,190	2,417	2,152	32

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

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

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.:							
Not excess	4,590	796	959	5,712	3,984	15,400	31,441
Declared excess	59	80	49	548	576	3,029	4,341

B. Army Air Force Type Personnel. The active-duty strength of the Army Air Forces totaled 2,355,572 on December 1 -- a decrease of 9,475 during November. Pilots totaled 139,768.

AAF personnel overseas increased 12,029 during the month to a total of 1,079,484 on December 1.

Active-Duty Strength of the Army Air Forces
Nov. 1, Dec. 1, and Decrease in Nov.

	Nov. 1	Dec. 1	Nov. Decrease
Continental United States	1,297,592	1,276,088	-21,504
Overseas	1,067,455	1,079,484	+12,029
Total	2,365,047	2,355,572*	-9,475

*Includes:

139,768 pilots
25,820 bombardiers
25,998 navigators
5,522 navigator-bombardiers

Bureau of Aeronautics

A. Airplanes. On December 1, the estimated total of useful airplanes on hand in the Navy, Marine Corps, and Coast Guard was 35,160, excluding experimental and miscellaneous airplanes. Of these, 24,995 were tactical combat types -- an estimated decrease of 16 tactical combat planes during November. In October, gains of 1,884 tactical combat planes and losses of 935 resulted in a net gain of 949 tactical combat planes.

Navy Airplanes on Hand -- Oct. 1, Nov. 1, and Dec. 1
Showing Gains and Losses in October

Type	On Hand Oct. 1	October*		On Hand Nov. 1	Est. on Hand Dec. 1
		Additions	Losses		
<u>Tactical Combat</u>					
Fighter	10,948	903	440	11,411	11,298
Scout bomber (dive)	5,406	355	246	5,515	5,457
Torpedo bomber	3,470	356	174	3,652	3,728
Patrol bomber--sea	1,579	57	23	1,613	1,633
Bomber--land:					
4-engine	543	112	10	645	689
2-engine	1,028	70	20	1,078	1,081
Observation scout	1,088	31	22	1,097	1,109
Subtotal	24,062	1,884	935	25,011	24,995
<u>Tactical Non-Combat</u>					
Utility	1,379	51	26	1,404	1,441
Transport	810	60	4	866	908
Subtotal	2,189	111	30	2,270	2,349
<u>Training</u>	7,769	133	104	7,798	7,816
<u>Miscellaneous</u>	537	62	71	528	N.A.
<u>Experimental</u>	43	16	4	55	N.A.
Grand total	34,600	2,206	1,144	35,662	N.A.

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 5,683 during November to a total of 391,546 on December 1. This is 90 percent of the required strength by June 30, 1945. Pilots increased 1,522 during the month to a total of 53,590 or 107 percent of requirements by June 30.

Navy and Marine Corps Active-Duty Military Aviation Personnel*
Dec. 1, 1944 and Requirements for June 30, 1945

	Navy		Marine Corps		Total	
	Require- ments 6-30-45	Actual Dec. 1	Require- ments 6-30-45	Actual Dec. 1	Require- ments 6-30-45	Actual Dec. 1
Pilots**	40,240	43,349	9,944	10,241	50,184	53,590
Other:						
Officers	23,833	27,183	5,175	5,117	29,008	32,300
Enlisted	260,360	210,651	95,655	95,005	356,015	305,656
Total	324,433	281,183	110,774	110,363	435,207	391,546

*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 December 7 totaled 14,643, and 6,729 of these were in the last stage of training prior to commissioning. The total is a decrease of 1,847 during the six weeks from October 26. It is estimated that 14,408 student pilots will be in training on December 31, 1944.

III. ARMY

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

Item	Nov. Deliveries	1944 Army Supply Program ^{1/} (Revised)	1944 Deliveries January 1 to December 1					
			Cumulative	Percent of 1944 A.S.P.				
				0	25	50	75	100
<u>Combat Vehicles</u>								
Light armored car	234	3,719	3,168					
Light tank, M24	417	1,881	1,381					
Medium tank with 75mm and 76mm guns and 105mm Howitzer	1,440	11,998	10,353					
Heavy tank, M26, with 90mm gun	10	9	20					
<u>Motor Vehicles</u>								
1/4 ton, 4 x 4 command	14,833	180,833	166,552					
3/4 ton, 4 x 4 weapons carrier	4,932	57,726	51,950					
2 1/2 ton, 6 x 6 cargo	13,418	135,613	113,282					
2 1/2 ton, 6 x 6 dump	3,196	25,560	20,069					
2 1/2 ton, 6 x 4 cargo	2,500	30,986	28,906					
10 ton, 6 x 4 GSIC	742	7,816	6,334					
13 ton tractor, H.S.	200	3,633	3,303					
18 ton tractor, H.S.	312	2,627	2,601					
<u>Artillery</u>								
155mm gun 2/	71	568	455					
155mm gun 3/	126	1,199	1,123					
8 inch gun 2/	7	66	49					
8 inch Howitzer 2/	62	520	493					
155mm Howitzer 2/	172	1,962	1,803					
155mm Howitzer 3/	113	1,225	1,279					
240mm Howitzer 2/	14	151	134					
240mm Howitzer 3/	14	92	105					
<u>Small Arms</u>								
.30 cal. U.S. rifle, M1	69,669	1,106,752	1,033,220					
.30 cal. carbine M1	97,068	2,091,109	1,912,001					
.30 cal. machine gun	9,550	121,669	111,658					
.50 cal. machine gun	54,300	673,561	619,347					

^{1/} Approved procurement for the calendar year 1944.

^{2/} On carriage

^{3/} Spare cannon only

92%

11 mo. = 92% of year

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

Item	Nov. Deliveries	1944 Army Supply Program (Revised)	1944 Deliveries January 1 to December 1							
			Cumulative	Percent of 1944 A.S.P.						
				0	25	50	75	100		
<u>Small Arms Ammunition</u> (Million rounds)										
All .30 cal.	208	3,589	3,421							
All .50 cal.	123	2,079	1,887							
<u>Antiaircraft Ammunition</u> (Thousand rounds)										
For 40mm gun	1,589	23,694	21,806							
<u>Artillery Ammunition</u> (Thousand rounds)										
For 60 and 81mm mortar	3,367	28,003	24,369							
For 57mm gun	347	6,002	5,845							
For 75mm gun	514	9,879	9,647							
For 76mm gun	506	8,394	7,829							
For 90mm gun	410	4,601	4,266							
For 105mm Howitzer	2,502	32,630	29,622							
For 155mm gun	256	2,169	1,836							
For 155mm Howitzer	799	4,710	4,118							
<u>Bombs (thousands)</u>										
100 lb. gen'l purpose	70	309	211							
500 lb. gen'l purpose	271	2,597	2,232							
260 lb. fragmentation	110	950	861							
100 lb. cluster-fragmentation	390	2,680	2,552							
<u>Mines (thousands)</u>										
Antitank	1,105	3,600	2,799							

92%

11 mo. = 92% of year

Military Personnel

A. Strength. During November the active-duty strength of the Army decreased 1,315 to a total of 8,102,061.

Distribution of Army Active-Duty Strength, by Class

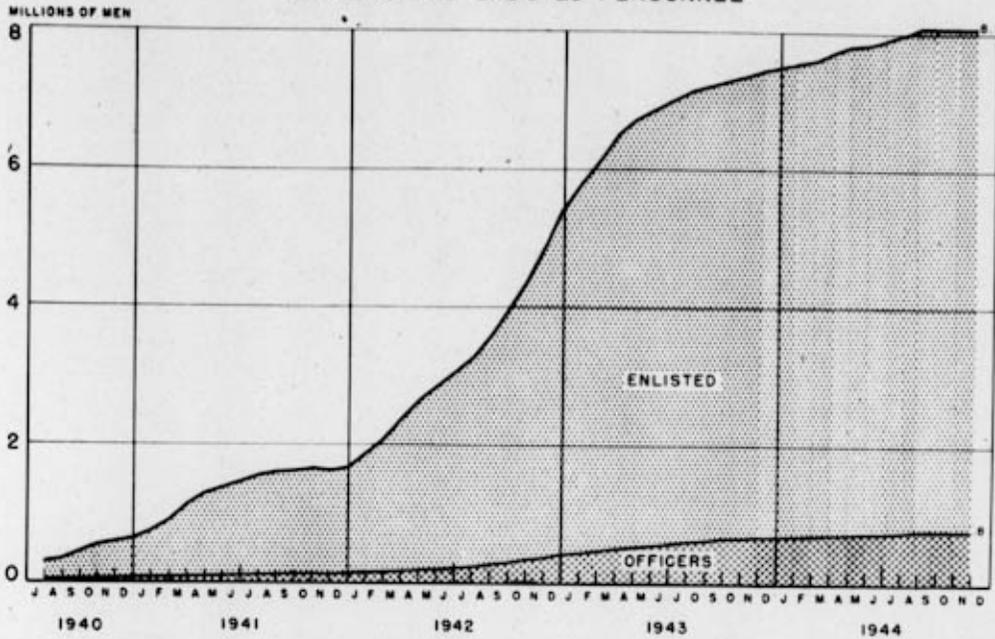
	Nov. 1	Dec. 1	Nov. Change
Male Officers:			
Commissioned	718,092	727,100	9,008
Warrant and flight	48,015	49,915	1,900
Enlisted men and selectees	7,204,580	7,190,512	-14,068
WAC	89,014	90,519	1,505
Subtotal	8,059,701	8,058,046	-1,655
Army Nurse Corps*	43,675	44,015	340
Grand total	8,103,376	8,102,061	-1,315

*Includes hospital dietitians and physical therapy aides.

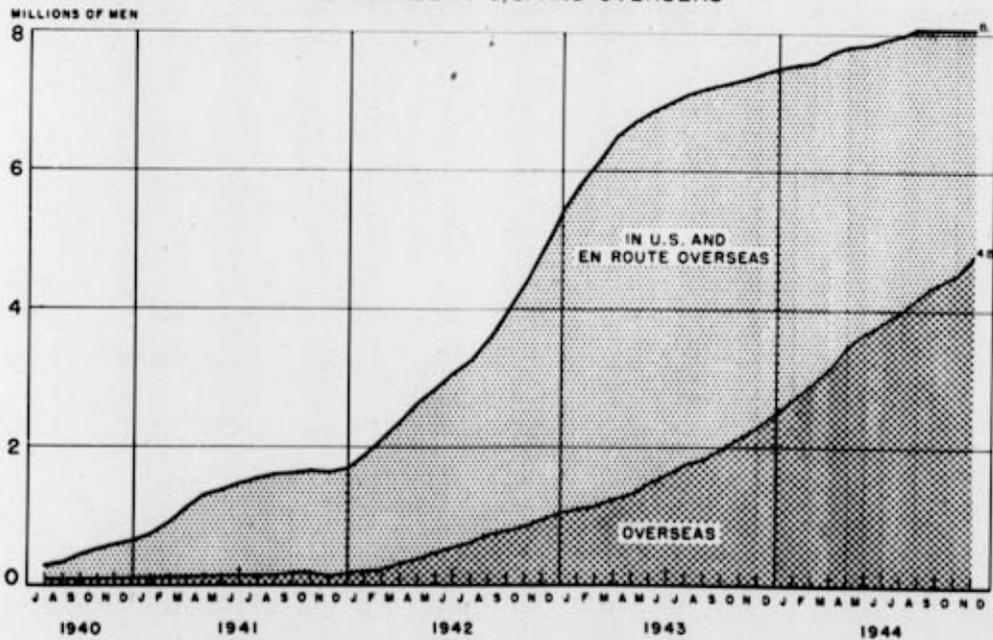
The Army active-duty strength overseas increased 167,689 in November to a total of 4,803,452 or 59 percent of the total Army strength on December 1.

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL

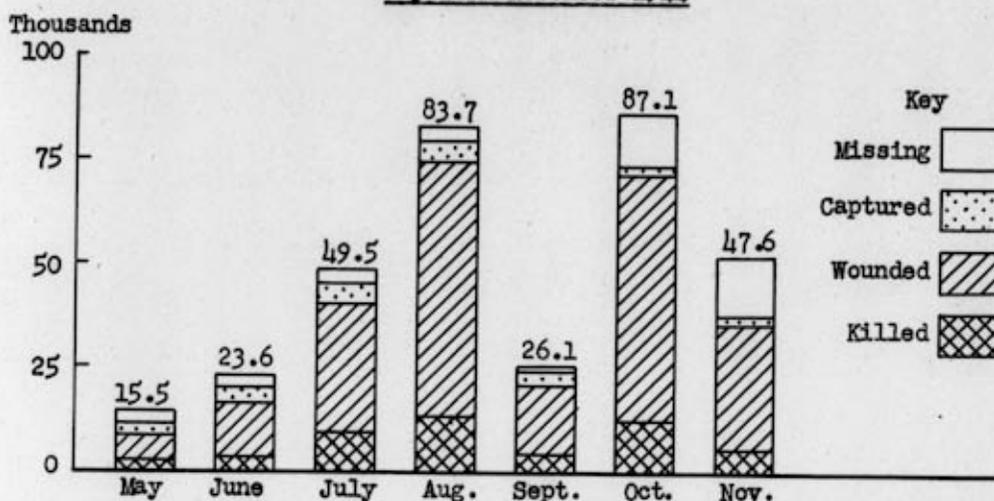


PERSONNEL IN U.S. AND OVERSEAS



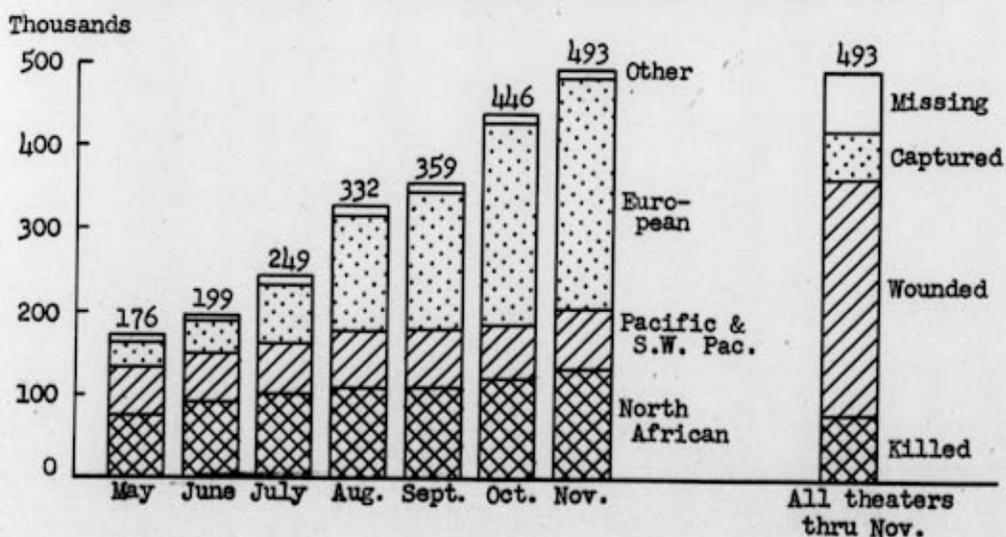
B. Army Casualties. During November, 47,638 battle casualties were reported, making a total of 493,248 between December 7, 1941 and November 30, 1944, of which 12 percent were officers. Forty-five percent of the wounded have returned to duty.

Monthly Army Battle Casualties Reported
May Thru November 1944



The European Theater reported the largest number of casualties of any theater, with 273,446 or 55 percent of the total thru November 30.

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



IV. NAVYCompletions of Naval Vessels

Eighteen combatant vessels were completed in November, making a total of 388 completed in 1944 to December 1. There were 21 additional combatant vessels scheduled for completion in December.

The first eight landing ships, medium, equipped with rocket launchers, were finished in November.

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

Type	1944			1943 Actual
	Nov.	Jan. Thru Nov.	Scheduled for December	
Combatant Vessels:				
Battleship	0	2	0	2
Aircraft carrier	1	6	0	15
Aircraft carrier, escort	1	37	0	50
Large cruiser	0	2	0	0
Heavy cruiser	0	1	0	4
Light cruiser	0	8	3	7
Destroyer	6	70	8	128
Destroyer escort	3	191	3	306
Submarine	7	71	7	56
Total combatant	18	388	21	568
Patrol craft	31	421	39	718
Mine vessels	19	173	7	389
Auxiliaries	85	512	117	352
Landing force vessels*	112	1,316	113	649

*IST, LSM, LSM(R), LSD, LSV, LCI(L), and LCS(L)(3).

CONSTRUCTION PROGRESS
ON BATTLESHIPS AND AIRCRAFT CARRIERS

14

Status of Construction of Selected Naval Vessels

Thirty-six percent of the 322 combatant vessels on order on November 30 had been launched, 36 percent were on the ways, and 28 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels, Nov. 30, 1944
(Includes Lend-Lease Vessels)

Type	New Construction on Order				Con- vert- ing	Add'l Auth- orized
	Not Yet on Ways	On Ways	Launch- ed	Total		
Combatant Vessels:						
Battleship	2	0	0	2	0	0
Aircraft carrier	1	14	3	18	0	0
Aircraft carrier, escort	9	5	8	22	0	0
Large cruiser	0	1	0	1	0	0
Heavy cruiser	14	6	7	27	0	0
Light cruiser	6	14	8	28	0	0
Destroyer	68	46	26	140	0	0
Destroyer escort	0	0	12	12	0	0
Submarine	14	31	27	72	0	0
Total combatant	114	117	91	322	0	0
Patrol craft	86	55	81	222	0	48
Mine craft	0	11	52	63	0	0
Auxiliaries	85	56	109	250	313	5
Landing force vessels*	293	141	80	514	0	0

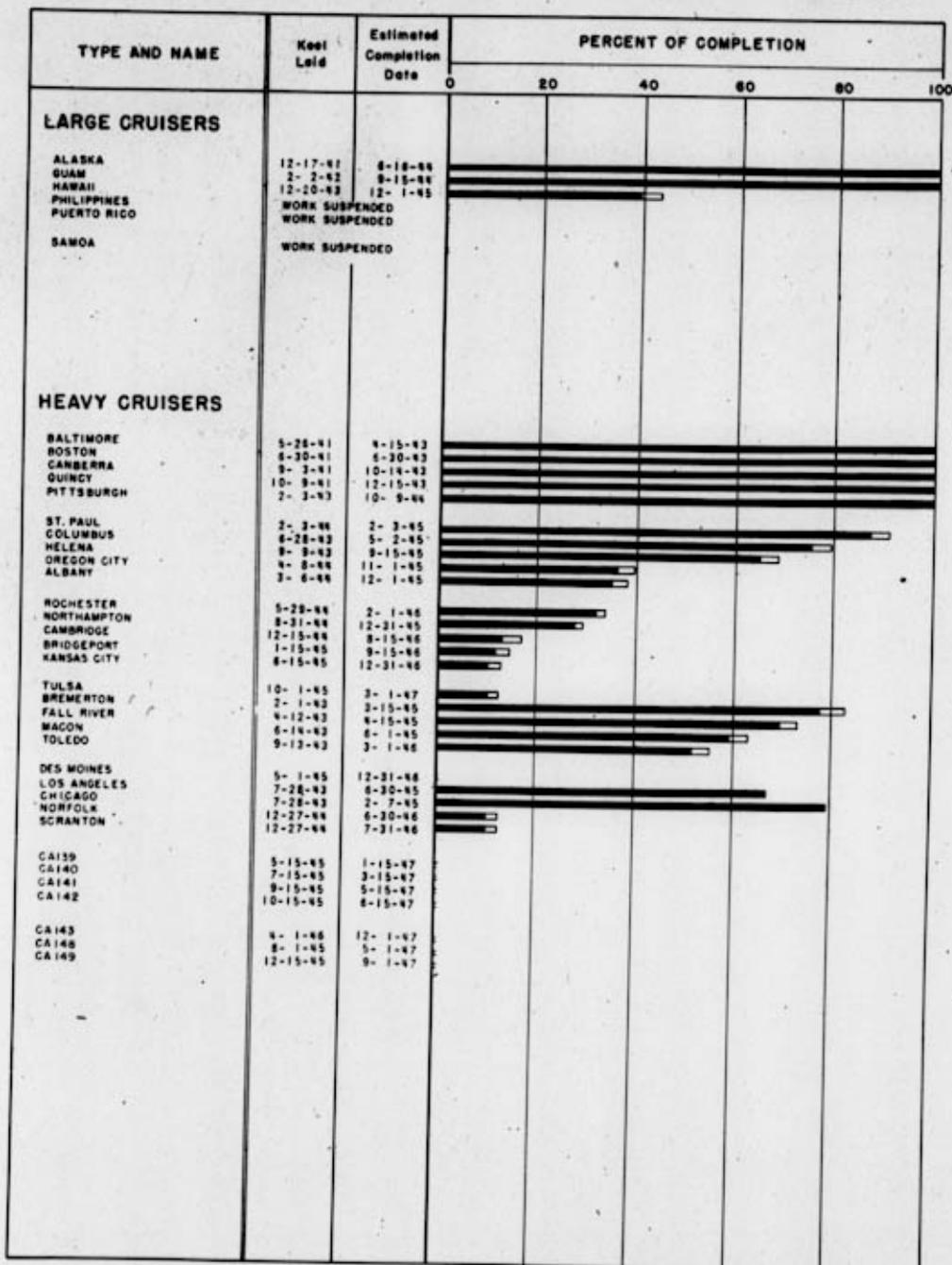
*IST, LSM, LSM(R), LSD, LSV, LCI(L), and LCS(L)(3).

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

CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

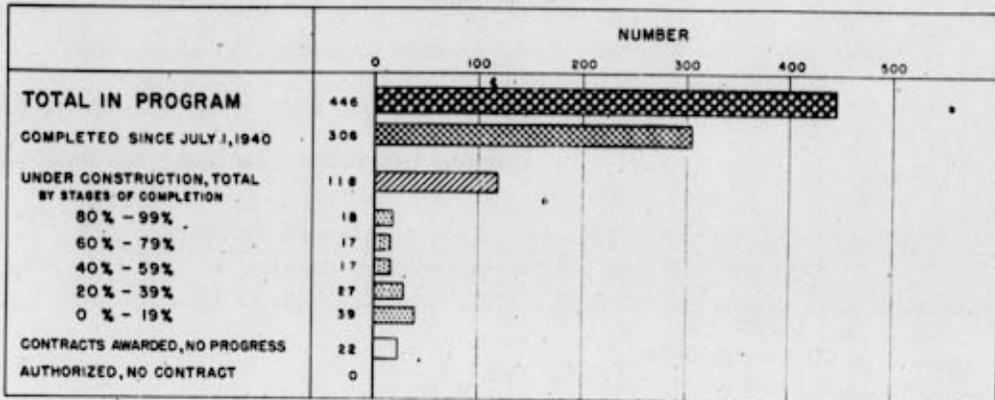
■ PROGRESS JULY 1, 1940 TO NOVEMBER 1, 1944

▬ PROGRESS FOR NOVEMBER 1944

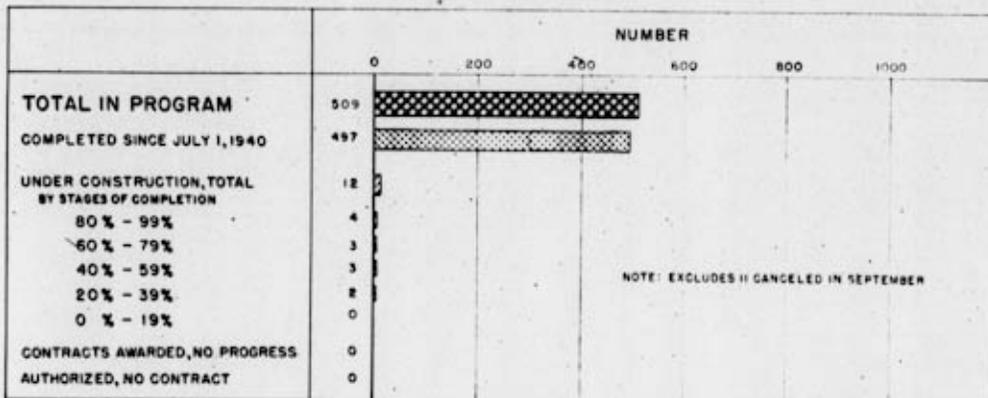


CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

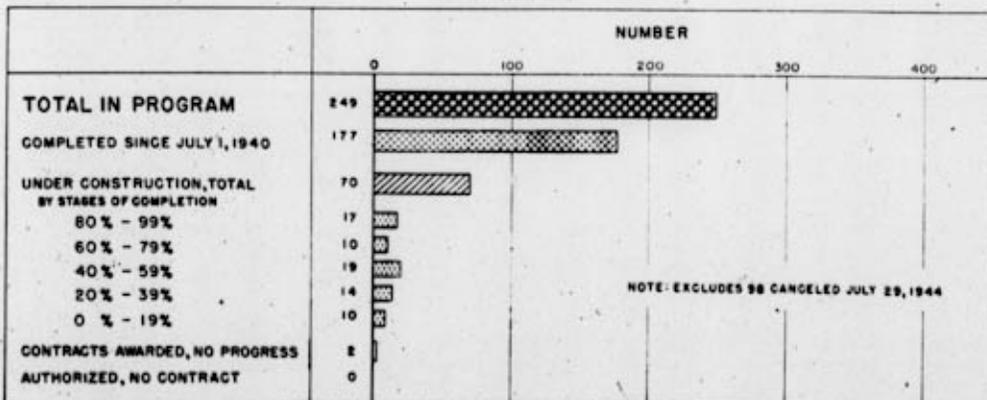
DECEMBER 1, 1944
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on November 30 had increased 768 since June 30, 1940 to a total of 1,151. These figures reflect only publicly announced losses.

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

Type	On Hand June 30 1940	New Comple- tions	Publicly Announced Losses Leases Transfers & Reclasi- fications	On Hand Nov. 30 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	10	1/ 2	23	8
Aircraft carrier	6	23	5	24	18
Aircraft carrier, escort	0	102	38	64	64
Large cruiser	0	2	0	2	2
Heavy cruiser	18	5	6	17	-1
Light cruiser	19	24	3	40	21
Destroyer	225	306	164	367	142
Destroyer escort	0	497	117	380	380
Submarine	100	177	43	234	134
Total combatant	383	1,146	378	1,151	768
Patrol craft	33	1,701	508	1,226	1,193
Mine craft	35	927	338	624	589
Auxiliaries	134	1,099	2/ -4	1,237	1,103
Landing force vessels ^{3/}	0	2,180	454	1,726	1,726

1/ One lost, one scrapped.

2/ Vessels added to the total on hand.

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

Analysis of Losses, Leases, Transfers, and Reclassifications

In December the following vessels were publicly announced by the Navy as lost: 4 destroyers, 3 submarines, 2 patrol craft, 3 auxiliaries, and 3 landing ships.

A total of 118 combatant vessels have been announced as lost, 134 leased, 54 transferred or otherwise disposed of, and 86 reclassified through December 31, 1944.

Publicly Announced Losses, Leases, Transfers
and Reclassifications -- July 1, 1940 thru Dec. 1944

Type	Lost	Leased or Transferred	Reclassified	Total Decrease
Combatant Vessels:				
Battleship	1	1/ 1	0	2
Aircraft carrier	5	0	0	5
Aircraft carrier, escort	4	38	2/ -4	38
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	54	50	64	168
Destroyer escort	8	90	25	123
Submarine	37	9	1	47
Total combatant	118	188	86	392
Other Vessels:				
Patrol craft	89	1/ 452	6	547
Mine craft	31	1/ 246	66	343
Auxiliaries	49	1/ 149	2/ -159	39
Landing craft ^{3/}	40	341	196	577
Total other	209	1,188	109	1,506
Grand total	327	1,376	195	1,898

1/ Includes certain vessels sold, disposed of, scrapped, or returned to owners.

2/ Vessels added to the total on hand.

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

Production of Naval Ordnance Materiel

From Jan. 1 to Dec. 1, cumulative deliveries of 6 of the 18 items of naval ordnance materiel listed below were less than 90 percent of the total scheduled for 1944. The time covered represents 92 percent of the year.

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

Item	Nov. Deliveries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to December 1						
			Cumulative	0	25	50	75	100	
<u>Torpedoes 1/</u>									
Surface craft	405	5,986	5,686						
Submarine 2/	874	11,200	10,250						
Aircraft 2/	202	6,478	6,228						
<u>Surface Fire Guns</u>									
Heavy, 12" and 16" turrets	0	13	11						
Medium, 8" and 6" turrets	5	101	95						
Light, 4" and 5"	18	191	178						
<u>Antiaircraft Guns</u>									
Heavy, 3" and 5" mounted barrels	347	8,279	7,900						
Light, 40mm and 20mm mounted barrels 3/	3,613	52,057	47,414						
<u>Fire Control Equipment</u>									
Gun directors	757	7,531	6,586						
Radar fire control	225	1,716	1,480						
Gun sights, Mk. 14	3,968	42,662	37,962						
<u>Ammunition</u>									
Heavy surface fire	14,275	120,463	104,938						
Medium surface fire	57,139	605,280	540,780						
Light surface fire	667M	7,054M	6,395M						
<u>Antiaircraft:</u>									
Heavy	720M	7,782M	7,112M						
Light:									
20mm HE, HEI, HET	26,312M	377,733M	350,733M						
40mm HE, HET, HEI, HEIT	8,390M	87,535M	79,235M						
171	0	2,916M	2,916M						

M = 1,000 rounds

1/ Turned into store

2/ Excludes the British-type torpedo.

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

11 mo. = 92% of year

92%

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 3,798,996 on November 1 to 3,838,336 on December 1 — an increase of 39,340 or 1 percent. The total on December 1 was composed of 670,359 regulars, 3,060,843 male reserves, and 107,134 female reserves.

Strength of the Naval Services
Nov. 1 and Dec. 1, 1944

	Navy	Marine Corps	Coast Guard	Total
Officers	305,258*	35,124	12,525	352,907
Officer candidates	87,640	6,036	368	94,044
Enlisted personnel	2,803,260	431,122	157,003	3,391,385
Total, Dec. 1	3,196,158*	472,282	169,896	3,838,336
Total, Nov. 1	3,156,333	472,827	169,836	3,798,996
Increase	39,825	-545	60	39,340
Percent incr.	1.3%	-0.1%	--	1.0%

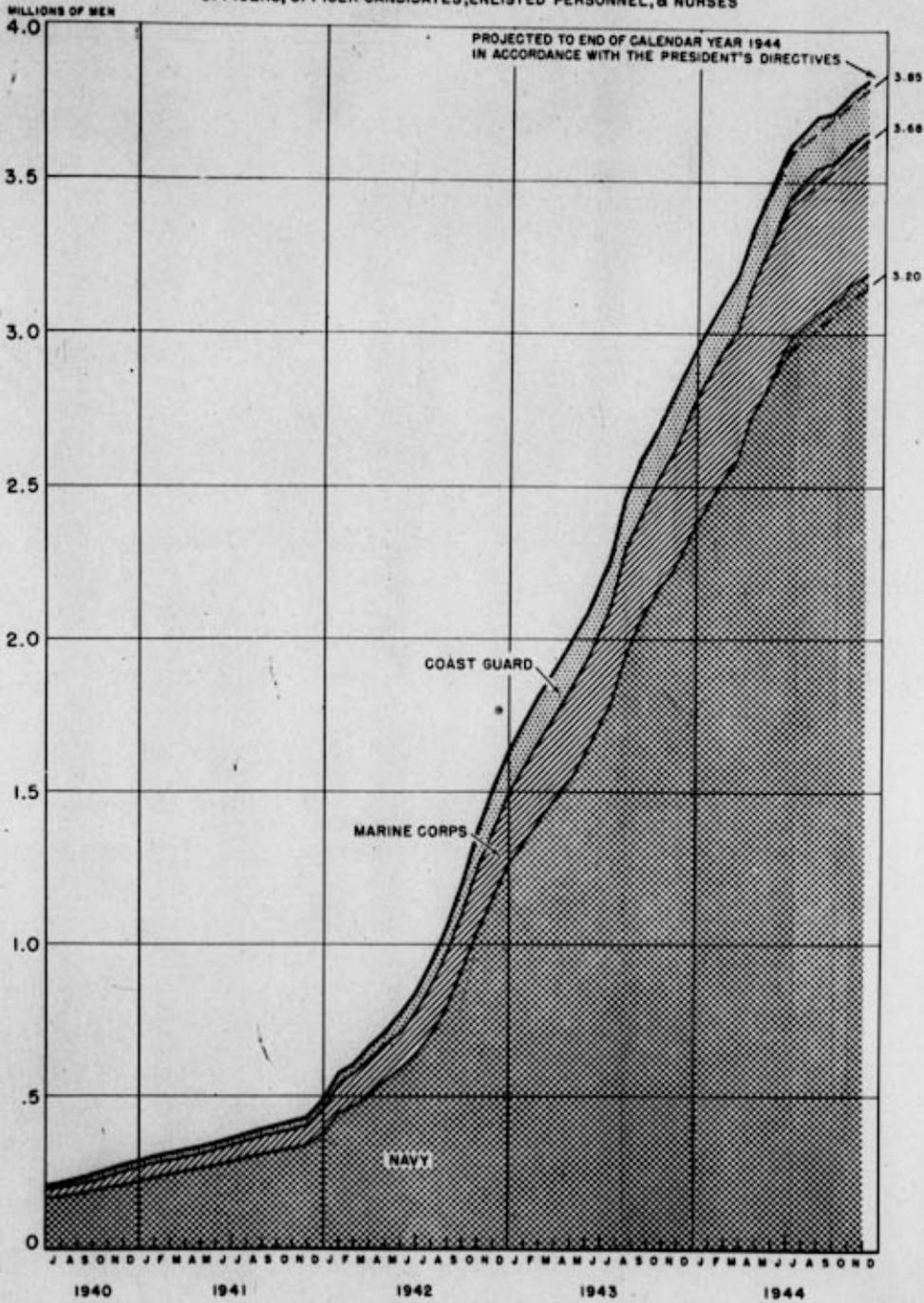
*Includes 8,910 nurses.

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. ARMY AND NAVY NURSES

During the 12 months ending November 30, 1944, the Army Nurse Corps increased 5,125 or 14 percent to a total of 41,604 (hospital dietitians and physical therapy aides excluded). Army nurses overseas on November 30 totaled 25,918 or 62 percent.

In the same period, the Navy nurses increased 1,964 or 28 percent to a total of 8,910.

Army and Navy Nurses on Active Duty
Nov. 30, 1943 to Nov. 30, 1944

	Army Nurses			Navy Nurses		
	Total	Net Change		Total	Net Change	
		No.	%		No.	%
<u>1943</u>						
Nov. 30	36,479			6,946		
Dec. 31	37,206	727	2%	7,022	76	1%
<u>1944</u>						
Jan. 31	36,672	-54	-1%	7,340	318	5%
Feb. 29	37,714	1,042	3%	7,491	151	2%
Mar. 31	38,538	824	2%	7,825	334	4%
Apr. 30	39,184	646	2%	8,005	180	2%
May 31	39,542	358	1%	8,340	335	4%
June 30	40,018	476	1%	8,399	59	1%
July 31	40,036	18	—%	8,403	4	—%
Aug. 31	39,970	-66	—%	8,665	262	3%
Sept. 30	39,975	5	—%	8,677	12	—%
Oct. 31	41,354	1,379	3%	8,897	220	3%
Nov. 30	41,604	250	1%	8,910	13	—%

VI. SELECTIVE SERVICE

Since December 5, 1942, only registrants between the ages of 18 and 37, inclusive, have been acceptable for induction into the armed forces, and this report deals with that age group. There are approximately 7 million men in the age-group 18 through 37.

On December 1, 1944, there were 22,086,000 registrants of Continental United States aged 18 through 37, of which 10,657,000 (48.3 percent) had been furnished to the armed forces by enlistment or induction.

In April 1944, the armed forces requested that they be furnished primarily with young men, and emphasis was placed on the induction of men under 26 years of age. To facilitate the processing of registrants, three age groups were established, namely, 18-25, 26-29, and 30-37, with more liberal occupational deferment policies for the older age groups than for men under 26 years of age.

Classification Status by Age Groups (18 Thru 37) Dec. 1, 1944
(Thousands)

Classification	Age Groups			
	18-37	18-25	26-29	30-37
Living registrants	22,086	8,654	4,584	8,848
In Armed Forces	10,657	5,920	2,281	2,456
Available for military service	825	435	157	233
Unclassified	55	45	3	7
Occupational deferments	5,103	380	1,065	3,658
Agricultural deferments	1,635	449	323	863
Class IV-F and limited service	3,586	1,364	711	1,511
Other	225	61	44	120

Approximately 100,000 men become 18 years of age each month, but only 72,000 of these register with Selective Service, as 28,000 are already in the armed forces, having enlisted prior to their 18th birthday. Following is a table showing the classification distribution of 18-year-olds, based on a 10-State sample, after nine months of processing:

<u>Classification</u>	<u>Percent</u>
Total	100.0%
Furnished Armed Forces	54.2
Class IV-F and limited service	19.1
Available for military service	9.9
Unclassified	1.7
Occupational deferments	5.1
Agricultural deferments	8.7
Other classes	1.3

The percentage of inductees who were under 26 years of age rose from 46.2 in April to 84.4 in August and remained above 83 percent through November 1944. The following table shows the monthly calls and number of registrants inducted. It may be noted that the size of the call decreased each month after March.

Selective Service Calls and Inductions
January Thru November 1944

<u>Month</u> <u>1944</u>	<u>Total</u> <u>Call</u>	<u>Number</u> <u>Inducted</u>	<u>Percent of</u> <u>Call Filled</u>
January	286,813	201,273	70.2
February	130,431	78,404	60.1
March	318,650	233,752	73.4
April	262,800	216,808	82.5
May	189,300	185,189	97.8
June	150,600	152,570	101.3
July	110,950	117,889	106.3
August	104,350	104,071	99.7
September	81,050	81,292	100.3
October	87,050	79,569	91.4
November	84,050	70,020	83.3

In spite of the fact that the younger and consequently more physically fit men have been examined during the past months, the rejection rate has increased. This is shown in the following table.

Rejection Rate per 100 Examinations -- 18-37 Age Group

Month 1944	Rejection Rate at Preinduction Examination	Rejection Rate at Induction Station	Approximate Combined Rejection Rate
January	38.2	43.3	—
February	36.7	11.7	44
March	35.8	3.6	38
April	30.9	3.9	34
May	30.7	5.5	35
June	33.5	6.0	38
July	36.6	5.9	40
August	37.2	8.4	43
September	38.0	10.7	45
October	41.0	12.7	49
November	41.6	15.0	50

Registrants qualified for limited service were not accepted for induction after June 1944. Consequently the rejection rate on pre-induction examination is slightly higher than shown above. For example, in November 44.9 percent of the registrants forwarded for preinduction examination were rejected for general military service.

The percentage of rejections due to mental deficiency has decreased monthly since June 1944, and the percentage of neuro-psychiatrics has increased. The table below shows by percentages the causes for rejection of all registrants rejected at preinduction or induction examination.

Analysis of Cause of Rejection

Month 1944	Total	Neuro- Psychiatric	Mental Deficiency	Physical	Non- Medical
January	100.0	32.8	14.2	49.4	3.6
February	100.0	30.6	12.8	54.6	2.0
March	100.0	30.0	12.8	55.3	1.9
April	100.0	30.2	13.5	54.5	1.8
May	100.0	29.3	16.7	52.2	1.8
June	100.0	26.6	27.3	44.1	2.0
July	100.0	28.0	25.5	44.8	1.7
August	100.0	29.7	22.1	45.2	3.0
September	100.0	31.5	18.7	46.1	3.7
October	100.0	35.1	18.6	43.0	3.3
November	100.0	38.3	15.2	42.8	3.7

As of December 1, 1944 there were 4,560,000 registrants aged 18 through 37 who were unfit for military service. Of these, 3,586,000 were in Class IV-F and available for limited service only, and 974,000 were in occupational and agricultural deferred groups with the "(L)" or "(F)" designation. The "(L)" and "(F)" designations were established in May 1944 to identify registrants in deferred essential industry or agriculture who were not qualified for general military duty. The "(L)" signifies a registrant acceptable for limited service only, and "(F)" signifies a registrant rejected for military duty. The table on the following page shows the estimated principal causes for rejection of registrants 18-37 years of age in Class IV-F and classes with "(F)" designation.

There were 4,256,000 registrants (19.3 percent) deferred in essential industry and war production (Classes II-A and II-B) on December 1, and an additional 847,000 registrants (3.8 percent) were in Classes II-A and II-B, with the designation "(L)" or "(F)". Deferments in agriculture totaled 1,635,000 or 7.4 percent. Of these, 1,508,000 were in Classes II-C and III-C and 127,000 in Classes II-C(L) and II-C(F).

The above data all deal with the mobilization aspects of Selective Service. Separations to civil life of male personnel, excluding commissioned officers, from all branches of the armed forces through October 1944 totaled 1,504,124. Of these, 764,476 were for disability, 96,927 for inaptitude, 75,086 for undesirable or bad conduct, 45,235 deserted or dropped from the rolls, and 522,400 for other reasons.

Estimated Principal Causes for Rejection of Registrants 18-37 Years of Age
in Class IV-F and Classes with "F" Designation ^{1/}
December 1, 1944

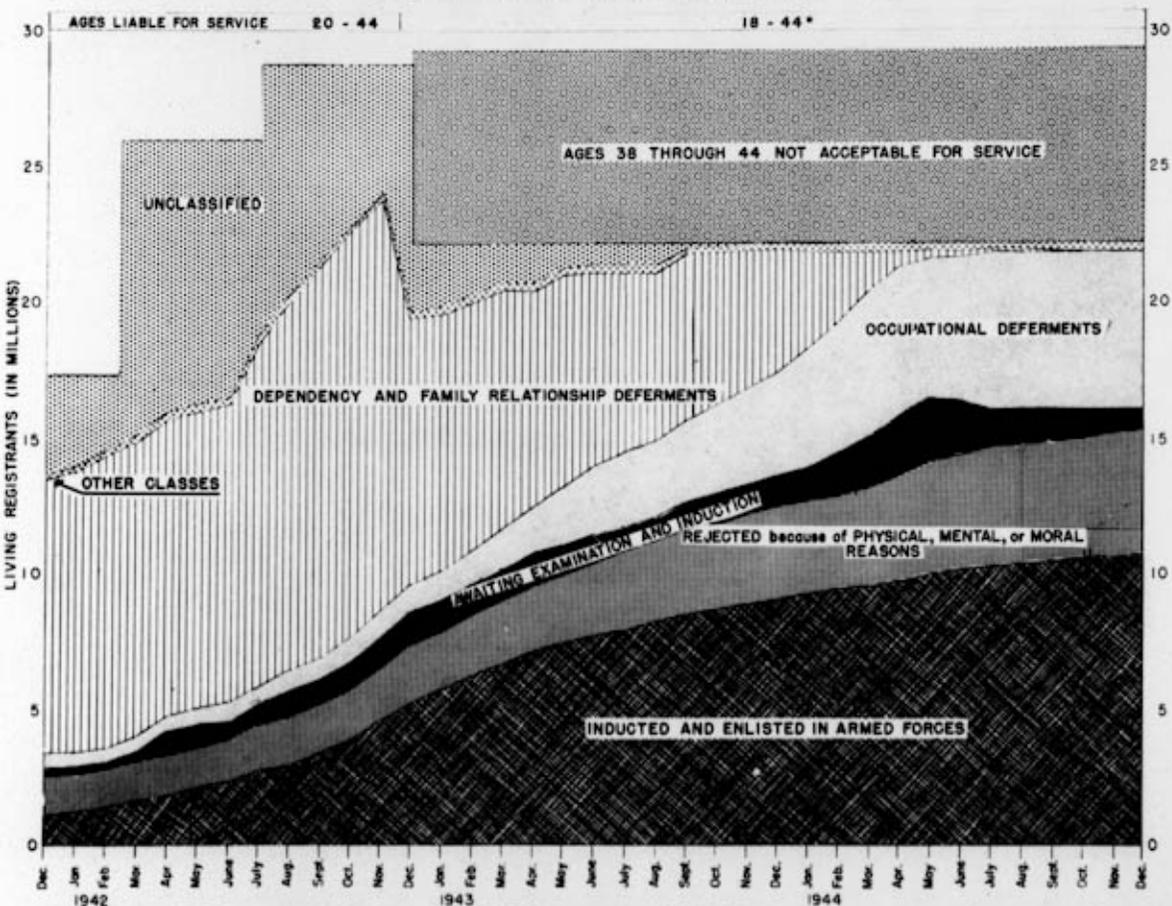
Principal Cause for Rejection	Number			Percent		
	Total	White <u>2/</u>	Negro	Total	White <u>2/</u>	Negro
Total	4,458,000	3,588,000	870,000	100.0	100.0	100.0
Manifestly disquali- fying defects	469,300	405,800	63,500	10.5	11.3	7.3
Mental disease	759,600	671,000	88,600	17.1	18.7	10.2
Mental deficiency ^{3/}	620,100	340,700	279,400	13.9	9.5	32.1
Physical defects	2,542,000	2,116,600	425,400	57.0	59.0	48.9
Musculoskeletal	337,000	298,900	38,100	7.6	8.3	4.4
Cardiovascular	292,600	243,900	48,700	6.6	6.8	5.6
Syphilis	270,800	108,000	162,800	6.1	3.0	18.7
Hernia	248,900	220,300	28,600	5.6	6.2	3.3
Neurological	224,800	201,400	23,400	5.0	5.6	2.7
Eyes	222,100	196,600	25,500	5.0	5.5	2.9
Ears	173,100	168,100	5,000	3.9	4.7	0.6
Tuberculosis	121,100	108,700	12,400	2.7	3.0	1.4
Lungs	78,300	68,800	9,500	1.7	1.9	1.1
Underweight and overweight	64,700	60,300	4,400	1.5	1.7	0.5
Feet	58,500	45,200	13,300	1.3	1.3	1.5
Abdominal viscera	58,300	55,800	2,500	1.3	1.6	0.3
Kidney and urinary	48,000	43,400	4,600	1.1	1.2	0.5
Varicose veins	45,600	40,400	5,200	1.0	1.1	0.6
Genitalia	44,800	35,100	9,700	1.0	1.0	1.1
Endocrine	42,100	40,400	1,700	0.9	1.1	0.2
Teeth	36,200	33,900	2,300	0.8	1.0	0.2
Neoplasms	28,300	25,700	2,600	0.6	0.7	0.3
Skin	28,100	24,900	3,200	0.6	0.7	0.4
Nose	26,800	25,700	1,100	0.6	0.7	0.1
Gonorrhea and other venereal	18,400	7,300	11,100	0.4	0.2	1.3
Hemorrhoids	18,200	15,300	2,900	0.4	0.4	0.3
Mouth and gums	11,500	10,700	800	0.3	0.3	0.1
Infectious and parasitic	5,000	4,400	600	0.1	0.1	0.1
Throat	4,300	3,700	600	0.1	0.1	0.1
Blood and blood-forming	4,100	3,600	500	0.1	0.1	0.1
Other medical	30,400	26,100	4,300	0.7	0.7	0.5
Nonmedical	67,000	53,900	13,100	1.5	1.5	1.5

^{1/} Includes registrants in classes II-A, B, and C with "F" designation.

^{2/} Includes all races other than Negro.

^{3/} Includes (1) registrants with more than one disqualifying defect who were rejected for educational deficiency prior to June 1, 1943; (2) registrants rejected for failure to meet minimum intelligence standards beginning June 1, 1943; (3) morons, imbeciles and idiots rejected November 1940 - November 1944.

CHANGES IN NUMBER AND CLASSIFICATION OF MILITARILY LIABLE REGISTRANTS DECEMBER 1, 1941 - DECEMBER 1, 1944



* Effective December 5, 1942, only registrants between ages of 18 and 37 inclusive were acceptable for induction.

VII. MANPOWER

The civilian labor force again declined sharply between October and November, with employment declines (largely seasonal) occurring in both agricultural and non-agricultural employment. Little change was reported in the number unemployed. Factory employment in November was one and one-half million below the peak in November 1943, mainly as the result of inductions into military service and production adjustments.

In October, new hires of workers by factories were again below the level of separations. Average hourly earnings were unchanged from September. November labor disputes resulted in fewer strikes but more man-days lost.

Labor Force and Employment

An estimated reduction of 660,000 in the civilian force took place between October and November 1944. This decrease in the labor force occurred largely as the result of a seasonal drop among agricultural workers, although a small decline was recorded among persons employed in non-agricultural industries. Unemployment did not change significantly. Estimates of the civilian labor force for November 1944, October 1944, and November 1943 are as follows:

Employment Status	Persons 14 Years of Age and Over (thousands)		
	Nov. 1944	Oct. 1944	Nov. 1943
Total civilian labor force	52,210	52,870	52,550
Employed	51,530	52,240	51,680
Unemployed	680	630	870

Non-agricultural employment for November 1944 showed a 100,000 decline from October and a 600,000 decline from November 1943. Agricultural employment was down 610,000 from October but was 440,000 higher than in November 1943.

Employment in manufacturing industries declined by nearly 100,000 between October and November; the reduction in durable goods manufacturing alone was 78,000. Factory employment is now nearly $1\frac{1}{2}$ million below the peak month of November 1943 as a result of (1) a reduction in certain munitions schedules, (2) a widespread increase in output per worker, and (3) increase of the armed forces from 10.2 million in November 1943 to 11.9 million in November 1944.

Manpower Shortages

No additional areas were added to the list of acute manpower shortage areas during November, but 68 were so classified at the end of the month, with an additional 119 areas in the manpower shortage category.

Production delays attributable in whole or in part to manpower shortages developed or were threatened in each of the 29 critical programs during December. The largest shortages were in aircraft (20,600), foundries (7,700), shipbuilding and ship repair (40,600) and urgent construction jobs (7,100). Although the numerical shortages in the remaining programs were smaller, many of them will be difficult to meet because the plants are in critically short areas or because skilled workers are needed.

Hours and Earnings

Average hourly earnings of wage earners in factories were unchanged in October from the previous month at \$1.03. Average hours worked per week increased from 44.9 to 45.6 so that average weekly earnings stood at \$46.98 in October in relation to \$46.25 in September. However, employment declines between September and October resulted in 9 percent fewer man-hours worked in the mid-week of the latter month in relation to the mid-week of September.

Turnover and Absenteeism

The separation rate of factory workers averaged 6.4 per 100 workers in October, a sharp decline from the 7.6 rate reported for September. This reduction resulted from the drop in the quit rate from 6.1 to 5.0 per 100 workers. The decline in the quit rate from September to October is attributable largely to the fact that quitting to return to school normally occurs in September. Accessions to factory payrolls were at the rate of 6.0, again lower than the accession rate.

War industries reported little change in factory absence rates, with absenteeism at 6.2 percent of scheduled work days for October.

Labor Disputes

New strikes starting in November numbered 375 as against 440 in October. A total of 200,000 workers were involved in all strikes, and 710,000 man-days were lost in November. These figures compare with 220,000 workers in October strikes and 690,000 man-days lost.

VIII. MERCHANT SHIPBUILDING PROGRAM

Gains and Losses, United Nations

For December, the United Nations reported construction of 1,605,000 deadweight tons of merchant vessels, bringing the total for 1944 to 18,398,000 DWT. Losses reported for December were 208,000 DWT and the total for the year, 2,079,000. From December 1, 1941 through December 1944, a total of 50.9 million DWT were constructed as against losses of 19.9 million — a net gain of 31 million DWT.

U.S. Merchant Fleet

During 1944 the U.S. merchant fleet, including merchant-type vessels operated by the military services, increased by 1,243 vessels and 12,629,000 DWT to a total of 4,640 vessels and 46,643,000 DWT. This is approximately two-thirds of the United Nations fleet. The War Shipping Administration controlled approximately 80 percent of the U.S. tonnage at the end of the year, and the balance was in military service.

The U.S. Merchant Fleet, Dec. 1943 and Dec. 1944

	Dec. 1943		Dec. 1944		1944 Change	
	No.	DWT (000)	No.	DWT (000)	No.	DWT (000)
Dry cargo (1,000 gross tons and over)	2,726	25,194	3,730	33,920	1,004	8,726
Tankers (1,600 gross tons and over)	671	8,820	910	12,723	239	3,903
Total	3,397	34,014	4,640	46,643	1,243	12,629

Deliveries by U.S. Merchant Shipyards

December deliveries of 156 ships of all types to the U.S. Maritime Commission brought the total for 1944 to 1,786. This is 163 ships less than the 1943 total of 1,949. In terms of capacity, December deliveries amounted to 1,371,203 DWT, making a total of 16,443,000 DWT for 1944 as compared with 19,296,000 in 1943 -- a decrease of 2,853,000 DWT.

The 1944 decline in ship deliveries was due in part to the shift of emphasis to the construction of faster vessels, such as the Victory cargo and military types, which require more man-hours to build.

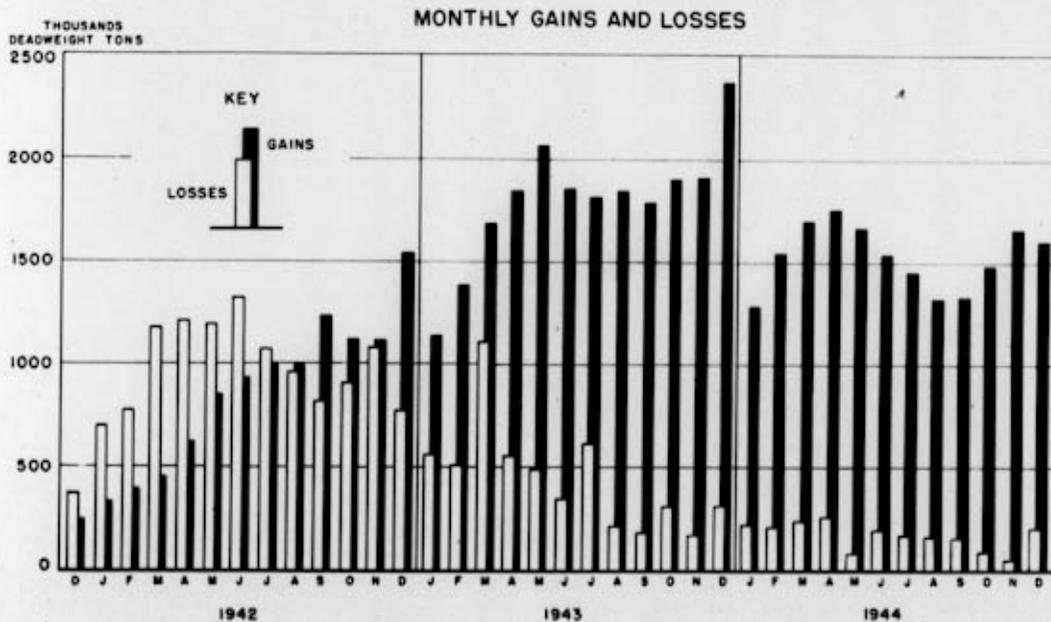
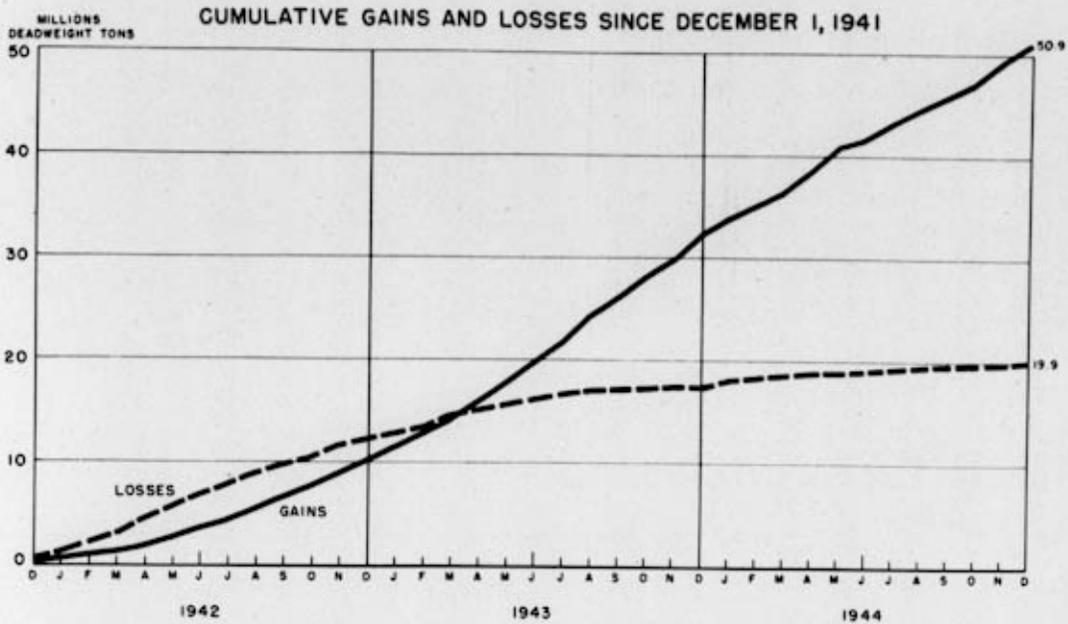
The construction of merchant-type vessels modified for military use was 1,600,000 DWT greater in 1944 than in 1943. On the other hand, construction of merchant-type vessels for merchant use dropped from 18,317,000 DWT in 1943 to 13,867,000 in 1944 -- a reduction of 4,450,000 DWT.

Vessels Delivered by U.S. Merchant Shipyards, 1943 and 1944

	1943		1944		1944 Change	
	No.	DWT (000)	No.	DWT (000)	No.	DWT (000)
<u>Merchant Types</u>						
Major:						
Cargo	159	1,546	124	1,209	-35	-337
Liberty	1,238	13,361	722	7,798	-516	-5,563
Victory	0	0	104	1,128	104	1,128
Tankers	224	3,410	224	3,732	0	322
Subtotal	1,621	18,317	1,174	13,867	-447	-4,450
Minor*	203	650	237	647	34	-3
<u>Military Types</u>	125	329	375	1,929	250	1,600
Total	1,949	19,296	1,786	16,443	-163	-2,853

*Coasters, tankers, barges, tugs, etc. over 1,000 DWT.

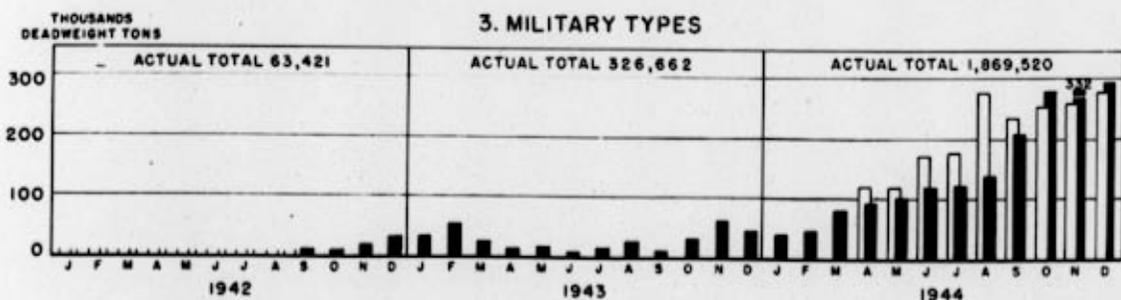
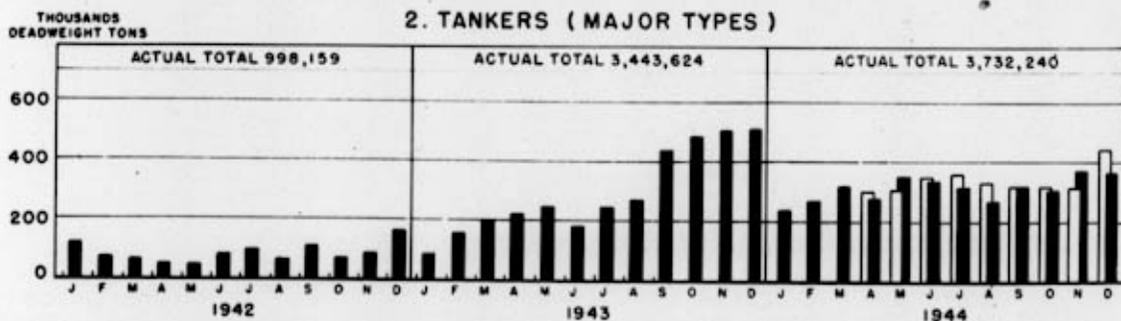
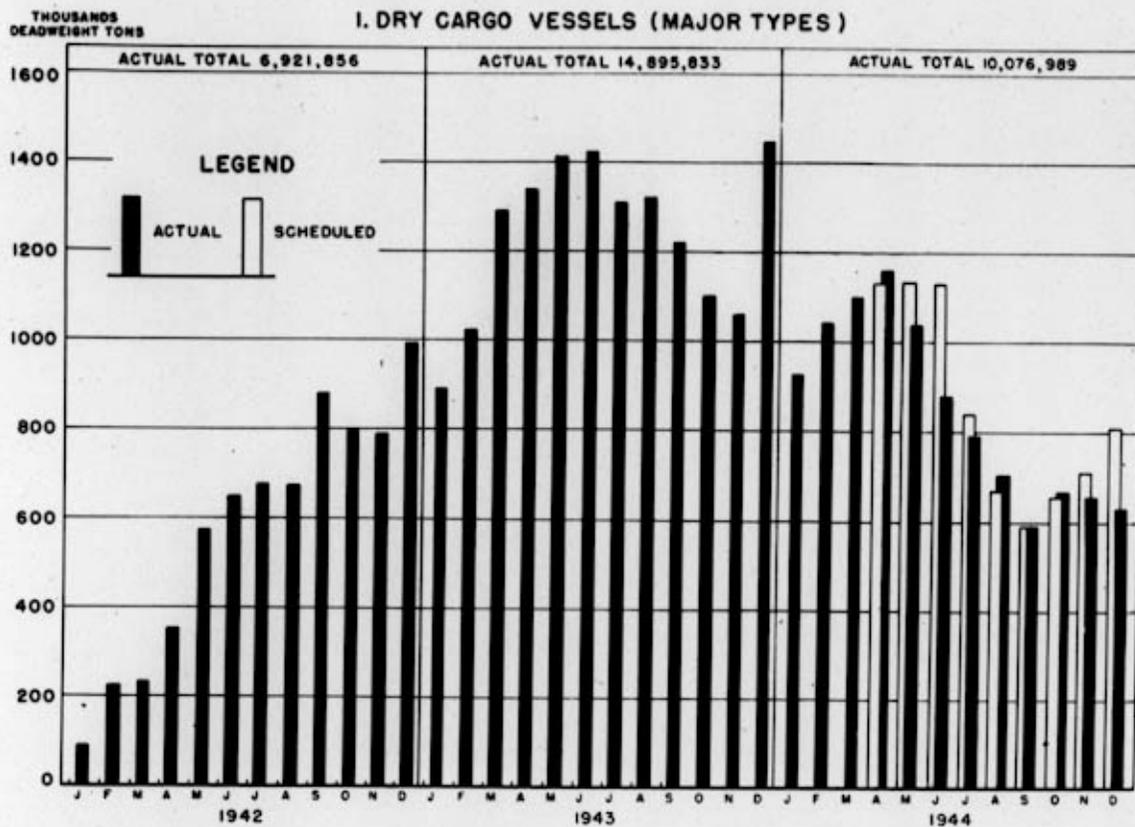
GAINS AND LOSSES OF MERCHANT OCEAN VESSELS AVAILABLE TO THE UNITED NATIONS*



* 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



IX. CONTRACT TERMINATION

Through November 30, 1944, a total of 124,882 terminations had been effected in prime war supply contracts, and the contract price of items canceled amounted to \$24.6 billion.

Summary of Terminations and Settlements of Prime War Supply Contracts
Cumulative Thru Nov. 30, 1944 (Millions of Dollars)

	Total	War Dept.	Navy Dept.	Other
ALL CONTRACTS				
<u>Contract price of items canceled in terminations</u>				
Settled	\$11,658	\$10,000	\$822	\$836
Pending settlement	12,990	8,526	3,923	541
Total, all contracts	\$24,648	\$18,526	\$4,745	\$1,377
<u>Number of Terminations</u>				
Settled	112,914	29,037	2,511	81,366
Pending settlement	11,968	4,043	3,036	4,889
Total, all contracts	124,882	33,080	5,547	86,255
FIXED-PRICE CONTRACTS				
<u>Contract price of items canceled in terminations</u>				
Settled	\$10,257	\$ 8,846	\$ 822	\$589
Pending settlement	7,558	4,772	2,529	257
Total	\$17,815	\$13,618	\$3,351	\$846
<u>Number of terminations</u>				
Settled	112,563	28,742	2,511	81,310
Pending settlement	11,651	3,869	2,916	4,866
Total	124,214	32,611	5,427	86,176
COST-PLUS-A-FEE-CONTRACTS				
<u>Contract price of items canceled in terminations</u>				
Settled	\$1,401	\$1,154	N.A.	\$247
Pending settlement	5,432	3,754	1,394	284
Total	\$6,833	\$4,908	\$1,394	\$531
<u>Number of terminations</u>				
Settled	351	295	N.A.	56
Pending settlement	317	174	120	23
Total	668	469	120	79

X. AGRICULTURE AND WAR FOOD ADMINISTRATION

Reorganization Within the War Food Administration: The reorganization of WFA was announced December 13, to take effect January 1, 1945. It provides for a regrouping of certain of the functions of WFA and is intended to afford greater operating flexibility and effectiveness in carrying out present War Food responsibilities.

Lend-Lease Deliveries Decline in November: Deliveries of food and other agricultural products for shipment under lend-lease during November totaled 467.5 million pounds. This was 251.8 million pounds, or 35 percent, less than October deliveries and a 54 percent drop from the 1,015.9 million pounds delivered during November 1943. Of the November 1944 shipments, about 52 percent went to the British Empire, 41 percent to Russia, and the remaining 7 percent to seven other areas.

Index of Prices Received by Farmers up in December: The index of prices received by farmers for December 1944 was 200 (August 1909-July 1914 = 100), 4 points above the previous month. This is the highest figure since September 1920 and 3 points above the previous peak of 197 for the present war, reached in April 1943. The index of prices paid, interest, and taxes for December remained unchanged at 171. Prices received by farmers averaged 117 percent of parity, 2 points above November and the same as December 1943.

The rise in the index for December was largely caused by higher prices received for most fruits, truck crops, and poultry and eggs. The index of meat animal prices declined 2 points to 198. The index for dairy products remained constant at 203. Corn prices did not increase from November to December, contrary to their usual seasonal behavior.

Farm Income up in 1944: Total receipts from farm marketings for the period January through November 1944 were \$18,533 million, 7 percent greater than in 1943. Income from crops was 11 percent above last year. A large part of the gain was brought about by substantial increases in receipts from the large crops of wheat, cotton, tobacco, and deciduous fruits. Income from livestock and livestock products increased 4 percent as receipts from meat animals and dairy products made significant gains.

Food Supply Situation: Total civilian food supplies will be smaller during the next few months than for over a year, but this will not in any sense constitute a general food shortage. The less favorable situation will be particularly noticeable, as there will in general be a further tightening of supplies for most of the products which were in relatively tight supply a year ago. There are some improvements in the supply situation for individual commodities, but some of these improvements are for commodities which were in plentiful supply a year ago. For instance,

there are abundant supplies of cereal products; they were ample last year. While there will be fewer eggs than a year ago, there will still be more than are needed for civilian consumption.

Of the food commodities which were in relatively tight supply a year ago, there will be 14 percent less total meat for the first quarter of 1945 as compared with the first quarter last year; substantially less poultry; substantially less butter and lard, offset in part by a small increase in vegetable oil shortening; slightly more fluid milk and cream, but a little less condensed and evaporated milk; some 20 to 25 percent less commercially canned vegetables, but, with a return to rationing and the large home canning of the past two years, this should not be too serious; and some 10 percent less coffee, cocoa, and sugar.

A year ago the supply of potatoes was in excess of requirements, and some potatoes were used as livestock feed. The crop was smaller this year and a larger proportion than usual was used during the first part of the season. There is a possibility of bare spots this spring in some market areas.

Supplies of non-food items, including cotton, tobacco, and feed, are larger than a year ago. The increase in feed supplies will make it possible to enlarge the production base. Farmers are being asked to raise more pigs this year. This will decrease the amount of pork available during the first part of 1945 but will increase the amount available at the end of 1945 and in 1946.

The following table gives comparisons of average per capita food consumption of selected commodities in 1935-39, 1944, and estimated consumption in the first quarter of 1944 with available civilian supply in the first quarter of 1945. Some of the figures in the table are preliminary approximations and may differ from announced allocations. They also will differ in some instances from estimates based on somewhat different time periods, method of handling stocks, or commodities included.

Armed Forces to Take More Beef. Purchases of beef by the armed forces in the first half of 1945 probably will be larger than in the first half of 1944. Marketings of fed cattle in January-May 1945 may be no larger than the large marketings in the same period of 1944, when supplies of beef for civilians fell far short of potential demand.

Civilian Food Consumption and Supply
Annual Rate in Pounds per Capita

Food Commodity	Consumption			Est. Supply 1st Qtr. 1945	1st Qtr. 1945 Supply vs. 1st Qtr. 1944 Consumption
	1935-1939 Aver.	1944	1st Qtr. 1944		
<u>Meats - Total</u>	125.8	143.0	151.0	130.0	14% less
Beef	54.8	51.0	52.0	53.0	2% more
Veal	8.0	12.0	8.0	9.0	12% more
Lamb and mutton	6.7	6.0	5.0	5.0	Same
Pork	56.1	74.0	86.0	63.0	27% less
Chickens	17.9	22.7	N.A.	N.A.	Much less
Eggs (number)	298.0	347.0	364.0	380.0	5% more
<u>Fats and Oils - Total</u>	48.0	44.0	44.8	42.2	6% less
Butter	16.7	11.6	12.8	10.4	19% less
Margarine	2.3	3.2	3.2	3.6	12% more
Lard	11.0	14.0	14.0	13.0	7% less
Shortening	11.7	9.2	9.2	9.6	4% more
Other, edible	6.3	6.0	5.6	5.6	Same
<u>Dairy Products</u>					
Fluid milk and cream	340.0	420.0	400.0	420.0	5% more
Condensed and evaporated milk	16.7	15.2	14.4	12.8	11% less
Cheese	5.5	5.0	4.8	5.6	16% more
<u>Vegetables</u>					
Fresh vegetables	235.0	250.0	N.A.	N.A.	About same
All canned (pack year)	31.1	34.0	N.A.	N.A.	20-25% less
Potatoes (July year)	130.0	111.0	N.A.	N.A.	10-15% less
<u>Fruits</u>					
Citrus fruit	48.8	65.6	N.A.	N.A.	About same
Other fresh fruit	89.4	76.0	N.A.	N.A.	30% more
All canned fruits (pack year)	14.9	8.8	N.A.	N.A.	10-15% less
Canned fruit juices	4.1	8.2	N.A.	N.A.	15-25% less, but still plentiful
Sugar	96.5	84.0	76.0	69.0	9% less
Coffee	14.0	16.5	18.3	17.5	10% less
Tea	.7	.6	.6	.8	33% more
Cocoa	4.4	3.4	3.8	3.3	9% less

CCC Financing Expanded in 1944: Financial operations of the Commodity Credit Corporation—including loans to farmers, purchases of farm products, and other agricultural price-support programs—totaled \$5,058 million during the 1944 fiscal year. Total for the preceding year was \$3,506 million. Operations were broadened in 1943-44 in an accelerated program of farm production and price support to meet wartime military and civilian requirements for food and fiber.

The Corporation's 1944 annual report shows a wartime total of more than \$9 billion of CCC financing for all purposes through June 30, 1944, by comparison with less than \$3 billion of CCC loans and purchases during the entire period of its prewar operations dating back to 1933. The wartime total includes the financing of \$5 billion of commodities purchased for lend-lease and related account. The Corporation is reimbursed by the Lend-Lease Administration for these expenditures.

Large programs operated by the Corporation during the 1944 fiscal year included (1) loans to cotton growers, (2) payments to dairy farmers to increase the production of milk and butterfat, (3) purchase and sales of feed wheat to maintain the production of meats, milk, and other livestock products, and (4) price-support and equalization payments to maintain the production of vegetable oils for food and industrial uses.

Estimated cost of the 1943-44 farm price-support program, including equalization payments to producers and processors, was \$350 million. Including direct payments to dairymen—to boost the production of milk and butterfat—the estimated cost of the 1944-45 programs is about \$750 million.

Civilian Cigarette Shortage Continues: The cigarette shortage is generally recognized to be due to two major factors: (1) because of increased military demands, supplies for civilians in the last six months of 1944 were running from 5 to 15 percent below the same months for 1943, and (2) advance buying by civilians is believed aggravating the situation.

Soil Conservation Continues Upward Trend: More than 71 million acres of American farm and range land have now been protected with the necessary treatment for conservation of soil and water resources, according to the Soil Conservation Service. This figure includes work done through 1944 on private lands, both in soil conservation districts and for other programs. Approximately 41 percent of all the Nation's farm land is now included in the 1,200 soil conservation districts which cover some 437 million acres in farms and ranches of 45 States.

Chinese Agricultural Delegation Visits Southeast: Agricultural delegates to the U.S. from China are particularly impressed with the cooperation of field representatives of various Federal agricultural agencies in working with farmers in soil conservation districts, reports Walter C. Lowdermilk of the Soil Conservation Service. Dr. Lowdermilk has just returned from a tour of the Southeast as host to Dr. P. W. Tsou, representative of China's Ministry of Agriculture and Forestry and President of the Agricultural Association of China, and other Chinese agriculturists. This is the first of a series of such trips requested by Chinese officials.

Farm Labor: On December 15, 1944, there were 44,501 foreign agricultural workers employed on American farms, of which 33,647 were Mexican Nationals, 5,215 were Jamaicans, 4,756 were Bahamians, and 883 were Newfoundlanders.

According to reports from the Extension Service, approximately 98,219 prisoners of war had been employed on farms in 41 States during October.

State Production Goal Meetings Completed: State meetings held to inform State workers of WFA agencies and agricultural leaders of the 1945 production needs and to adopt State production goals were completed during December. The meetings considered production requirements for 1945, the outlook for materials and facilities, and in the light of all pertinent facts decided upon a production goal for each crop in that State. In the past these commitments have proved to be a fairly good guide to crop expectations, provided growing conditions are near normal.

Flax Production Program Being Developed: Work has been started on formulating a flax program to carry out the intent of legislation approved during December designed to secure a national flax planting of 5 million acres for 1945. This is a 64 percent increase over 1944. To assist in securing this increase, the Federal Crop Insurance Act authorized a \$30 million flax production program and for crop insurance on flax in 1945. The need for increased flax production arises from the importance of linseed oil production in the production of war equipment.

Additional Surplus Materials Distributed to Farmers: Approximately 15,000 surplus motor trucks and other motor vehicles have been sold thru the cooperative efforts of the Treasury Department and the Agricultural Adjustment Agency. The Quartermaster Corps, U.S. Army, has notified WFA that it is declaring as surplus horses and mules, leather goods, hand tools, grain, seed, wagons, and carts. AAA representatives are inspecting the livestock and other items at the depot to determine the usability of the material in agriculture and to take such steps as may be necessary to insure that agricultural interests have an opportunity to obtain needed items.

Land Prices Higher: During the four months ended November 1, farm real estate values continued to advance, increasing about 3 percent over the country as a whole. The Far Western States showed the largest gains. However, activity in the land market is slackening; indications are that the total volume of voluntary transfers since last March is about 10 percent less than in the same period of 1943. The general index of farm value per acre, for the United States as a whole, stood at 120 on November 1 (1912-14 being taken as 100), compared with 105 a year previous, 93 two years previous, 85 for the year 1941, and 73 in 1933 at the bottom of the depression. This index reached 170 during the inflation of 1920.

XI. WAR FINANCES

Expenditures

Total expenditures for war purposes in the first half of fiscal year 1945 amounted to \$44.6 billion, or 50 percent of the \$89 billion estimate for the fiscal year. War expenditures in December were \$7.5 billion, or at an adjusted annual rate of \$93.6 billion.

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Total F.Y. 1945</u>
	(B i l l i o n s)				
Monthly rate	\$7.1	\$7.5	\$7.6	\$7.5	\$44.6
Adjusted annual rate	84.7	90.1	90.7	93.6	89.7 (aver.)

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes decreased \$200 million in December to a total of \$399.2 billion. This reduction was due to the cancellation of \$1.9 billion of contract authorizations for the Navy, which was largely offset by an increase of \$1.7 billion in commitments of Government corporations. Net expenditures amounted to \$244.5 billion on Dec. 31, 1944.

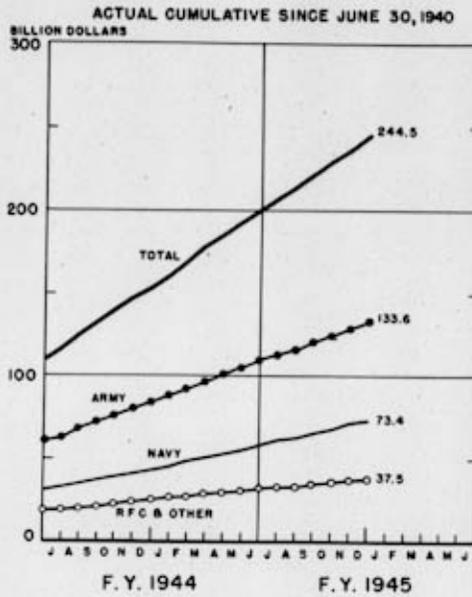
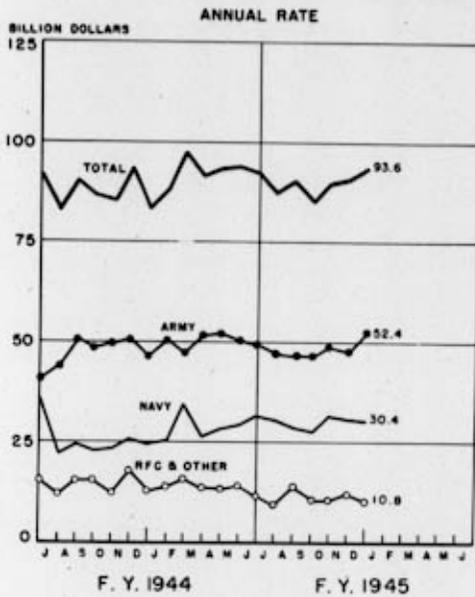
Appropriations and Expenditures, F.Y. 1941 Thru Dec. 1944 (Billions)

	Appropriations & Authorizations				Expenditures
	F.Y. 1941 Thru F.Y. 1943	F.Y. 1944	F.Y. 1945	Total	F.Y. 1941 Thru Dec. 1944
War Department	\$126.7	\$59.0	\$15.4	\$201.1	\$133.6
Navy Department	47.5	29.8	27.2	104.5	73.4
Maritime Commission	11.0	.2	5.7	16.9	9.3
Govt. Corpns. (commit.)*	19.9	4.3	1.6	25.8	8.9
Other	32.7	3.9	5.7	42.3	19.3
Est. approp. required beyond F.Y. 1945 for completion of Navy	—	—	—	8.6	—
Total	\$237.8	\$97.2	\$55.6	\$399.2	\$244.5

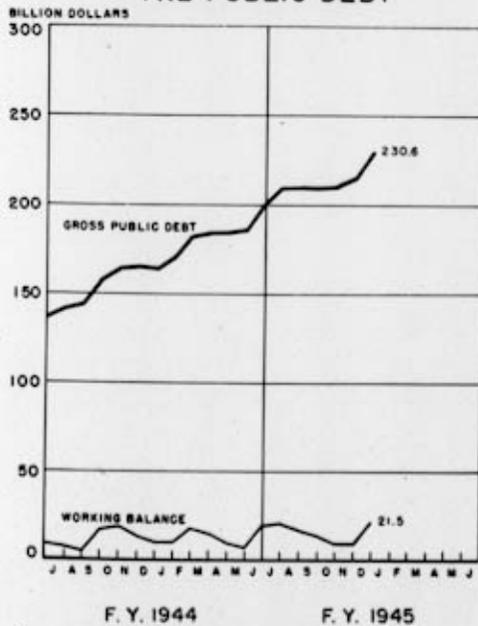
*Commitments do not reflect receipts (rents, repayments, and sales) totaling \$9.1 billion.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

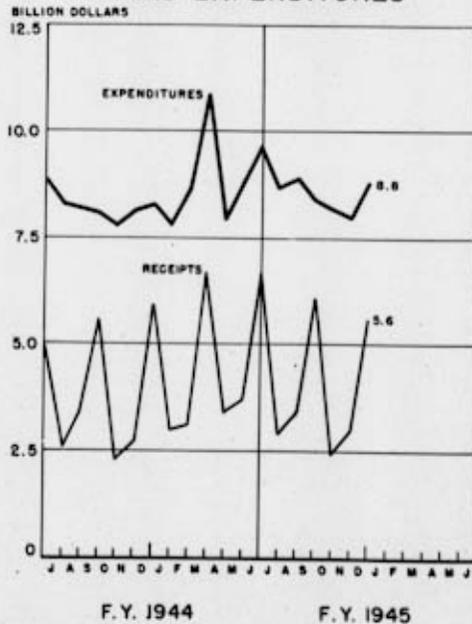
WAR EXPENDITURES



THE PUBLIC DEBT



TREASURY RECEIPTS** AND EXPENDITURES



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

** EXCLUDES PUBLIC DEBT ACCOUNTS

XII. ECONOMIC STABILIZATION

In December, reconversion plans were laid aside and the war production effort was redirected toward meeting for an indefinite period the requirements of a two-front war. Although output under critical programs, constituting one-fourth of munitions schedules in November, is expected to expand rapidly, the over-all munitions program is scheduled to decline gradually. The President's Budget Message indicates a decline in war expenditures from an estimated \$89 billion for fiscal year 1945 to \$70 billion in fiscal year 1946.

Civilian Supplies. To meet the manpower shortage, the fourth quarter 1944 authorized production level has been established, for purposes of materials allocation, as the top level of essential civilian production.

In a move to ensure equitable distribution of short supplies, the OPA re-instituted rationing of many meats and canned vegetables. Present prospects are for 15 percent less meat, both rationed and unrationed, for civilians during the first quarter of 1945, compared with the final quarter of 1944. Supplies of commercially canned vegetables on December 1, 1944, were reported by OPA to be 56 percent of the quantity available a year ago.

Manpower. The War Labor Board authorized increases up to 10¢ an hour for workers in foundries and forges where there has been a manpower shortage. Employers who violate War Manpower Commission regulations may now be denied critical materials, fuel, and transportation under a directive issued by the Office of War Mobilization. Spot authorizations for reconversion have been frozen for 90 days in critical labor areas.

Prices. Scattered increases in prices between mid-October and mid-November raised the cost of living one-tenth of 1 percent. Prices received by farmers reached on December 15 the highest level recorded since September of 1920, rising 2 percent over November 15. Prices paid by farmers rose 0.5 percent, largely as a result of an upturn in clothing prices. The Interstate Commerce Commission ordered another year's suspension of emergency freight rate increases but refused to cancel them as requested by Stabilization Director Vinson.

Social Security. In reluctantly approving the social security tax freeze, the President indicated that at an early date he will submit to the Congress a comprehensive plan for broadening and improving the social security system.

XIII. ADMINISTRATIVE DEVELOPMENTS

Chief administrative developments during December were (1) the further reorganization of the Department of State; (2) the resumed rationing of meats and most processed foods which had been abandoned earlier as a result of WFA pressure; and (3) the freezing of civilian production at levels of the last quarter of 1944.

State Department Reorganization

The reorganization plan of the State Department, announced December 20, was primarily a general assignment of functional units to the six Assistant Secretaries and a Special Assistant (Pasvolsky). It was thus only the first step in reorganization and an interim arrangement to serve while the new assistant secretaries are formulating organizational plans for their establishments.

The following changes, however, were worthy of note and further changes were in progress:

1. The placement of all economic offices under Mr. Clayton. (There remained the job of merging wartime and permanent economic units.)
2. Clarification of responsibilities for international conferences and organizations.
3. Consolidation of administrative services under General Holmes.
4. Merging of departmental and Foreign Service budgeting in one office.
5. Creation of a consolidated Staff Committee, Coordinating Committee, and Joint Secretariat, thus ending former confusion between the now abolished Policy and Post-War Programs Committees.
6. A more positive description of the central role of the geographic offices for policy coordination.
7. Clarification and formalization of departmental liaison with other agencies.

Among the major jobs ahead were those of modernizing the Foreign Service and building up an adequate general intelligence system.

Interdepartmental Leadership in Foreign Affairs

If the Department of State is to develop real leadership of the other agencies in foreign affairs, it needs to give increased attention to its liaison and operating arrangements with those agencies. Such leadership is a requisite of adequate coordination of our foreign activities.

In the past month, for example, the need was evident for coordinating our foreign financial policies through the Executive Committee on Economic Foreign Policy. Similar trouble areas existed in the coordination of policies on aviation, shipping, labor, and communications -- areas where the Executive Committee could also be used.

In fields of finance, aviation, and labor much still remained to be done in organizing U.S. participation in technical international organizations.

Foreign Surplus Disposal

The ultimate assignment of responsibility for foreign disposal of surplus property was still in doubt as the month ended. The dilemma: administratively the most logical place for the function was the Foreign Economic Administration (particularly in view of its work on foreign relief, disposal of lend-lease surpluses, requirements and allocations, export control, and purchasing aids to other nations). On the other hand, FEA had failed to organize adequately for the work in the past year when the responsibility was squarely on its shoulders.

Joint Missions in Liberated Areas

Agreement by State and FEA in recent weeks on joint chiefs for economic missions in most of the liberated areas augured well for the unification of U.S. economic activities there. The recent agreements were a marked improvement over the interagency controversies on the subject two months ago.

United Nations Relief and Rehabilitation

The current organizational and operational shortcomings of UNRRA were such as to merit the serious concern of the United States -- its chief sponsor and major supporter.

Morale in the organization, particularly abroad, was at its lowest ebb, with badly muddled internal and external relationships. The three-headed London organization had proved unworkable. The Administrative Council had not provided the necessary focus and direction; only the Supply Division seemed moderately well integrated. Relative overstaffing

with the slow-up of military progress in Western Europe had brought considerable staff frustration.

The causes were many, but included: the failure of top officials to give clear-cut operating decisions, the refusal of restored governments to welcome UNRRA, Russian opposition to a general manager in London, shipping shortages, and the prolongation of the military periods of occupation.

War Production Board

Non-military production was frozen at the fourth quarter 1944 level by action of the Requirements Committee. This policy presumed that the level of essential requirements for non-military end items should not exceed the fourth quarter 1944 production level authorized under approved programs, firm controlled materials allotments, or appeals. "Spot Authorizations" under Priorities Regulation 25 could be made, but on a more restricted basis than before.

For the first time in the history of the War Production Board and its predecessor, the Office of Production Management, a regulation was issued which permitted the direct use of the Title III priority powers of the Second War Powers Act (vested in the War Production Board by Executive Order) to enforce the program of another agency. Priorities Regulation 26 was issued for the purpose of strengthening the War Manpower Commission's employment ceilings and hiring regulations by authorizing the withdrawal or modification of materials priorities or allocations when the War Production Board determines that materials or facilities are not being used effectively as the result of failure to comply with war manpower programs.

Office of Price Administration

The return to rationing of most meats and processed foods resulted in a major increase in workload for the OPA field organization. The decision to return these items to rationing was made by the Director of Economic Stabilization after hearings and discussions with representatives of OPA and WFA, a process which again pointed up the need for systematic coordination between these two agencies.

With the general supply picture continuing unfavorable, the possibility of removal of certain items from rationing became quite remote. Shoe rationing, which was scheduled for discontinuance early this spring, was tightened. Gasoline rationing will not become more liberal, and there was a possibility of a tightening of rationing controls of passenger automobile tires. Based on earlier production and supply figures, it had been assumed that rationing of tires could be discontinued not later than February 15.

Drastic restrictions which WFB has imposed on spot authorizations temporarily relieved the growing workload on the OPA for price adjustments. OPA arranged to delegate to the field staff the major responsibility for price adjustments required for the production of new civilian items. This should speed up OPA decisions to firms which have been given approval for new civilian production.

OPA is now of the opinion that rent controls in many areas will have to be continued longer than was thought necessary in earlier planning and will have to be extended to new areas. Contrary to earlier expectations, the general housing shortage is such that rent pressure continues, even in areas where military camps are being demobilized.

Agriculture-War Food

During December the Department of Agriculture (War Food Administration) announced its fourth annual December administrative organization realignment. The Office of Production was abolished and its functions were transferred to the Agricultural Adjustment Administration and the Soil Conservation Service. Most of the administrative functions of the Commodity Credit Corporation were transferred to a newly created Office of Basic Commodities (the parity price support commodities). The Office of Distribution was abolished and its functions transferred in part to the Office of Basic Commodities and in part to the newly created Office of Marketing Services. No fundamental administrative changes appeared in this realignment.

National Housing Agency

During December the decision was reached that the continuation on a permanent basis of the concentration of housing functions in a single agency (NHA) was basically sound and in accord with the President's program.