

Report 53

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

February 28, 1945

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, D. C.

file

March 19 1945

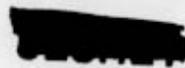
MEMORANDUM:

For the personal attention of the
President.

H. D. S.

Att.

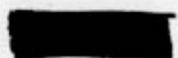
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I. SUMMARY

Active Military Strength

	<u>Total All Classes</u> <u>Feb. 1, 1945</u>
Army	8,070,929
Navy, Marine Corps, and Coast Guard	<u>3,887,364</u>
Total active-duty strength	11,958,293
Army overseas strength	5,152,466

(Pages 10-11, 22-23)

Aeronautical Program

February airframe acceptances were 71.3 million pounds — down 1% from January.
(Pages 2-3)

Combat planes on hand:

Army — 33,432 on February 28
Navy — 25,624 (est.) on January 31
(Pages 4, 6)

Strength, Feb. 1:

	<u>Total</u>	<u>Pilots</u>
Army Air Forces	2,307,457	151,787
Navy and Marine Corps aeronautical	<u>407,518</u>	<u>54,849</u>
Total aeronautical strength	2,714,975	206,636

(Pages 5, 7)

Navy Combatant Ship Construction, 1945

Jan. 1 thru Feb. 20 — 24 combatant vessels completed, as follows:
1 aircraft carrier (CV), 1 aircraft carrier escort, 2 heavy
cruisers, 3 light cruisers, 8 destroyers, 2 destroyer
escorts, and 7 submarines. (Pages 13-18)

Losses, United Nations' Merchant Ships

February losses, 225,000 DWT vs. 180,200 DWT in January
(Pages 24-25)

Surplus Property

Surplus property costing \$2.6 billion awaited disposal on Feb. 1.
(Page 31)

II. AERONAUTICAL PROGRAM

Aircraft Production

February airplane acceptances totaled 6,286, or 71.3 million pounds of airframe weight, excluding spares. The weight decreased 1 percent from January, and the number, 4 percent. There were 1,041 heavy bombers accepted, including 260 B-29's and 17 B-32's.

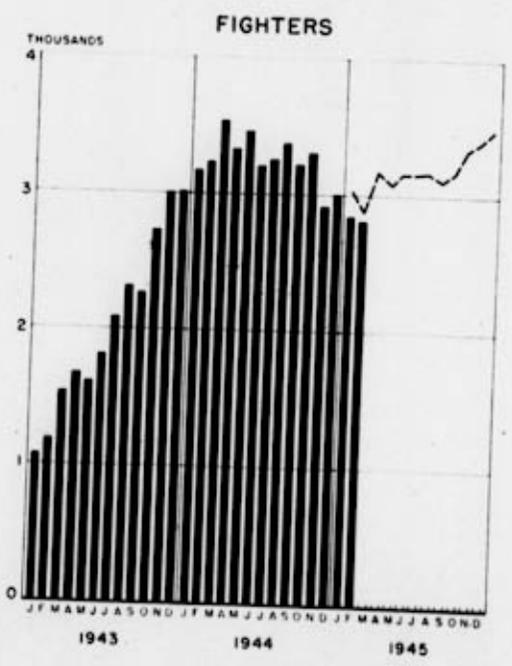
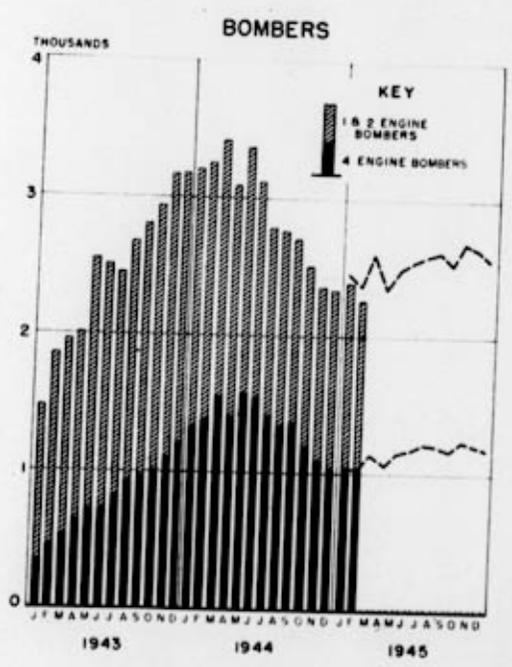
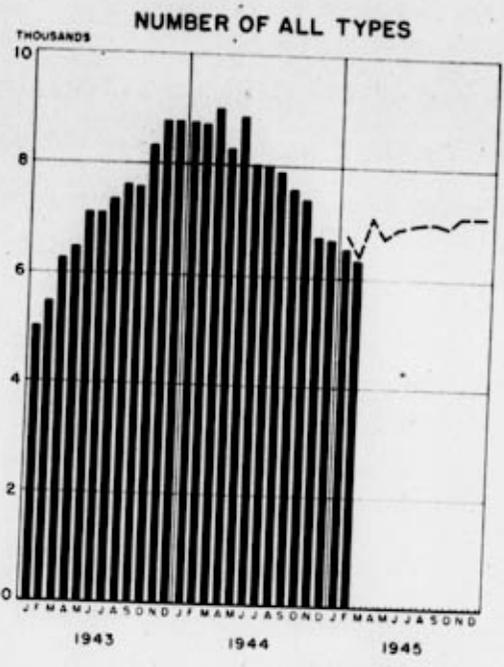
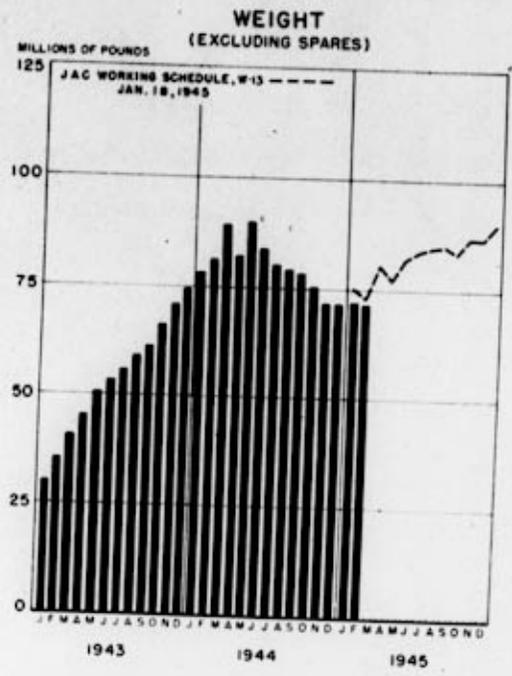
Aircraft Acceptances and 1945 Schedule

	Acceptances		Total Scheduled 1945*
	January	February	
Bomber, 4-engine, long-range	228	277	4,750
Bomber, 4-engine, other	811	764	8,684
Bomber, 2-engine	695	585	8,606
Bomber, 1-engine	663	637	7,840
Fighter	2,849	2,815	38,679
Naval reconnaissance	58	58	630
Total combat	5,304	5,136	69,189
Transport, 4-engine	63	79	1,457
Transport, 2- and 1-engine	590	525	5,954
Total tactical	5,957	5,740	76,600
Trainer	252	207	2,412
Liaison	203	244	3,001
Rotary wing	11	15	679
Target and drone	112	80	990
Grand total	6,535	6,286	83,682

*Actual acceptances, Jan. and Feb.; Joint Aircraft Committee Working Schedule W-13 revised thru Mar. 1, 1945.

CHART 1

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Army Air Forces

A. Airplanes. On February 28, the Army Air Forces had on hand 33,432 first-line combat airplanes, of which 20,777 (62%) were overseas. Four-engined bombers totaled 10,743, a decrease of 222 heavy bombers in February.

Airplanes of the Army Air Forces on Hand, Feb. 28 and Gains and Losses in February

	On Hand Feb.28 1945	Gains and Losses in February				Net Change
		Gains		Losses		
		Produc- tion	Other*	Opera- tional etc.	Other*	
<u>Combat</u>						
Bomber, very heavy	1,123	272	1	41	212	20
Bomber, heavy	9,620	685	67	549	445	-242
Bomber, medium	3,169	127	19	163	64	- 81
Bomber, light	2,167	182	5	75	74	38
Fighter	15,510	1,412	167	895	364	320
Reconnaissance	1,843	42	91	80	21	32
Total combat	33,432	2,720	350	1,803	1,180	87
<u>Transport</u>						
Heavy	2,441	257	34	53	3	235
Medium	5,058	52	20	76	42	- 46
Light	2,619	59	182	32	496	-287
Amphibian	20	0	0	0	1	- 1
Total transport	10,138	368	236	161	542	- 99
Total tactical	43,570	3,088	586	1,964	1,722	- 12
<u>Trainers</u>	14,708	192	43	88	1,279	-1,132
<u>Communications</u>	3,178	167	484	68	544	39
Grand total	61,456	3,447	1,113	2,120	3,545	-1,105

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

A.A.F. Airplanes in Continental U.S. and Overseas -- Feb. 28, 1945

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.:							
Not excess	3,927	819	916	5,766	3,436	14,172	29,036
Declared excess	79	70	69	492	556	1,935	3,201
Overseas	6,737	2,280	1,182	9,252	6,146	3,622	29,219
Total	10,743	3,169	2,167	15,510	10,138	19,729	61,456

B. Army Air Force Type Personnel. The estimated active-duty strength of the Army Air Forces totaled 2,307,457 on February 1 -- a decrease of 60,042 during January. Pilots totaled 151,787 on February 1.

AAF personnel overseas decreased 32,870 during the month to an estimated total of 1,104,711 on February 1.

Active-Duty Strength of the Army Air Forces
Jan. 1, Feb. 1, and Change in January

	Jan. 1	Est. Feb. 1	Jan. Change
Continental United States	1,229,918	1,202,746	-27,172
Overseas	1,137,581	1,104,711	-32,870
Total	2,367,499	2,307,457*	-60,042

*Includes: 147,378 pilots
4,409 glider pilots
27,711 bombardiers
29,037 navigators
6,380 bombardier-navigators

Bureau of Aeronautics

A. Airplanes. On February 1, the estimated total of useful combat airplanes on hand in the Navy, Marine Corps, and Coast Guard was 25,624. December losses of combat planes totaled 1,475 while gains were 1,830.

Navy Airplanes on Hand -- Dec. 1, Jan. 1, and Feb. 1
Showing Gains and Losses in December

Type	On Hand Dec. 1	December*		On Hand Jan. 1	Est. on Hand Feb. 1
		Gains	Losses		
<u>Tactical Combat</u>					
Fighter	11,477	933	561	11,849	11,786
Scout bomber (dive)	5,603	317	537	5,383	5,178
Torpedo bomber	3,764	297	204	3,857	3,959
Patrol bomber—sea	1,642	58	50	1,650	1,641
Bomber—land:					
4-engine	719	90	38	771	823
2-engine	1,101	90	21	1,170	1,138
Observation scout	1,119	45	64	1,100	1,099
Subtotal	25,425	1,830	1,475	25,780	25,624
<u>Tactical Non-Combat</u>					
Utility	1,449	62	23	1,488	1,505
Transport	911	52	14	949	953
Subtotal	2,360	114	37	2,437	2,458
<u>Training</u>	7,872	90	79	7,883	7,826
<u>Miscellaneous</u>	550	61	45	566	N.A.
<u>Experimental</u>	50	8	3	55	N.A.
Grand total	36,257	2,103	1,639	36,721	N.A.

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

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps totaled 407,518 on January 31. The number of pilots, 54,849, was 3,708 more than requirements, whereas non-pilots numbered 27,624 less than requirements.

Navy and Marine Corps Active-Duty Military Aviation Personnel*
Actual and Required — Jan. 31, 1945

	Navy		Marine Corps		Total	
	Requirements	Actual	Requirements	Actual	Requirements	Actual
Pilots**	41,196	44,665	9,945	10,184	51,141	54,849
Other:						
Officers	27,335	27,612	5,175	5,141	32,510	32,753
Enlisted	252,129	218,168	95,654	101,748	347,783	319,916
Total	320,660	290,445	110,774	117,073	431,434	407,518

*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 January 18 totaled 13,989, and 5,934 of these were in the last stage of training prior to commissioning. The total is a decrease of 271 during the four weeks from December 21, 1944. It is estimated that 13,827 student pilots will be in training on June 30, 1945.

III. ARMY

Status of 1945 Deliveries of Selected Critical Ordnance Materiel
(Includes International Aid and Navy Items Procured by Army)

Item	Deliveries		1945 Army Supply Program ^{1/}	1945 Deliveries January 1 to February 28			
	Jan.	Feb.		Cum- lative	0	25	50
<u>Combat Vehicles</u>							
Light armored car	232	144	2,477	376	█		
Light tank, M24	325	455	6,243	780	█		
Medium tank with 75mm and 76mm guns and 105mm Howitzer	1,198	1,346	13,803	2,544	█		
Heavy tank, M26 with 90mm gun	70	132	6,735	202	█		
<u>Motor Vehicles</u>							
1/4 ton 4 x 4 command	15,521	14,959	176,159	30,480	█		
3/4 ton 4 x 4 weapons carrier	5,979	5,136	76,552	11,115	█		
2 1/2 ton 6 x 6 cargo	14,631	15,426	182,432	30,057	█		
2 1/2 ton 6 x 6 dump	1,921	500	26,078	2,421	█		
2 1/2 ton 6 x 4 cargo	2,021	2,324	27,818	4,345	█		
10 ton 6 x 4 GSIC	767	566	7,106	1,333	█		
13 ton tractor, H.S.	150	163	2,486	313	█		
18 ton tractor, H.S.	182	168	3,218	350	█		
<u>Artillery</u>							
155mm gun 2/	65	65	742	130	█		
155mm gun 3/	278	286	4,697	564	█		
155mm Howitzer 2/	140	135	1,055	275	█		
155mm Howitzer 3/	160	165	2,494	325	█		
8 inch gun 2/	7	7	63	14	█		
8 inch Howitzer 2/	45	50	537	95	█		
8 inch Howitzer 3/	38	50	1,431	88	█		
240mm Howitzer 2/	25	25	184	50	█		
240mm Howitzer 3/	5	5	432	10	█		
<u>Small Arms</u>							
.30 cal. U. S. rifle, M1	97,000	81,000	1,233,000	178,000	█		
.30 cal. carbine M1	119,000	112,000	1,460,000	231,000	█		
.30 cal. machine gun	10,522	9,500	150,135	20,022	█		
.50 cal. machine gun	43,813	41,587	469,793	85,400	█		

^{1/} Approved procurement for the calendar year 1945

^{2/} On carriage

^{3/} Spare cannon only

17%
2 mo. = 17% of year

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

	Deliveries		1945 Army Supply Program ^{1/}	1945 Deliveries January 1 to February 28			
	Jan.	Feb.		Cumu- lative	% of 1945 A.S.P.		
				0	25	50	75
Small Arms Ammunition (Million rounds)							
All .30 cal.	258	319	6,148	577	■		
All .50 cal.	196	186	2,404	382	■		
Antiaircraft Ammunition (Thousand rounds)							
For 40mm gun	1,864	1,852	11,931	3,716	■		
Artillery Ammunition (Thousand rounds)							
For 60mm and 81mm mortar	3,416	3,731	66,102	7,147	■		
For 57mm gun	510	526	8,530	1,036	■		
For 75mm gun (exclusive of aircraft)	922	1,070	12,835	1,992	■		
For 76mm gun	593	653	6,944	1,246	■		
For 90mm gun	484	738	13,387	1,222	■		
For 105mm Howitzer	5,089	4,497	81,134	9,586	■		
For 155mm gun	323	354	6,031	677	■		
For 155mm Howitzer	863	854	14,286	1,717	■		
Bombs (thousands)							
100 lb. gen'l purpose	123	147	2,522	270	■		
500 lb. gen'l purpose	344	315	4,744	659	■		
100 lb. cluster-fragmentation	297	284	3,027	581	■		
Mines (thousands)							
Antitank	722	498	1,789	1,220	■		

^{1/} Approved procurement for the calendar year 1945

17%
2 mo. = 17% of year

Military Personnel

A. Strength. During January the active-duty strength of the Army increased 18,236 to a total of 8,070,929 on January 31.

Distribution of Army Active-Duty Strength, by Class
Dec. 31, Jan. 31, and January Change

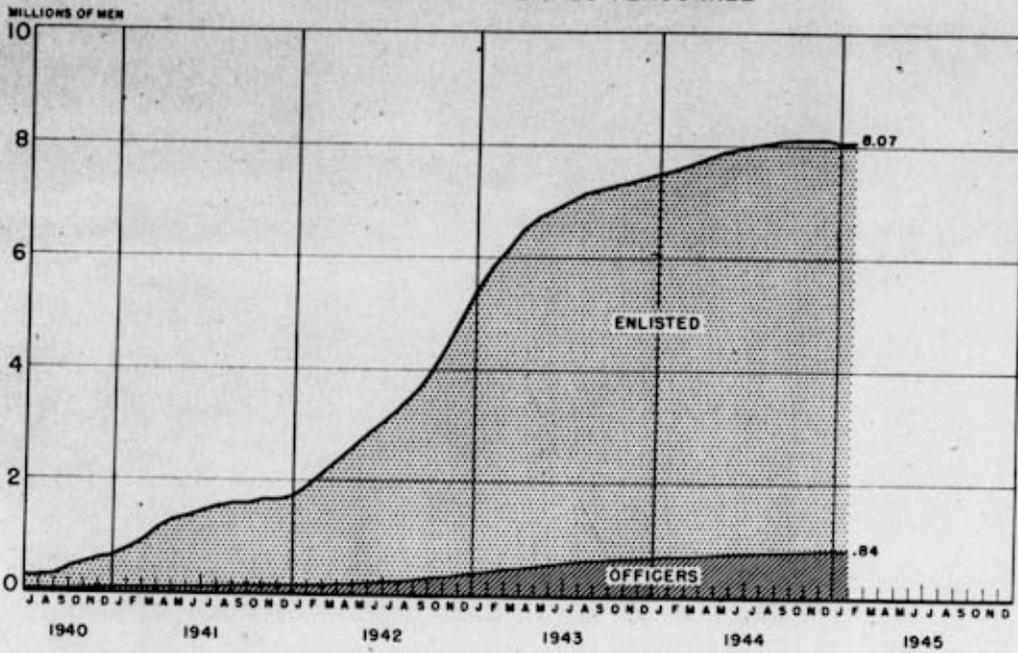
	Dec. 31	Jan. 31	Jan. Change
Male Officers:			
Commissioned	737,117	741,232	4,115
Warrant and flight	52,714	51,989	-725
Enlisted men and selectees	7,127,897	7,139,700	11,803
WAC	90,191	92,465	2,274
Other*	2,526	2,629	103
Subtotal	8,010,445	8,028,015	17,570
Army Nurse Corps	42,248	42,914	666
Grand total	8,052,693	8,070,929	18,236

*Female doctors, hospital dietitians, and physical therapy aides.

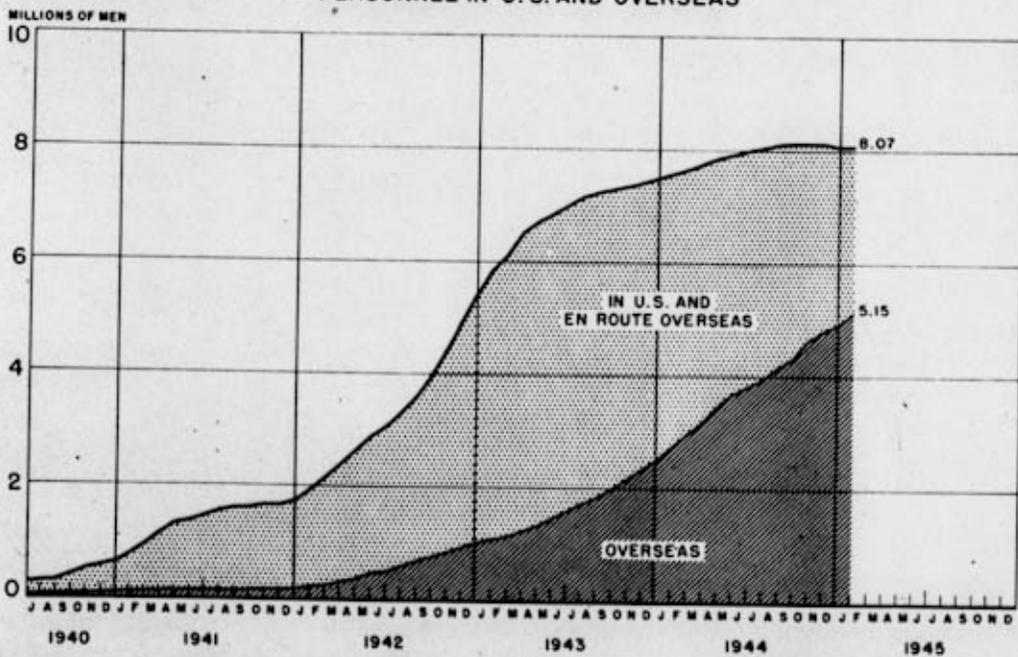
The Army active-duty strength overseas increased 218,784 in January to a total of 5,152,466 or 64 percent of the total Army strength on January 31.

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL

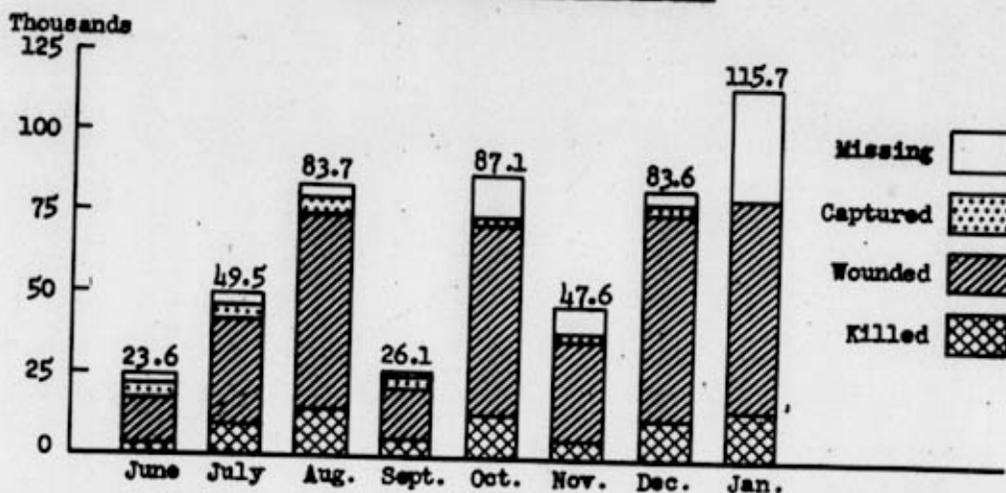


PERSONNEL IN U.S. AND OVERSEAS



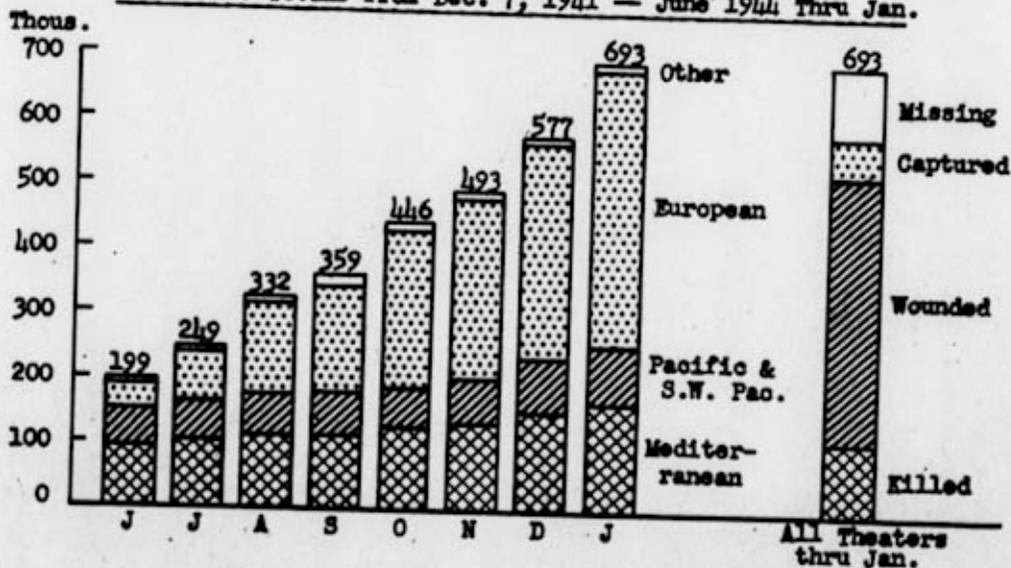
B. Army Casualties. During January, 115,694 battle casualties were reported, making a total of 692,553 between December 7, 1941 and January 31, 1945. Forty-six percent of the wounded have returned to duty.

Monthly Army Battle Casualties Reported
June 1944 Thru January 1945



The European Theater reported the largest number of casualties of any theater, with 427,976 or 62 percent of the total thru Jan. 31, 1945.

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



IV. NAVYCompletions of Naval Vessels

Twelve combatant vessels were completed in January, including the aircraft carrier BON HOMME RICHARD, and twelve more during the first twenty days of February. There are 186 additional combatant vessels scheduled for completion in 1945.

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

	1945			1944 Actual
	Jan.	Feb. Thru 20th	Balance Scheduled	
Combatant Vessels:				
Battleship	0	0	0	2
Aircraft carrier (CV)	1	0	9	6
Aircraft carrier, large	0	0	2	0
Aircraft carrier, small	0	0	1	0
Aircraft carrier, escort	0	1	16	38
Large cruiser	0	0	0	2
Heavy cruiser	0	2	10	1
Light cruiser	2	1	8	11
Destroyer	3	5	93	78
Destroyer escort	2	0	8	193
Submarine	4	3	39	79
Total combatant	12	12	186	410
Patrol craft	26	10	192	457
Mine vessels	2	6	52	181
Auxiliaries	68	27	422	599
Landing force vessels*	97	46	422	1423

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

Status of Construction of Selected Naval Vessels

Thirty percent of the 288 combatant vessels on order on January 31 had been launched, 40 percent were on the ways, and 30 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels, Jan. 31, 1945
(Includes Lend-Lease Vessels)

Type	New Construction on Order				Con- vert- ing
	Not Yet on Ways	On Ways	Launch- ed	Total	
Combatant Vessels:					
Battleship	0	2	0	2	0
Aircraft carrier	0	9	3	12	0
Aircraft carrier, large	0	3	0	3	0
Aircraft carrier, small	0	2	0	2	0
Aircraft carrier, escort	6	6	9	21	0
Large cruiser	0	1	0	1	0
Heavy cruiser	10	10	7	27	0
Light cruiser	5	14	4	23	0
Destroyer	54	47	28	129	0
Destroyer escort	0	0	8	8	0
Submarine	11	21	28	60	0
Total combatant	86	115	87	288	0
Patrol craft	82	41	55	178	0
Mine craft	0	6	47	53	5
Auxiliaries	59	59	96	214	222
Landing force vessels*	131	98	73	302	0

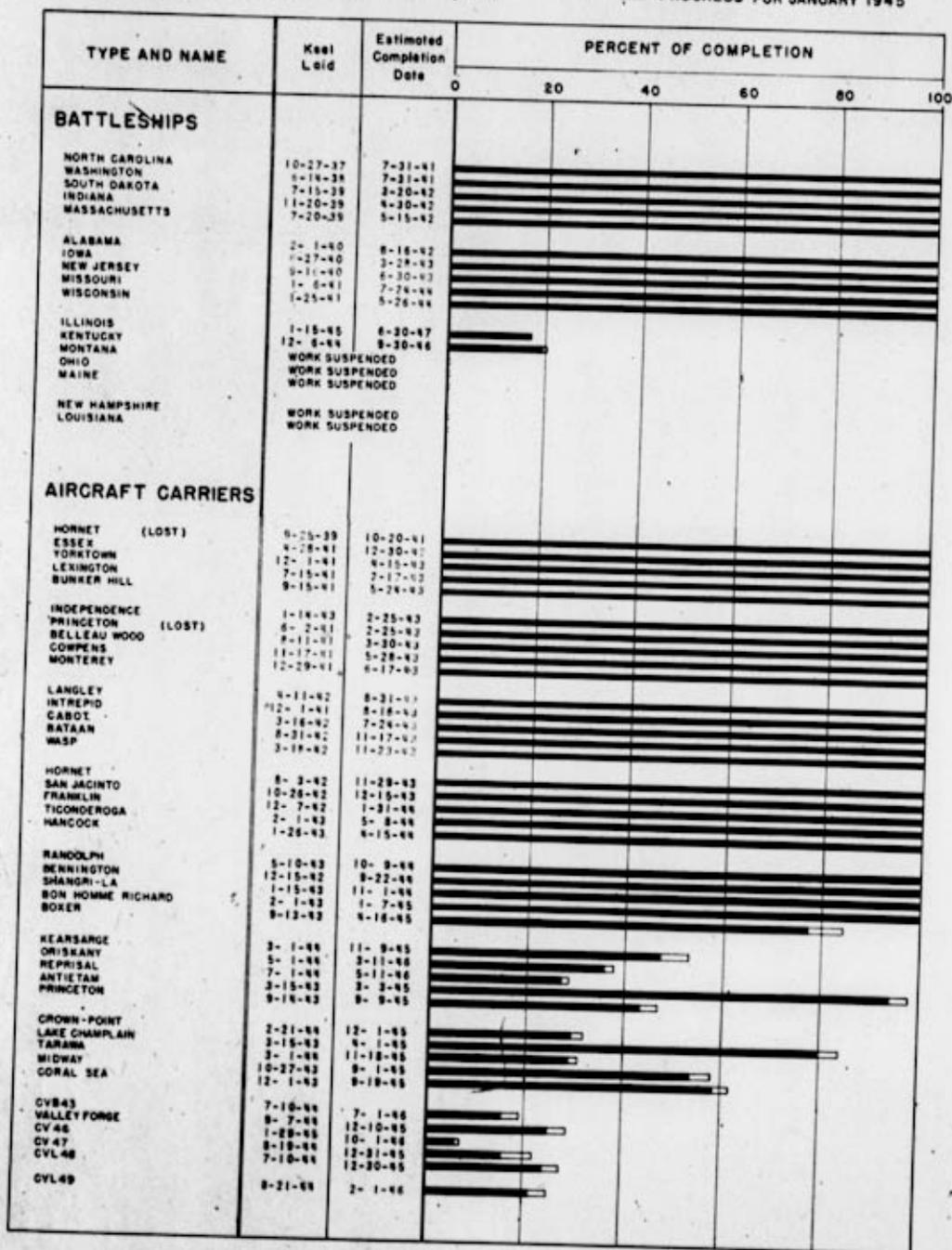
*LSD, LSV, LST, LSM, LSM(R), LCI(L), and LCS(L)(3).

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

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

■ PROGRESS JULY 1, 1940 TO JANUARY 1, 1945

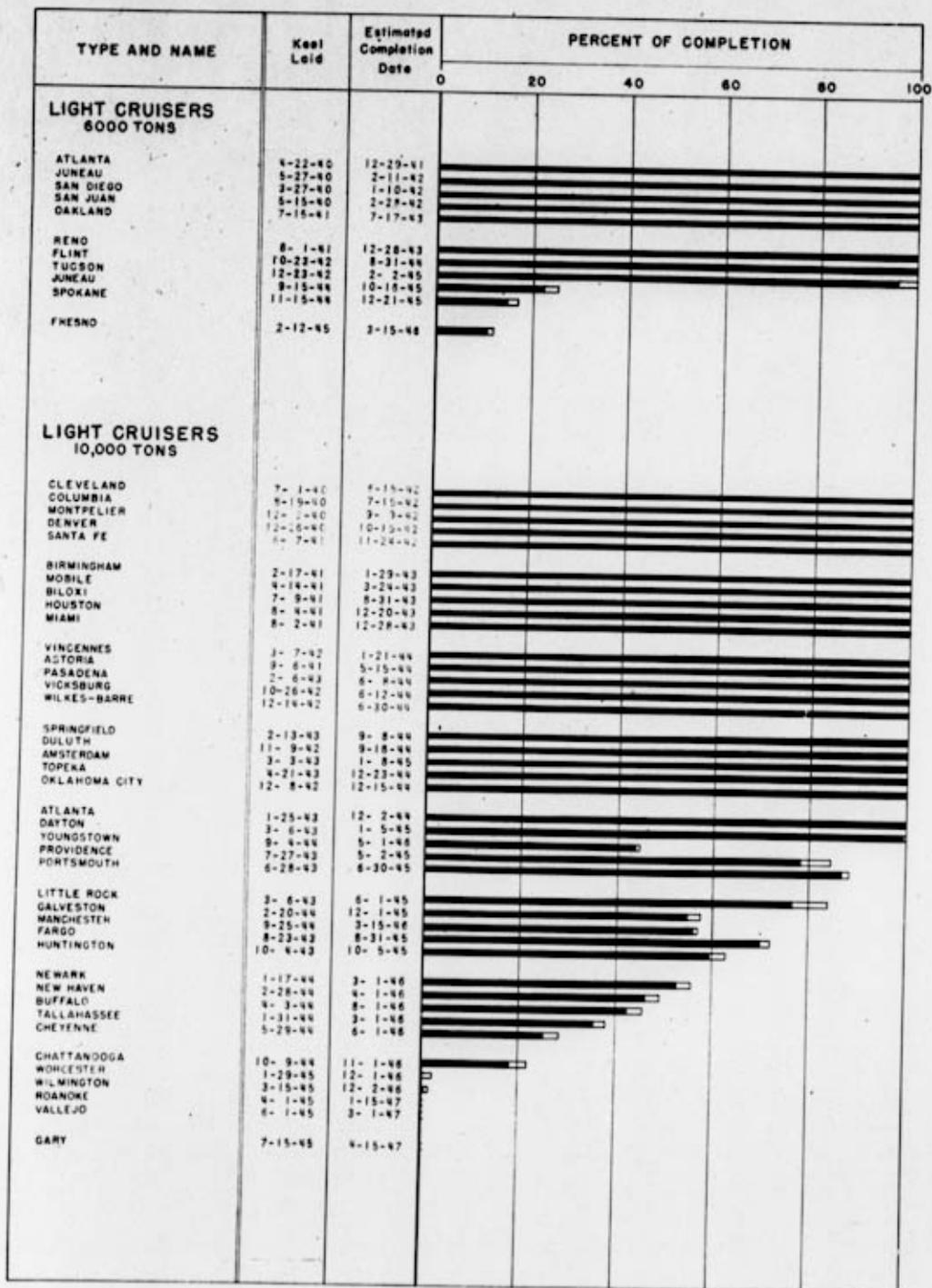
▬ PROGRESS FOR JANUARY 1945



CONSTRUCTION PROGRESS ON LIGHT CRUISERS

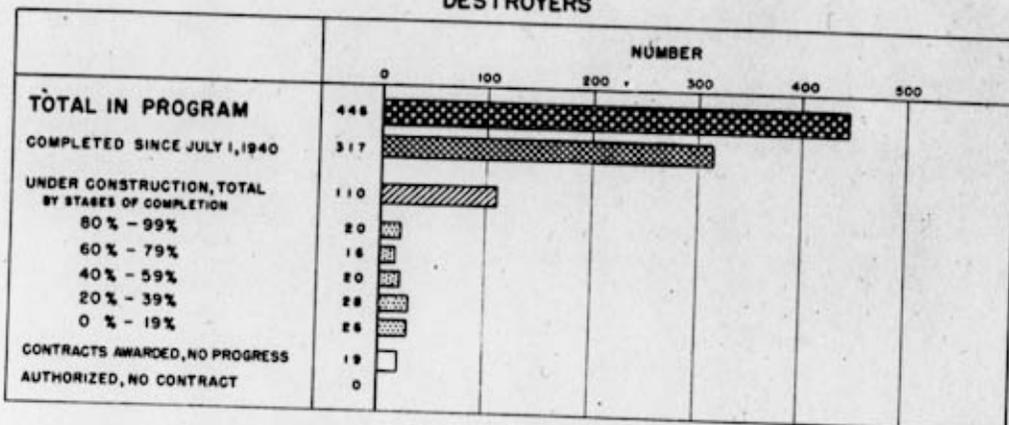
■ PROGRESS JULY 1, 1940 TO JANUARY 1, 1945

▬ PROGRESS FOR JANUARY 1945

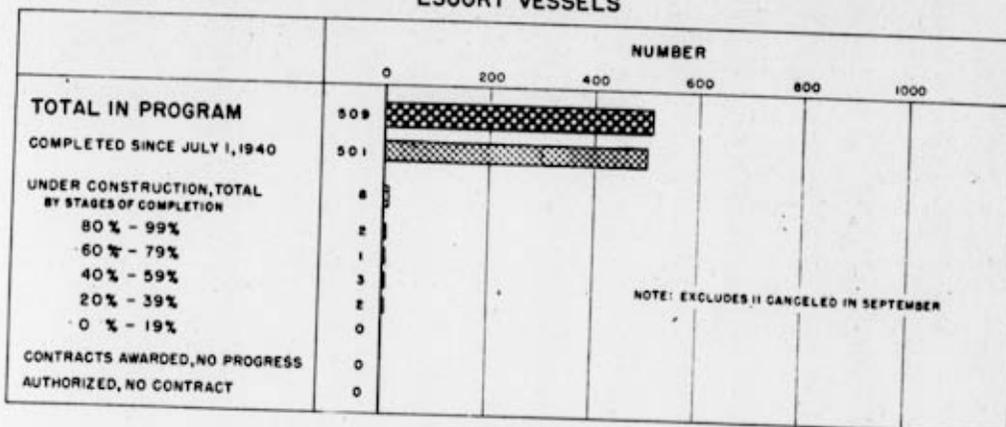


CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

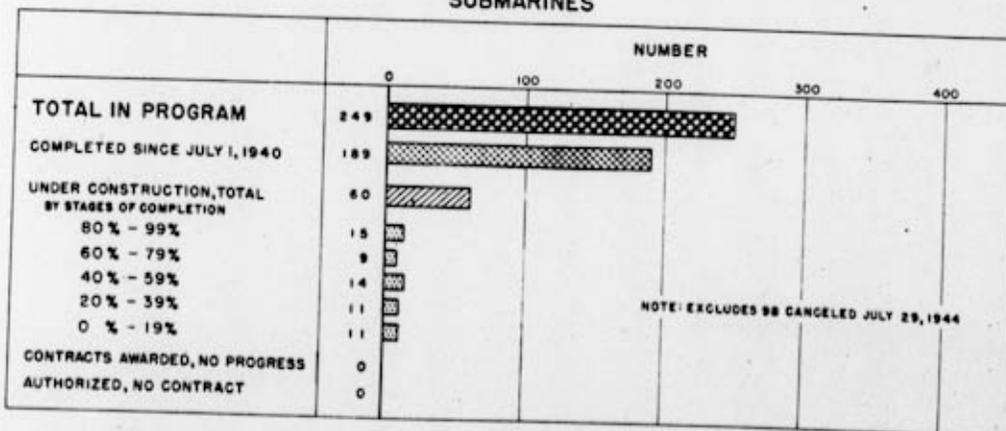
FEBRUARY 1, 1945
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on January 31 had increased 777 since June 30, 1940 to a total of 1,160. These figures reflect only publicly announced losses.

Selected Naval Vessels on Hand, June 30, 1940 and Jan. 31, 1945
(Includes Lend-Lease Vessels and Conversions)

	On Hand June 30 1940	New Comple- tions	Reduc- tions ^{1/}	On Hand Jan. 31 1945	Net Gain or Loss
Combatant Vessels:					
Battleship	15	10	2	23	8
Aircraft carrier (CV)	6	15	4	17	11
Aircraft carrier, large	0	0	0	0	0
Aircraft carrier, small	0	9	1	8	8
Aircraft carrier, escort	0	103	38	65	65
Large cruiser	0	2	0	2	2
Heavy cruiser	18	5	6	17	-1
Light cruiser	19	29	3	45	26
Destroyer	225	317	173	369	144
Destroyer escort	0	501	128	373	373
Submarine	100	189	48	241	141
Total combatant	383	1,180	403	1,160	777
Patrol craft	33	1,750	565	1,218	1,185
Mine craft	35	937	418	554	519
Auxiliaries	134	1,252	2/-9	1,395	1,261
Landing force vessels ^{3/}	0	2,384	432	1,952	1,952

^{1/} Publicly announced losses, leases, transfers, and reclassifications.

^{2/} Vessels added to the total on hand.

^{3/} ISV, ISD, IST, ISM, ISM(R), ICI(L), and ICS(L)(3).

Analysis of Reductions in Naval Vessel Strength

In February the following vessels were publicly announced by the Navy as lost: 1 aircraft carrier escort, 5 submarines, 3 patrol craft, 2 mine craft, 3 auxiliaries, and 1 large infantry landing craft.

A total of 129 combatant vessels have been announced as lost, 134 leased, 54 transferred or otherwise disposed of, and 97 reclassified through February 28, 1945.

Publicly Announced Losses, Leases, Transfers
and Reclassifications — July 1, 1940 Thru Feb. 1945

Type	Lost	Leased or Trans- ferred	Reclas- sified	Total Decrease
Combatant Vessels:				
Battleship	1	1/ 1	0	2
Aircraft carrier	5	0	0	5
Aircraft carrier, escort	5	38	2/ -4	39
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	58	50	65	173
Destroyer escort	8	90	35	133
Submarine	43	1/ 9	1	53
Total combatant	129	188	97	414
Other Vessels:				
Patrol craft	94	1/ 482	10	586
Mine craft	35	1/ 246	64	345
Auxiliaries	53	1/ 163	2/ -178	38
Landing craft ^{3/}	48	341	228	617
Total other	230	1,232	124	1,586
Grand total	359	1,420	221	2,000

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

2/ Vessels added to the total on hand.

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

Production of Naval Ordnance Materiel

Of the 18 items of Naval ordnance materiel listed below, 1945 deliveries of 12 are scheduled to fall below, and 5 to exceed, 1944 deliveries.

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

Item	Jan. Deliveries	1944 Deliveries	1945 Schedule					
			Amount	As % of 1944 Deliveries				
				0	50	100	150	200
<u>Torpedoes</u> 1/								
Surface craft	67	5,762	1,135					
Submarine 2/	942	11,078	11,792					
Aircraft 2/	144	6,456	1,494					
<u>Surface Fire Guns</u>								
Heavy, 12" and 16" turrets	0	11	11					
Medium, 8" and 6" turrets	1	96	54					
Light, 4" and 5"	19	194	154					
<u>Antiaircraft Guns</u>								
Heavy, 3" and 5" mounted barrels	319	8,170	2,107					
Light, 40mm and 20mm mounted barrels 3/	3,206	51,781	34,946					
<u>Fire Control Equipment</u>								
Gun directors	787	7,430	5,441					
Radar fire control	234	1,733	1,668					
Gun sights, Mk. 14	4,630	41,886	17,792					
<u>Ammunition</u>								
Heavy surface fire	14,705	119,749	206,730					
Medium surface fire	59,642	605,724	721,642					
Light surface fire	652M	7,130M	7,945M					
Antiaircraft:								
Heavy	699M	7,728M	7,064M					
Light:								
20mm AA	27,565M	374,957M	225,565M					
40mm AA	7,833M	87,805M	93,433M					
141	0	2,916M	0					

M = 1,000 rounds

1/ Turned into store

2/ Excludes the British-type torpedo

3/ Excludes 40mm singles which are procured from Army; includes new 20mm twins.

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased 17,325 during January to a total of 3,887,364 on January 31. The total was composed of 675,632 regulars, 3,102,779 male reserves, and 108,953 female reserves.

Strength of the Naval Services
Dec. 31, 1944 and Jan. 31, 1945

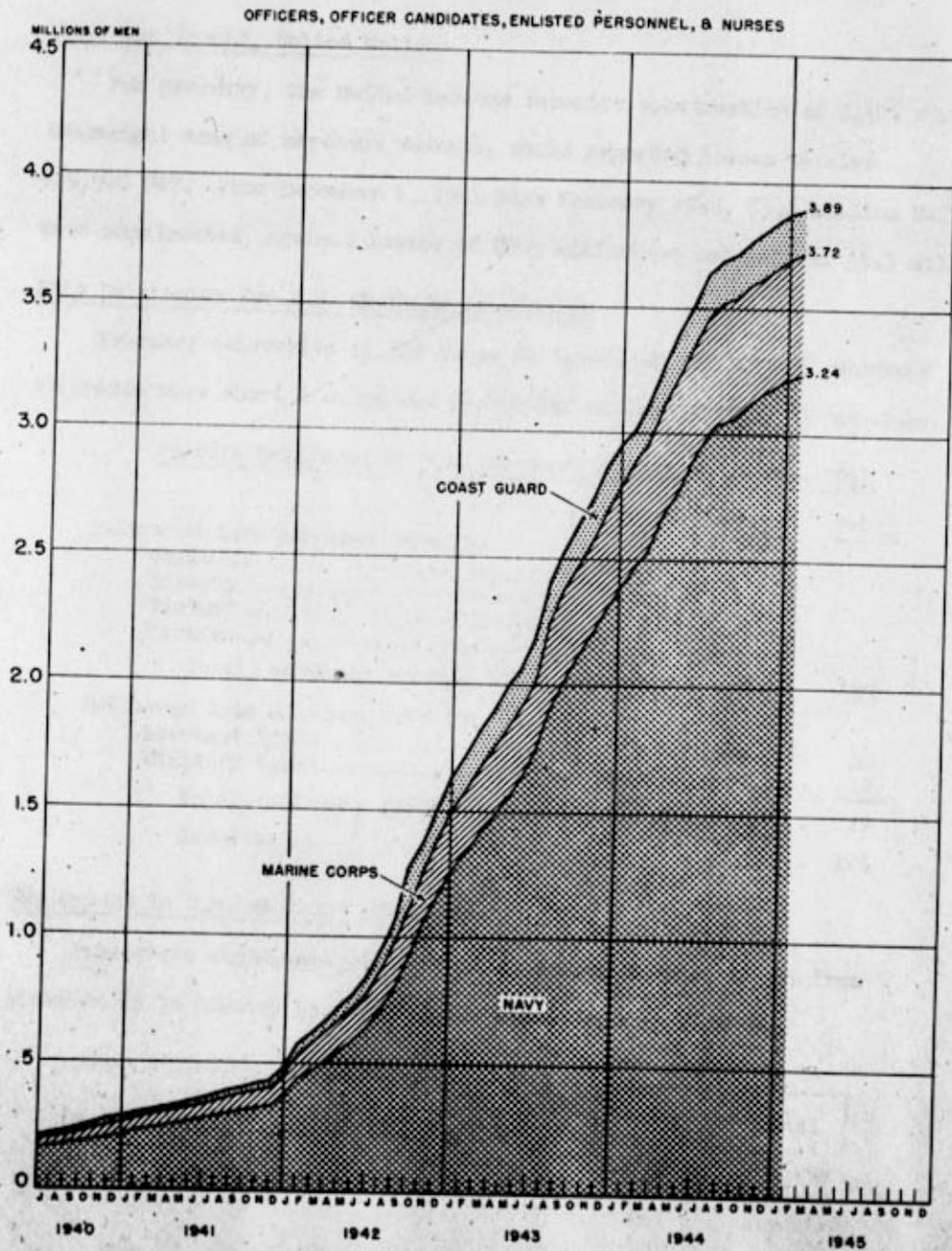
	Navy	Marine Corps	Coast Guard	Total
Officers	289,164*	32,562	11,070	332,796
Officer candidates	80,389	5,635	414	86,438
Warrant officers	22,695	3,224	1,654	27,573
Enlisted personnel	2,850,152	433,393	157,012	3,440,557
Total, Jan. 31	3,242,400*	474,814	170,150	3,887,364
Total, Dec. 31	3,227,525	472,682	169,832	3,870,039
Increase	14,875	2,132	318	17,325

*Includes 9,021 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



V. MERCHANT SHIPBUILDING PROGRAM

Gains and Losses, United Nations

For February, the United Nations reported construction of 1,425,000 deadweight tons of merchant vessels, while reported losses totaled 225,000 DWT. From December 1, 1941 thru February 1945, 53.6 million DWT were constructed, against losses of 20.3 million--a net gain of 33.3 million.

Ship Deliveries for U.S. Maritime Commission

February deliveries of 126 ships at 1,300,340 DWT by U.S. merchant shipyards were short 8 ships and 68,000 DWT of the February 15 schedule.

Vessels Delivered by U.S. Merchant Shipyards -- Feb. 1945

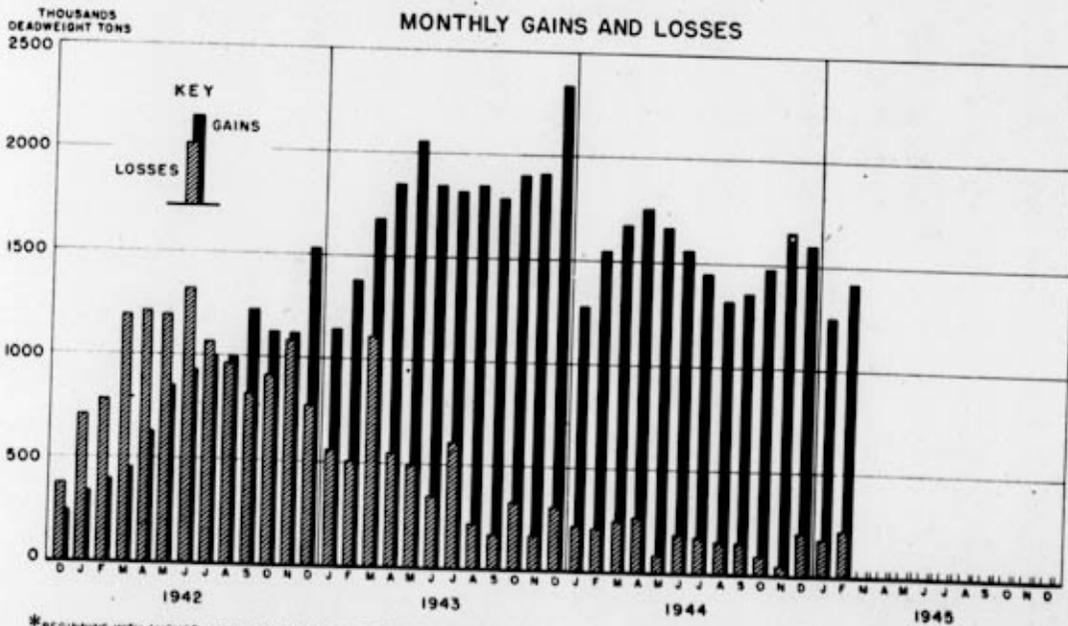
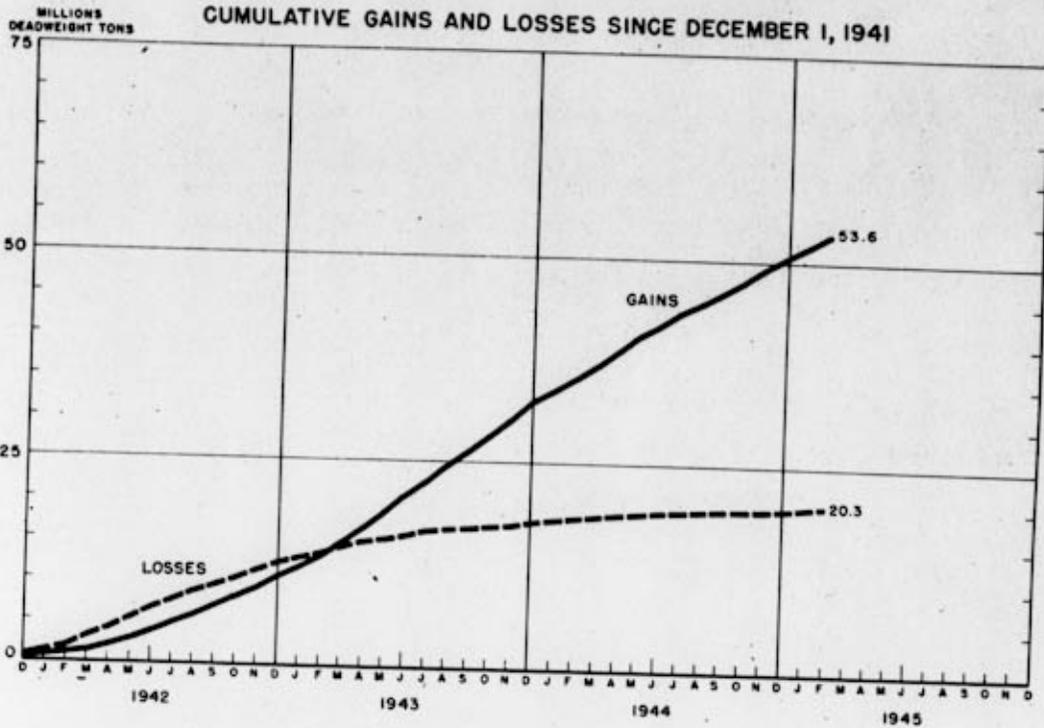
	<u>Major</u>	<u>Minor</u>	<u>Total</u>
Delivered into merchant service:			
Cargo	5		
Liberty	30		
Victory	36		
Tanker	20		
Total, merchant service	91	6	97
Delivered into military service:			
Merchant types	4	6	10
Military types			19
Total, military service			29
Grand total			126

Employment in U.S. Merchant Shipyards

Productive employment at merchant shipyards dropped 16,399 from December 15 to January 15, and 104,661 since January 15, 1944.

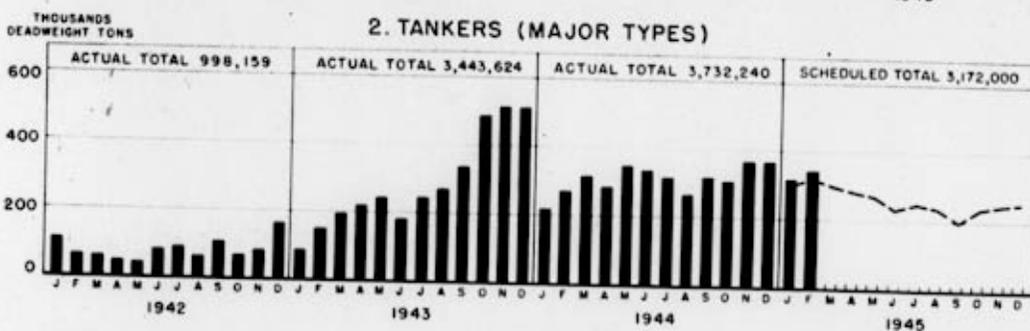
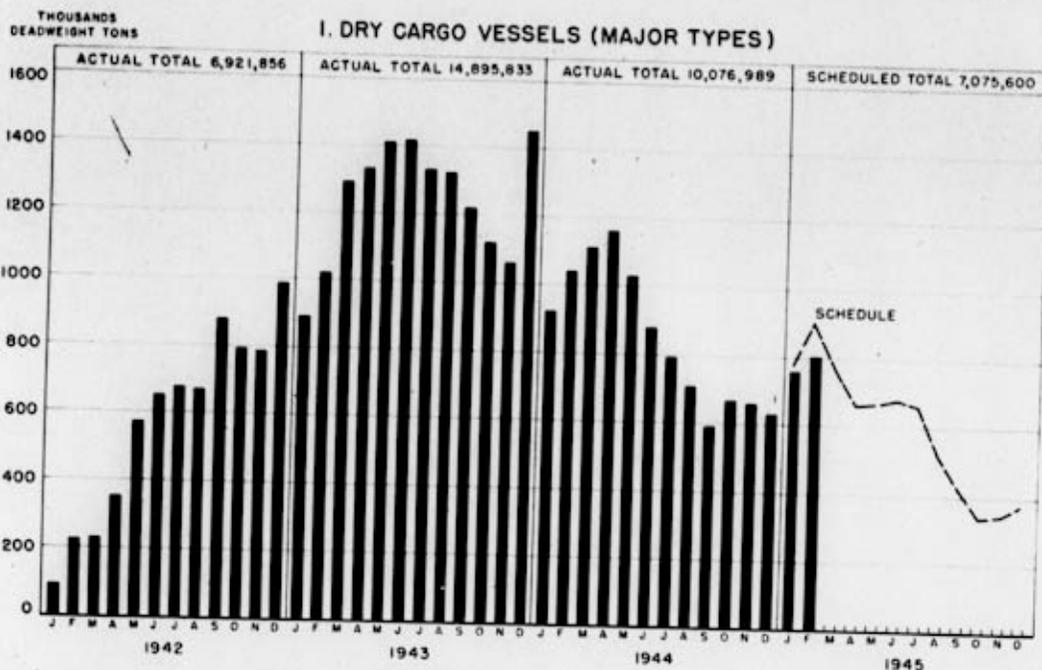
	Yards Employing		Total
	More Than 2,500	2,500 or Less	
Jan. 15, 1944	570,569	26,506	597,075
Oct. 15, 1944	505,868	11,278	517,146
Nov. 15, 1944	505,277	8,136	513,413
Dec. 15, 1944	499,383	9,430	508,813
Jan. 15, 1945	483,223	9,191	492,414

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.

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



VI. MANPOWER

The civilian labor force again declined between December and January, in large part as a result of heavy withdrawals for the armed forces. Although total employment declined by almost half a million, employment in munitions manufacture remained at December levels. Early in February, manpower needs in "must" plants totaled 166,800 as compared with 181,000 at the end of January.

In December, average hourly and weekly earnings and average hours worked were above November levels. Labor turnover was lower in December than in any month in the past two years. In January, less time was lost as a result of labor disputes than in any month in the last quarter of 1944.

Labor Force and Employment

An estimated reduction of 290,000 occurred in the civilian labor force between December and January. Unemployment rose by 160,000 -- a usual seasonal increase in this month. Total employment declined by almost half a million, predominantly a decline in employment in agriculture. Estimates for January 1945 and for December and January 1944 are as follows:

Employment Status	Persons 14 Years of Age and Over*		
	Jan. 1945	Dec. 1944	Jan. 1944
Civilian labor force	50,960,000	51,250,000	51,430,000
Employed	50,120,000	50,570,000	50,350,000
Unemployed	840,000	680,000	1,080,000
Nonworkers	42,080,000	41,710,000	42,230,000

*Excludes institutional population

Between December and January, there was a significant seasonal decline in trade and small declines in other non-manufacturing industries. Wage-earner employment in munitions manufacturing was virtually unchanged between December and January, although there were declines in other types of manufacturing employment.

Employment Trends in Programs on the National Production Urgency List

Total munitions output and employment did not rise in January over December because increases in urgent items were offset by scheduled shipyard cuts, or other reductions, and the results of extreme winter weather conditions. Gratifying employment gains were made in January in two of the most difficult programs to staff—namely, foundries and cotton duck mills. Upward employment trends continued in plants producing tire cord, explosives, heavy trucks, shell loading, small arms ammunition, Navy ammunition, high tenacity rayon, dry cell batteries, and air frames.

Immediate manpower needs in "must" plants totaled 166,800 on February 9, as compared with 181,000 on January 26, although 272 more plants had been added to the list, bringing the total to 1,514.

Hours and Earnings

A longer average work-week, together with an increase in employment, resulted in a 1 percent increase in hours of manufacturing time in the mid-week of December as compared with the mid-week of November. In December, hours worked averaged 45.6, weekly earnings \$47.45, and hourly earnings \$1.04. Average earnings in durable goods industries were \$53.69 a week and \$1.14 an hour, and in non-durable goods industries, \$38.40 a week and 88 cents an hour. Workers in mines averaged \$48.39 a week in anthracite mines, \$50.39 in bituminous coal, and \$45.98 in metal mines. Private building construction workers averaged \$53.40 a week, while workers in public utilities averaged from \$37.02 in the telegraph industry to \$49.71 in street railways and busses.

Labor Turnover

The separation rate in manufacturing industries in December (5.5 per 100 employees) was lower than in any month during 1943 or 1944. Accession rates were also correspondingly low (4.9 per 100 employees).

Labor Disputes

Fewer labor disputes were reported in January than in any month in the last quarter of 1944. During the month, there were 240 new strikes or lockouts, involving 44,000 workers and an estimated loss of 228,000 man-days, or .03 percent of available working time.

Occupational Shifts Since Pearl Harbor

From January 1942 to January 1945 there was a loss of 10 percent in the employment of men in civilian pursuits, against an increase of 39 percent in the employment of women, resulting in a net increase of 2 percent in the total. The only occupational groups which show a net increase in

the employment of men are clerical workers and the skilled crafts. The net effect of these changes has been to reduce the total number (both sexes) of farmers, proprietors, managers, and officials, sales workers, and laborers (both farm and non-farm) and to increase the total number of professional and semi-professional workers, clerical and kindred workers, craftsmen and kindred workers, operatives, and, to a lesser extent, service workers. These data do not reflect peak employment levels during the war, since January is generally a low month seasonally. Peak levels are found in the summer months when agricultural employment is at its height.

Occupational Distribution and Shifts in the Number of Employed Civilians
(Thousands)

Occupational Group	Total Jan. 1945	Net Change from Jan. 1942 to Jan. 1945					
		Total		Male		Female	
		Number	%	Number	%	Number	%
Professional and semi-professional	3,190	+ 300	+10.4	- 60	- 3.4	+ 360	+ 32.1
Farmers and farm managers	4,430	- 580	-11.6	- 620	-12.8	+ 40	+ 23.5
Proprietors, managers, officials	4,280	- 140	- 3.2	- 260	- 6.8	+ 120	+ 20.7
Clerical and kindred workers	6,540	+ 740	+12.8	+ 580	+22.1	+1,320	+ 41.5
Sales workers	2,550	- 160	- 5.9	- 480	-27.9	+ 320	+ 32.3
Craftsmen and kindred workers	6,900	+ 750	+12.2	+ 540	+ 8.9	+ 210	+233.3
Operatives and kindred workers	11,750	+ 820	+ 7.5	- 940	-11.4	+1,760	+ 65.7
Service workers	5,610	+ 190	+ 3.5	- 70	- 3.0	+ 260	+ 8.4
Farm laborers and foreman	2,150	- 10	- 0.5	- 300	-15.6	+ 290	+120.8
Laborers, except farm	2,720	- 870	-24.2	- 980	-27.6	+ 110	+275.0
Total employed	50,120	+1,040	+ 2.1	-3,750	-10.2	+4,790	+ 39.4

Additions to the Armed Forces

During January 1945 there were 151,000 persons added to the armed forces — 93,000 by induction and 58,000 by enlistment. The enlistments were higher than usual, primarily because a large number of 17-year-olds enlisted in the Navy after finishing the fall school term. Selective Service calls will continue at a high level throughout the first half of 1945.

VII. CONTRACT TERMINATION

Through January 31, a total of 131,307 terminations had been effected in prime war supply contracts, and the contract price of items canceled amounted to \$26.1 billion—an increase of \$600 million in January.

Summary of Terminations and Settlements of Prime War Supply Contracts
Cumulative Thru Jan. 31, 1945 (Millions of Dollars)

	Total	War Dept.	Navy Dept.	Other
ALL CONTRACTS				
<u>Contract price of items canceled in terminations</u>				
Settled	\$15,443	\$12,523	\$2,175	\$ 745
Pending settlement	10,665	6,347	3,823	495
Total, all contracts	\$26,108	\$18,870	\$5,998	\$1,240
<u>Number of terminations</u>				
Settled	121,705	32,491	4,259	84,955
Pending settlement	9,602	2,748	2,841	4,013
Total, all contracts	131,307	35,239	7,100	88,968
FIXED-PRICE CONTRACTS				
<u>Contract price of items canceled in terminations</u>				
Settled	\$12,994	\$10,711	\$1,630	\$653
Pending settlement	5,494	3,297	1,976	221
Total	\$18,488	\$14,008	\$3,606	\$874
<u>Number of terminations</u>				
Settled	121,263	32,137	4,228	84,898
Pending settlement	9,314	2,612	2,705	3,997
Total	130,577	34,749	6,933	88,895
COST-PLUS-A-FEE CONTRACTS				
<u>Contract price of items canceled in terminations</u>				
Settled	\$2,448	\$1,812	\$545	\$ 91
Pending settlement	5,171	3,050	1,847	274
Total	\$7,619	\$4,862	\$2,392	\$365
<u>Number of terminations</u>				
Settled	442	354	31	57
Pending settlement	288	136	136	16
Total	730	490	167	73

VIII. SURPLUS PROPERTY

About \$123,000,000 of Government-owned and controlled property was disposed of by the six designated disposal agencies and the Army and Navy in January. The Army and Navy accounted for \$96,000,000 of this, and the disposal agencies \$27,000,000 (sale price \$15,300,000).

At the end of January \$2,560,000,000 of excess and surplus property awaited redistribution, as shown in the following table.

Agency	Amount (millions)
Six disposal agencies	\$1,200
War Department:	
Serviceable property	380
Contractor-owned termination inventories	86
Inactive and excess facilities and installations	<u>288</u>
Total, War Department	754
Navy Department:	
Naval excess and Bureau surplus	79
Contract termination inventory	<u>73</u>
Total, Navy Department	152
Defense Plant Corporation:	
Plants held in standby	354
Plant agreements terminated or pending termination	56
Disposal center warehouse depots	<u>44</u>
Total, Defense Plant Corp.	454
Grand total	<u>\$2,560</u>

IX. AGRICULTURE AND WAR FOOD ADMINISTRATION

The demand for farm products is expected to continue at present high levels at least until there is some significant change in the military situation. Demand for meat by civilians is estimated at 160 to 170 pounds per year as compared with a probable consumption rate for the year of about 125 pounds. Farm income and farm prices were both down in February.

Livestock and meats short of demand. Prices of hogs probably will continue at or near ceiling levels for most of 1945, reflecting a strong demand and smaller supplies than last year.

With the current level of consumer incomes and at present retail ceiling prices, demand for meat by civilians is estimated to be 160 to 170 pounds of dressed meat per capita on a yearly basis. Civilian consumption in 1944 was about 147 pounds per person--the highest rate in 33 years. The best cuts of beef, pork, and lamb fell far short of the unrationed demand. On the basis of current allocations civilian supplies of meat in 1945 will be about 12 percent smaller than a year earlier, but could be considerably less if recently submitted military requirements were met in full. Civilian consumption for the year may average about 125 pounds per person. Although meat supplies will be particularly short during the spring and summer when slaughter will be at a seasonal low, supplies probably will be larger in the late fall.

Total production of meats in 1945 may be about 10 percent less than the estimated 24.7 billion pounds produced in 1944 (dressed meat basis). This will result from a sharp drop in pork production and a moderate reduction in lamb and mutton output. The combined production of beef and veal may establish a new all-time high.

Farm income declines. Current estimates place total cash receipts from farm marketings in February at 1,285 million dollars, 17 percent below January and 4 percent below February 1944. Income from crops dropped 20 percent compared with January. The decline of 45 percent in cash receipts from cotton and cottonseed was slightly less than usual, but the drop of 42 percent in income from tobacco was little more than half as great as the usual decline from January to February. Cash receipts from fruits and nuts in February were the same as in January, rather than slightly lower as is usual. Receipts from dairy products were slightly lower in February because of a decline in prices.

Farm prices down slightly. The index of prices received by farmers for February 1945 was 199, which is 2 points below the peak for World War II

reached in January. The index of prices paid by farmers (commodities, interest and taxes) for February was 172, the same as a month earlier. As a result of these changes the parity ratio for February of 116 was 1 point lower than for the previous month.

Hay for southern New England. Effective for 10 days, beginning February 27, shippers of hay in Nebraska and adjacent counties of Iowa and South Dakota must obtain a WFA permit to ship hay to destinations other than Massachusetts, Connecticut, and Rhode Island. A companion ICC order directs railroads to furnish 50 cars a day for the 10-days' period for shipment of hay to these states.

Poultry and egg prices up as supplies decline. Present indications are that egg producers will receive higher prices in the first half of 1945 than in 1944, since an 8 to 10 percent reduction in egg production is in prospect which will be accompanied by a strong civilian and military demand.

Major price supports announced. Price support actions for groups of highly important agricultural products were taken during February. February announcement provides ample time in advance of major planting and processing seasons for details of the program to become widely known. The most important announcements included:

- (1) Vegetables for canning — same as 1944 levels except for a \$6 per ton decrease for snap beans;
- (2) The 1944 pack of canned vegetables — certain canned vegetables to be purchased from certified processors at 86.5 percent of gross ceiling prices;
- (3) Distribution of sugar beet price support contracts to growers — designed to yield an average return (including receipts from processors) of \$12.50 per ton for average quality beets;
- (4) Early and intermediate potato support price schedules;
- (5) Dairy production payments for April-December 1945 — contingent upon Congressional action for the period following June 30 and upon war developments; and
- (6) More details on egg price supports — to be 24 cents per dozen, straight run, and 27 cents, candled.

In addition to these developments, it was announced that nonfederally inspected slaughterers will be eligible for subsidy payments on not more than 50 percent of the weight of hogs on which they collected payments last year, same period, in order to divert more hogs to federally inspected slaughterers. Transportation costs up to \$23 per ton on early cabbage shipped to kraut factories may be arranged through WFA in order to assure food use of the very large early southern crop.

Major set-aside or limitation actions for February included: (1) limitation of linseed oil inventories to one-third of the quantity used during the previous quarter; (2) a 100 percent set-aside order on canned poultry,

effective February 14; (3) additional set-asides and regulations on both beef and pork; and (4) potato permit plan -- requiring first offer to Government, and refusal, before normal trade sales -- was extended to Colorado and Red River Valley, and Michigan potato areas.

Liquor holiday production at thirty-two million gallons. During the January liquor holiday about 13 million bushels of grain were used to produce about 32 million proof gallons of beverage alcohol. An additional 3.4 million bushels were used in the production of industrial alcohol.

Lend-lease deliveries. January lend-lease deliveries of food and other agricultural products totaled 597.6 million pounds as against December deliveries of 391 million and January 1944 deliveries of 695 million. Major recipients were United Kingdom and British possessions, 273.9 million pounds; Russia, 196.6 million pounds.

Fat salvage pushed. New impetus has been given to the campaign to salvage used kitchen fats. Primary responsibility for this Nation-wide effort was recently transferred from WFB to WFA. A need exists for the salvage of 250,000,000 pounds of inedible used kitchen fats.

Steel for farm machinery cut sharply. The WFB has cut the steel available for the second quarter production of farm machinery and equipment for domestic farm use from 262,850 tons to 175,000 tons. Quantitatively, this will represent a 33 percent cut in new machines scheduled for production under Schedule B of Order L-257. This, together with the current lag in production of new items will have a serious impact on farm machinery production.

Cotton insurance gets under way. In cooperation with Federal Crop Insurance Corporation, AAA arranged and held two meetings in the cotton area for the purpose of explaining crop insurance procedure and approving the rates and yields to be used in the cotton producing States. Information was also prepared and transmitted to the field to assist the States and counties in the understanding of the crop insurance program and in the sales of crop insurance.

Mexican labor negotiations completed. Negotiations have been completed with the Mexican Government for the recruitment and importation of Mexican Nationals for agricultural work in 1945. Plans call for bringing in from 60,000 to 65,000 of these workers so that a maximum of 75,000 will be available to assist in the fall harvest. Most of this number will be imported prior to the blocking and thinning season for sugar beets. These are exclusive of the number that will need to be imported to offset repatriations. In order to provide some relief to the hard-pressed dairy farmers in the Northeast, the possibilities of recruiting additional dairy hands from Newfoundland are being explored.

I. WAR HOUSINGPublicly Financed

To January 31, 1945 a total of \$2,357,000,000 had been made available for the construction of public war-housing projects.

Including the Home Owners' Loan Corporation conversion program, a total of 587,600 family dwelling units, 171,100 accommodations for single persons, and 82,300 "stop-gap" accommodations had been programmed. Ninety six percent of all types had been completed.

Status of Public War-Housing Program -- Jan. 31, 1945

	New Construction				HOLA Conversions	Total Program
	Family Dwelling Units	Dormi- tories	Stop-Gap and Trailers	Total	Family Dwelling Units	
Completed	518,255	166,141	76,436	760,832	47,997	808,829
Under construction	15,161	795	2,391	18,347	1,625	19,972
Not started	5,877	4,149	3,526	13,552	448	14,000
Total	539,293	171,085	82,353	792,731	48,341	841,072

Privately Financed

To January 31, 1945 a total of 370,432 mortgages on privately financed war housing had been accepted under Title VI of the National Housing Act and 372,124 new dwelling units had been started.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT

XI. WAR FINANCESExpenditures

Total expenditures for war purposes in February were \$6,952 million, or at an adjusted annual rate of \$90.4 billion. War expenditures in the first eight months of fiscal year 1945 totaled \$59.2 billion, or 66 percent of the \$89 billion estimate for the fiscal year.

	Dec.	Jan.	Feb.	Total F.Y. 1945
Actual	\$7.5	\$7.6	\$7.0	\$59.2
Adjusted annual rate	93.6	88.0	90.4	89.2 (avg.)

Appropriations

In February, commitments of Government corporations for war purposes increased \$100 million, while the estimate of appropriations required beyond fiscal year 1945 for completion of the Navy was reduced \$600 million, making a net decrease of \$500 million in appropriations and authorizations for war purposes, which totaled \$398.8 billion on February 28. Net expenditures against this amounted to \$259.1 billion.

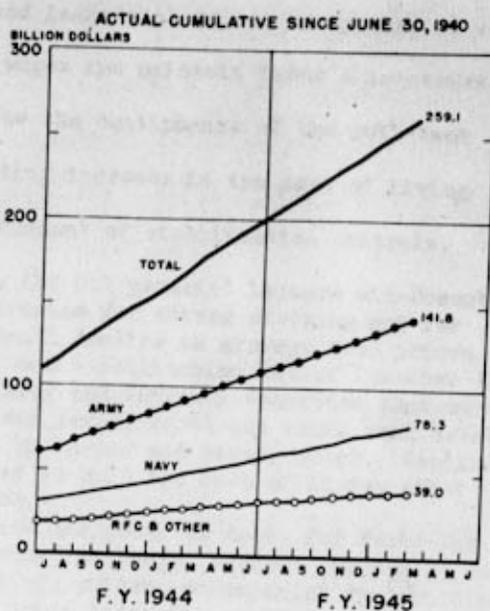
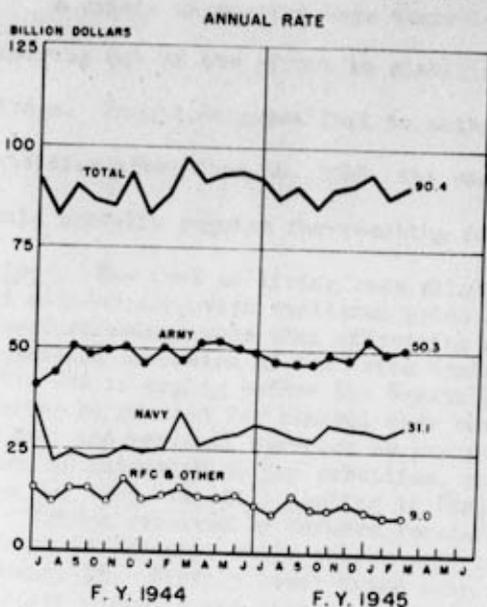
Appropriations and Expenditures, F.Y. 1941 Thru Feb. 1945
(Billions)

	Appropriations & Authorizations				Expenditures F.Y. 1941 Thru Feb. 1945
	F.Y. 1941 Thru F.Y. 1943	F.Y. 1944	F.Y. 1945	Total	
War Department	\$126.7	\$59.0	\$15.4	\$201.1	\$141.8
Navy Department	47.5	29.8	27.2	104.5	78.3
Maritime Commission	11.0	0.2	5.7	16.9	9.7
Govt Corps. (commit.)*	19.9	4.3	2.4	26.6	9.0
Other	32.7	3.9	5.7	42.3	20.3
Net approp. required beyond F.Y. 1945 for completion of Navy	--	--	--	7.4	--
Total	\$237.8	\$97.2	\$56.4	\$398.8	\$259.1

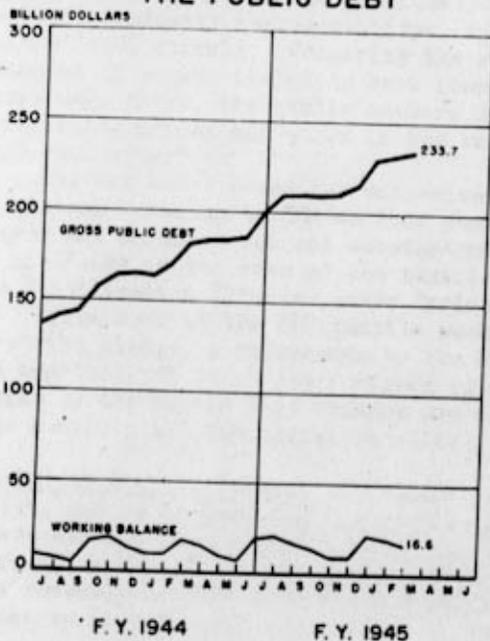
*Commitments do not reflect receipts (rents, repayments, and sales) totaling \$9.6 billion.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

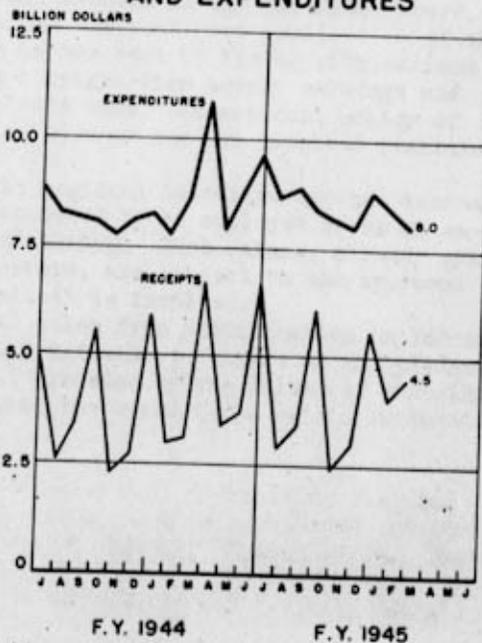
WAR EXPENDITURES



THE PUBLIC DEBT



TREASURY RECEIPTS** AND EXPENDITURES



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

** EXCLUDES PUBLIC DEBT ACCOUNTS

XII. ECONOMIC STABILIZATION

A crisis in wartime wage controls and industrial relations appears to be emerging out of the effort to stabilize wages and maintain labor's no-strike pledge. Should Congress fail to authorize the continuance of the roll-back subsidies after June 30, 1945, the resulting increase in the cost of living would probably require far-reaching realignment of stabilization controls.

Prices. The cost of living rose slightly (by 0.1 percent) between mid-December and mid-January, with scattered price increases for cotton clothing and for housefurnishings more than offsetting a small decline in average food prices. Requesting extension of the Price Control and Stabilization Act of December 31, 1946, CPA is urging before the Senate Banking and Currency Committee that authority be granted for control over business rents, rural and urban real estate prices, and personal services as provided by barber and beauty shops. Continuation of authority to pay subsidies, needed to hold the cost of living after June 30, 1945, is still pending in Congress.

Prices received by farmers receded from the peak, to date, for World War II reached in January, while prices paid remained unchanged between January 15 and February 15. Sharply lower truck crop and egg prices, accompanied by downturns in dairy products and cotton, lowered the price index for all farm products about 1 percent.

Wages. In a report to the President, public members of the War Labor Board, backed by industry representatives, supported the continued application of the Little Steel formula. Comparing the rise in the cost of living with various measures of wages, including both average straight-time hourly earnings and basic wage rates, the public members concluded that "the national policy of stabilizing prices and wages in the wartime economy has not impaired peacetime wage standards."

The War Labor Board has authorized its regional boards to approve increases in minimum rates up to 55¢ an hour when requested by an employer or by an employer and union to correct substandards of living. Such raises, already granted by the Board in the case of the textile workers, are subject to the approval of the Stabilization Director where "price relief" is involved.

Withdrawal of the CIO textile workers' union from participation in labor's no-strike pledge, a referendum by the United Automobile Workers on the pledge, and negotiations for a new contract in coal preceded by the filing of a strike notice by the United Mine Workers are setting the stage for a crisis in wartime wage controls and industrial relations.

Control of Capital Values. A drastic resale gains tax, proposed by Chairman Eccles, and other measures designed to curb speculation in securities and real estate are now being considered by the Office of Economic Stabilization. During February, margin requirements were boosted by Federal Reserve authorities, and more recently the New York Stock Exchange has eliminated all margin trading on stocks selling for \$10 or less per share.

III. ADMINISTRATIVE DEVELOPMENTS

During February the Yalta decision on postwar control of Germany emphasized the urgent administrative problems involved in the establishment of adequate machinery for such control. Continuing reorganization in the State Department clarified some organizational lines and pointed up areas where further clarification is needed. Action to strengthen the U. S. Foreign Service was producing results. Organizational clarification was reached on the division of labor between the State Department's information program and the Office of War Information.

Changes made in FIA were designed to provide better balance in its program.

Problem of Post-Hostilities Control of Germany

The outstanding development during the month of February concerning controls over defeated Germany was the Yalta announcement on that subject which helped to dispel some of the confusion that has hitherto existed. The Yalta declaration concerning the occupation and control of Germany made it clear that the U.S., U.K., and U.S.S.R. governments had agreed on the establishment of a central Control Council and on some of its operation. However, certain problems remain to be dealt with in order (1) to insure joint action in dealing with Germany, and (2) to overcome possible emphasis on zonal control which might lead to differences among the Allied powers that would adversely affect any postwar international security organization that might be contemplated.

Problems with Respect to Policy

It is essential that more detailed agreement be reached concerning joint policy toward Germany. Some time ago, the U. S. representative on the European Advisory Commission was directed to negotiate a basic U. S. paper on policy (Joint Chiefs of Staff No. 1067). That paper, in its original form, has since been withdrawn from the European Advisory Commission, which has prepared the way for negotiation of a General Order and certain Directives drafted previously by the U. S. side. The proposed General Order and the Directives, when negotiated in the European Advisory Commission, would provide an agreed policy concerning the control of Germany. However, before the U. S. representative on the European

Advisory Commission can negotiate the General Order and all of the draft Directives, delays in Washington in reaching decisions and in advising the U. S. representative on the Commission must be overcome.

Responsibility in Washington for decisions on matters concerning the occupation and control of Germany is now vested in several agencies with coordination being provided principally by the Joint Chiefs of Staff and SWANC (a State, War, Navy Committee). To date, there has been procrastination and confusion with respect to decisions on matters concerning Germany. Although responsibility for occupation in the initial period will be primarily military, in the long run the control of Germany involves decisions on political and economic questions of the greatest importance. There is a need for an integrated planning staff to advise the U. S. representative on the European Advisory Commission during the preoccupation period and the U. S. member of the Control Council in the occupation period.

Problems with Respect to Organization of the U. S. Group for the Control Council, Germany

In order to make joint control of Germany effective, strong machinery must be established at the central Control Council level, as well as in the zones of occupation. Emphasis on zonal occupation at the expense of strong central control would lead to differences among the zones and among the Allied powers which would adversely affect international cooperation in the postwar period. Joint agreement at the Control Council level is necessary in order to preserve unity among the Allied powers and to prevent divergent policies from developing. At the present time, the U. S. Group for the Control Council, Germany, is inadequately staffed and from an organizational point of view is not yet prepared to go into Germany and exercise control functions.

State Department

Reorganization of economic functions. Assistant Secretary Clayton's economic functions have been regrouped in three main offices: (1) Transportation and Communications, (2) Financial and Development Policy, and (3) International Trade Policy. The newly created Office of Financial and Development Policy should strengthen the Department's work in these fields, including economic and development projects abroad in which the U. S. is interested. Gradually the new organization should eliminate the duplication and confusion in the economic units that prevailed prior to the general reorganization of December 20, 1944. However, much remains to be done to clarify the responsibilities of the three offices, and to merge completely the so-called "wartime economic functions" with permanent economic policy work. Beyond this, the Department will need to give continuing attention to the relationships of activities under Assistant Secretaries Clayton, Rockefeller, and MacLeish, if duplication is to be avoided in the American Hemisphere.

Reorganization of Foreign Service Headquarters. The Office of the Foreign Service, administrative headquarters for missions abroad, is being expanded and reorganized to meet increasingly complex organizational and personnel problems. Three new divisions are being added to the existing three divisions so that the Office will include Divisions of Foreign Service Planning, Foreign Service Personnel, Training Services, Reporting Services, Consular and Administrative Services, and Foreign Buildings Operations. Traditional functions are being reshuffled and new responsibilities added in the fields of planning, personnel, training and reporting. Additional effort will be required to perfect the new machinery and to staff it adequately. However, the reorganization marks the most important single step taken by the Foreign Service to gear itself to meet growing responsibilities.

Field Surveys. The Secretary, Assistant Secretary Holmes, and the Office of the Foreign Service have sent three missions to Europe, Africa, and South America to survey the U. S. Government's establishments in those areas and recommend measures to increase their effectiveness. Each survey team will spend about two months in the field. The teams include representatives of the public or the business community, Bureau of the Budget, and the Foreign Service. The teams have been given broad terms of reference and their recommendations, to be made upon their return, should provide another long step in increasing the effectiveness of the U. S. representation abroad.

Responsibility for International Conferences. The Department is still in the process of clarifying internal responsibility for the conduct of international conferences—a problem highlighted by unfortunate past experiences when the U. S. Government has acted as host. Under the reorganization of December 20, 1944, this responsibility was placed upon Assistant Secretary Acheson, in addition to his duties in handling Congressional relations. At Mr. Acheson's request, however, the Secretary has relieved him of the responsibility for international conferences. The establishment of permanent conference machinery is in abeyance while the whole Department concentrates on the forthcoming United Nations meeting in San Francisco.

Office of War Information

A recently established informal committee of State Department and OWI representatives made two important decisions concerning OWI's 1946 program: (1) The Office of War Information will continue to construe its functions as "emergency" rather than "long-range," and certain OWI programs will be modified in accordance with State's wishes; long-range programs will not be taken on; and (2) although OWI will not expand its program, its tapering-off activities may take place over a longer period of time because of State's desire to have an emergency program continued until conditions are ripe for any approved peacetime program of information.

The estimates of OWI for 1946 as submitted to the Budget Bureau reflected significant improvements in management which have taken place during the past twelve months. The project system for budgetary and program control and the outpost management division have been effective added instruments for topside policy direction of operations.

Foreign Economic Administration

The organization of the Bureau of Areas in FEA was improved through better balance of work among branches and closer conformity to area organizations of State and the Army. As reorganized, the branches were: British Empire, USSR, Far East and other Territories, Pan American, European, and Enemy.

Greatest uncertainty surrounded the work of the Enemy Branch because of the current confusion on U. S. policies toward control of the German economy, lagging plans for the development of adequate administrative machinery for such control, and questions as to FEA's proper role in the relevant planning.

Coordinator of Inter-American Affairs

Implementation of the recent decision of the State Department to utilize CIAA as an instrument for carrying out U. S. foreign policy in Latin America in the transition and postwar periods would be a distinct change from former plans to liquidate the agency as soon as possible after victory. Close administrative coordination will be necessary if the area programs of CIAA are not to conflict with the postwar work of the Bureau of Foreign and Domestic Commerce, technical assistance on foreign economic development work under central direction by the Inter-Departmental Committee of the Department of State, and the information programs of State and OWI.

War Production Board

The Office of War Mobilization and Reconversion assignment to WPB to reconsider post V-E Day plans, using existing machinery to do so, promised to produce a workable program with a minimum of public discussion.

Because of the general tightening in the materials situation, the conversion and salvage functions were reestablished in WPB.

Federal Loan Agency

Administrative problems may result from the appointment of a Federal Loan Administrator. Since the Federal Loan Agency is now co-extensive with the RFC and its subsidiaries, the RFC has two heads — the RFC Board of Directors and the Federal Loan Administrator. Additional legislation