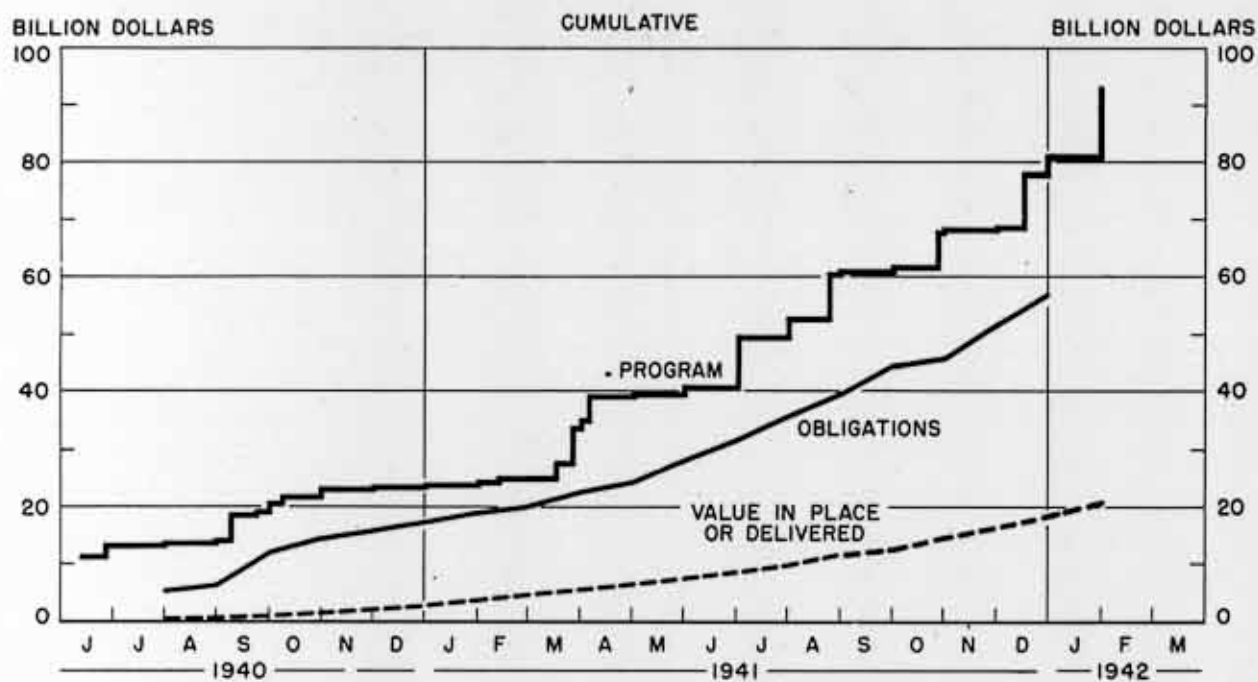


PRESIDENT'S SECRETARY'S FILE  
Subject File  
War Production Board: "War  
Progress": 2/20-4/10/42  
Box 171

# TOTAL WAR PROGRAM



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## UNITED STATES EXPORTS TO LATIN AMERICA, 1940 AND 1941

DOMESTIC EXPORTS TO LATIN AMERICA DURING 1941 TOTALLED \$1,020 MILLION, THE HIGHEST SINCE 1920. EXPORTS OF DIRECT AND INDIRECT WAR MATERIALS DURING 1941 INCREASED 20 PERCENT OVER 1940, BUT REPRESENTED A SMALLER SHARE OF TOTAL SHIPMENTS; EXPORTS OF CONSUMER GOODS INCREASED BY 50 PERCENT DURING THE SAME PERIOD.

IT WILL BE DIFFICULT HOWEVER, TO MAINTAIN EXPORTS BEYOND THE LIMIT OF THE SHIPPING TONNAGE REQUIRED FOR ESSENTIAL IMPORTS FROM LATIN AMERICA.

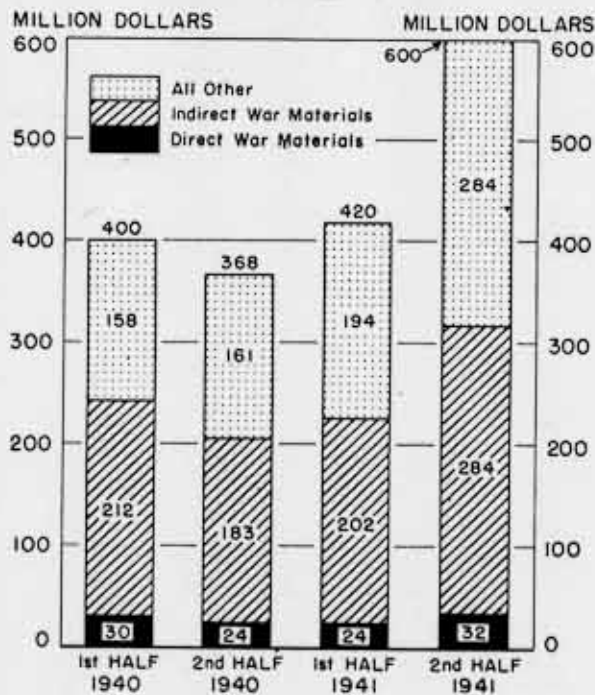
Domestic exports to Latin America<sup>a</sup> totaled \$1,020 million during calendar year 1941; imports for consumption totaled \$1,029 million. The exports were 30 percent greater than 1940 shipments of \$768 million, and represent the highest total since 1920. The increase in the value of shipments largely reflects an expansion in physical volume over 1940, although prices were slightly higher during 1941.

The accompanying chart shows that the value of exports of each of three broad commodity categories, primary war materials, secondary war materials, and "all others" in the last six months of 1941 was the highest half-yearly total during the two year period.

Exports of direct war materials such as airplanes, explosives, and

arms increased from \$30 million in the first half of 1940 to \$32 million in the last half of 1941. During the first six months of 1940

### VALUE OF DOMESTIC EXPORTS TO LATIN AMERICA 1940 AND 1941





such exports constituted 7 percent of total shipments; during the last half of 1941, they represented 5 percent of the total.

The value of exports of indirect war materials including iron and steel products, electrical and industrial machinery, and industrial chemicals increased from \$212 million during the first six months of 1940 to \$284 million during the last half of 1941. Despite this increase in dollar values exports of these materials dropped from 53 percent of the total exports to Latin America in the first half of 1940 to 47 percent in the last six months of 1941.

The value of "all other" commodities, largely consumer goods, exported to Latin America during the first half of 1940 totaled \$158 million, or 40 percent of the total exports to our southern neighbors. During the last half of 1941 exports of these goods totaled \$284 million, or 47 percent of total. Increased shipments of cotton and rayon semi-manufactures and manufactures, and dried and canned vegetables and foodstuffs accounted for most of the gains.

Despite substantial increases in total exports, complaints have been voiced that the Latin American countries have not been able to obtain an ample supply of necessary commodities from the United States.

To overcome the chief difficulties, the following steps have been taken by the United States to improve inter-American wartime economic cooperation: (1) To remedy the rise in the prices of export goods, ceilings were set approximating current domestic prices. (2) To alleviate the tight credit situation, and expedite the movement of merchandise to the Latin American nations, the Export-Import Bank will acquire goods by paying United States exporters or shippers directly, thereby eliminating the risks of foreign credits to exporters. The United States Government will act as the exporter of the goods, and assume the responsibility for delivering the goods as well as arranging for payment at destination. (3) To provide an adequate distribution of war materials, based upon the relative needs of the United Nations, a policy of specific materials allocations was adopted for Latin America. Well defined export quotas were established for the shipment, during the first quarter of 1942, of 25 critical materials. Included were chemicals, rayon, tungsten, plastics, and miscellaneous farm equipment. (4) To ease the shipping situation, priorities were established, more frequent sailings were arranged, and the number of vessels plying the Latin American trade routes increased. As of June 30, 1941, there were about 1,367 thousand gross tons of private and government owned<sup>b</sup> vessels engaged in

Latin American trade, and at the end of February 1942, tonnage had increased 28 percent to 1,701 thousand gross tons. However, our commitments for sending aid to other countries of the United Nations, the need for a large transport system to the Pacific war zone, and the increased sinkings by enemy raiders may seriously curtail the movement of vessels between the United States and Latin American countries. The shipping factor therefore will limit the

effects of all other remedial measures designed to increase the flow of goods to Latin American countries.

- 
- <sup>a</sup> Includes Lend-Lease exports, but does not include commodities transported by the United States armed forces to hemisphere bases.
- <sup>b</sup> Naval auxiliaries and Army transports are not included.

## WAR PROGRESS SERIES

### Pending Legislation

Supplemental estimates of appropriations for the War Department amounting to \$17,579 million were sent to Congress on March 18. The largest share, \$8,516 million, is for airplanes, parts and accessories.

On March 17 the President asked Congress to appropriate \$825 million for the Navy Department. If these requests and the Independent Offices Bill, 1943, amounting to \$189 million, which is still pending in Congress, are passed, the total war program will be \$159,621 million. The table below shows the total enacted and pending program by principal objects.

### Contract Clearances

Contract clearances during February amounted to \$8.6 billion. This is a decline from the \$11.5 billion cleared during January, but is much higher than the level attained in previous months. Clearances of contracts for industrial facilities reached a new high of \$1.3 billion during the month. Total clearances of facility contracts during

the first two months of 1942 amounted to over \$2 billion; during the preceding eighteen months of the program total awards for facilities were only three times this great.

### Hours and Earnings in War Manufacturing Industries, January 1942

Working hours and average hourly earnings rose substantially in January in most industries closely related to the War effort. Average weekly hours worked per wage earner exceeded previous highs for 10<sup>2</sup> of 13 selected key war industries. In these 10 industries average weekly hours in January ranged from 43.8 to 55.0. In contrast, the average for all durable goods industries combined was 43.7 hours and for nondurable goods industries 39.1 hours. Working hours in explosives, the only key war industry reporting a material decrease, declined from 47.0 in December to 44.9 in January. Blast furnaces, steel works, and rolling mills and the smelting and refining industries maintained the individual work week at approximately 40 hours.

TOTAL WAR PROGRAM IN THE UNITED STATES  
(Including Foreign Orders)  
(Preliminary)

Objects	Total Enacted Program <sup>a</sup> 3/5/42	Independent Offices 1943- Pending	Sixth Supp. Approp.- Pending	Navy Dept. Title VII- Pending	Total Enacted & Pending Program
(Million dollars)					
Total	141,028	189	17,579	825	159,621
Munitions and Construction, Total	126,031	142	16,743	820	143,736
Munitions, Total	103,378	-	11,367	475	115,220
Airplanes	28,627	-	8,516	250	37,393
Ordnance	33,412	-	592	184	34,188
Naval Ships	15,113	-	-	31	15,144
Merchant Ships	7,819	-	-	-	7,819
Other Munitions	18,407	-	2,259	10	20,676
Construction, Total	22,653	142	5,376	345	28,516
Indus. Facilities	14,187	136	-	345	14,668
Posts, Depots, etc.	7,074	6	5,376	-	12,456
Housing	1,392	-	-	-	1,392
Non-Munitions, Total	14,997	47	836	5	15,885
Stockpile	2,709	-	-	-	2,709
Agri. Exports	3,417	-	-	-	3,417
Pay, Subs., Travel	4,479	47	744	5	5,275
	4,392	-	92	-	4,484

<sup>a</sup> Does not include \$5,573 million made available for FY 1943 in Navy Supply Bill passed on February 7, 1942.

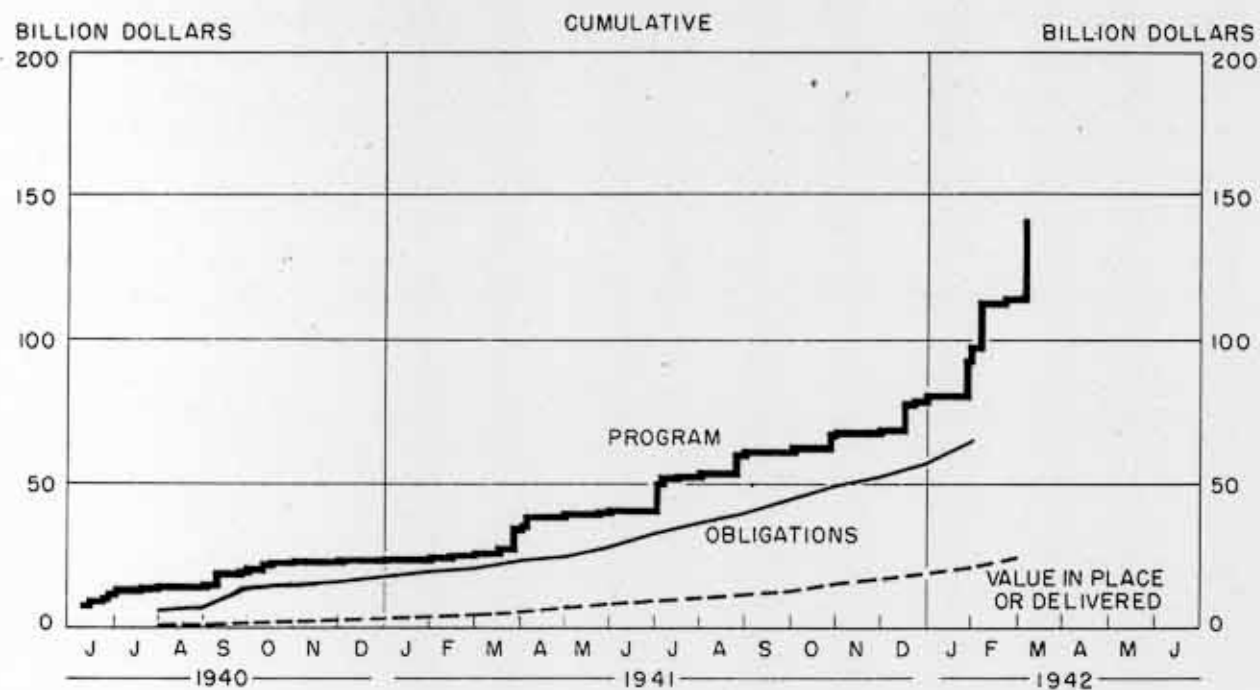
Average hourly earnings of wage earners increased in each of the selected war industries. Earnings averaging over one dollar an hour were reported by the engines and turbines industry (111.4 cents) and the shipbuilding industry (107.9 cents). In all but two of the 13 selected war industries (foundry and machine shop products, and smelting and refining), average hourly earnings in January exceeded the average for the durable goods industries. Average hourly earnings in all manufacturing industries combined advanced from 78.7

cents in December to 80.1 cents in January,—or approximately two percent. The corresponding increase for the durable goods industries was from 87.1 cents to 88.9 cents.

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<sup>a</sup> Ammunition, 43.8 hours per week; electrical machinery, 45.4; aluminum manufactures, 45.9; brass, bronze, and copper products, 46.1; foundry and machine shop products, 46.9; shipbuilding, 48.2; aircraft, 48.7; engines, turbines, etc., 51.1; firearms, 53.1; machine tools, 55.0.

# TOTAL WAR PROGRAM





## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

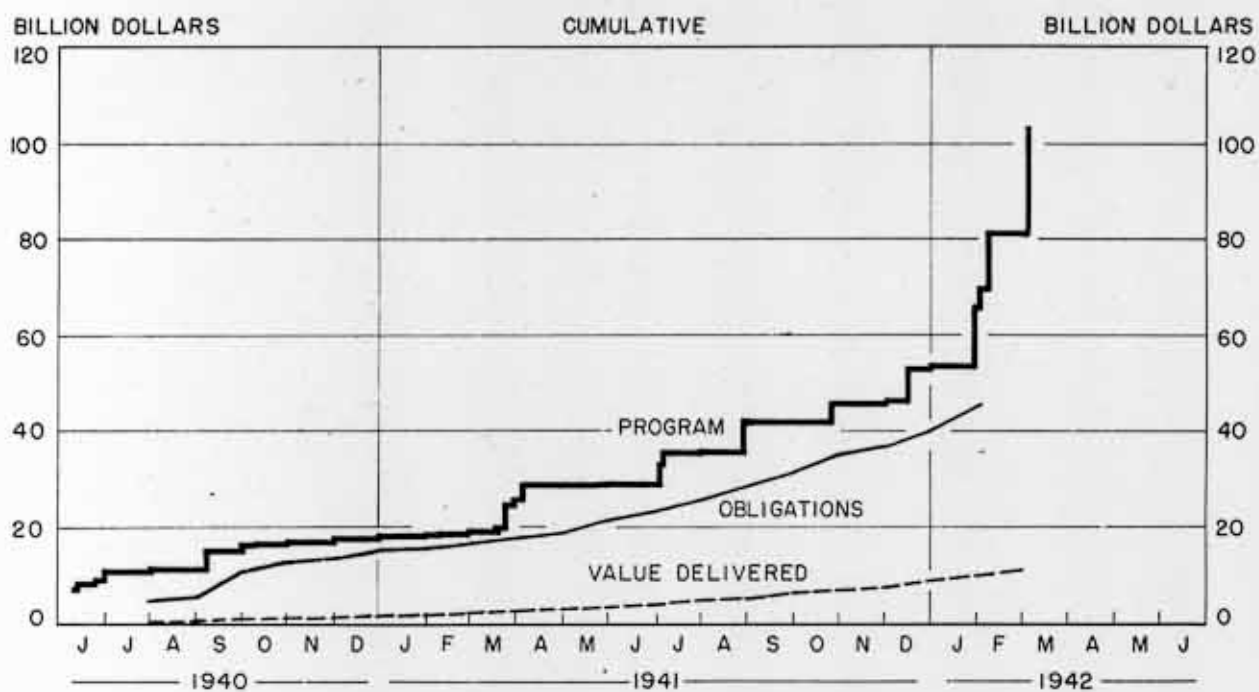
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
● TOTAL WAR PROGRAM IN U.S. <sup>a</sup>						
Program	40,861	80,569	460	12,196	P 17,218	P 15,250
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	31,587	56,534	1,604	5,093	P 8,463	n.a.
Value delivered and/or in place	8,547	18,573	778	2,158	P 2,425	P 2,615
Checks paid <sup>d</sup>	8,535	17,965	772	2,170	2,298	P 2,393
U. S. FINANCED PROGRAM <sup>b</sup>						
Program	37,075	76,473	228	12,144	17,218	P 15,250
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	27,801	52,438	1,372	5,041	8,463	n.a.
Checks paid <sup>d</sup>	6,431	15,251	589	1,997	2,230	P 2,331
TREASURY GENERAL FUND <sup>c</sup>						
Program	34,452	71,343	-	11,057	16,464	P 15,250
Unobligated balance	7,802	22,479	-	-	-	-
Obligations	26,650	48,869	1,308	4,632	7,704	n.a.
Checks paid by U. S. Treasury <sup>d</sup>	6,081	14,295	569	1,847	2,101	2,201
MUNITIONS PROD. & WAR CONSTRUCTION						
Program	37,027	69,305	369	10,505	P 16,746	P 14,802
Unobligated balance	7,597	18,372	-	-	-	-
Obligations	29,430	50,933	1,452	4,412	P 7,487	n.a.
Value delivered and/or in place <sup>e</sup>	6,795	14,750	640	1,755	P 2,015	P 2,190
Value not delivered nor in place	22,635	36,183	-	-	-	-
NON-MUNITIONS ITEMS, TOTAL						
Program	3,834	11,264	91	1,691	P 472	P 448
Unobligated balance	1,677	5,663	-	-	-	-
Obligations	2,157	5,601	152	681	P 976	n.a.
Checks issued by agencies <sup>e</sup>	1,752	3,823	138	403	P 410	P 425

Table continued on page VII.

For footnotes see Page XII.

● Graph appears on opposite page.

# MUNITIONS PRODUCTION





## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	December 1940	November 1941	December 1941	January 1942
(Million dollars)						
● TOTAL WAR PROGRAM IN U.S. <sup>a</sup>						
Program	40,861	P 80,539	542	166	P 12,166	P 12,614
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	31,587	P 56,504	1,622	1,822	P 5,063	n.a.
Value delivered and/or in place	8,547	18,573	817	1,795	2,158	P 2,465
Checks paid <sup>d</sup>	8,535	P 17,895	671	1,611	P 2,100	n.a.
U. S. FINANCED PROGRAM <sup>b</sup>						
Program	37,075	76,473	80	126	12,144	P 12,614
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	27,801	52,438	1,160	1,782	5,041	n.a.
Checks paid <sup>d</sup>	6,431	P 15,251	483	1,532	P 1,997	n.a.
TREASURY GENERAL FUND <sup>c</sup>						
Program	34,452	71,343	0	131	11,057	P 12,614
Unobligated balance	7,802	22,479	-	-	-	-
Obligations	26,650	48,869	1,007	1,437	4,632	n.a.
Checks paid by U. S. Treasury <sup>d</sup>	6,081	14,295	470	1,437	1,847	2,101
MUNITIONS PROD. & WAR CONSTRUCTION						
Program	37,027	P 69,278	534	195	P 10,478	P 12,592
Unobligated balance	7,597	P 18,372	-	-	-	-
Obligations	29,430	P 50,906	1,468	1,421	P 4,385	n.a.
Value delivered and/or in place <sup>e</sup>	6,795	14,750	695	1,435	1,755	P 2,055
Value not delivered nor in place	22,635	P 36,156	-	-	-	-
NON-MUNITIONS ITEMS, TOTAL						
Program	3,834	P 11,261	8	-29	P 1,688	P 22
Unobligated balance	1,677	P 5,663	-	-	-	-
Obligations	2,157	P 5,598	154	401	P 678	n.a.
Checks issued by agencies <sup>e</sup>	1,752	P 3,823	122	360	P 403	P 410

Table continued on page V.  
Graph appears on opposite page.

For footnotes see Page I.

## WAR PROGRESS SERIES

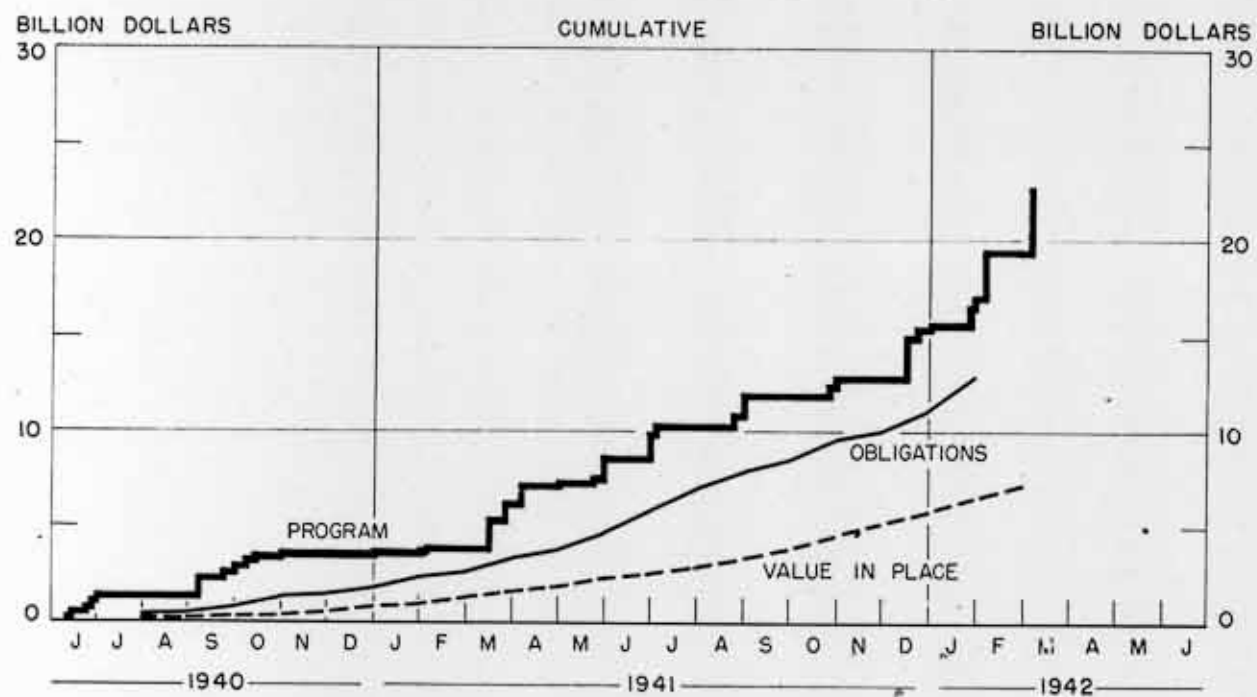
## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
BREAKDOWN OF MUNITIONS PRODUCTION						
MUNITIONS PRODUCTION, TOTAL						
Program	28,566	53,738	222	7,627	P 15,380	P 12,238
Unobligated balance	4,901	13,929	-	-	-	-
Obligations	23,665	39,809	1,003	3,327	P 5,846	n.a.
Value delivered and/or in place *	4,290	8,940	360	1,075	P 1,315	P 1,490
Value not delivered nor in place	19,375	30,869	-	-	-	-
AIRPLANES, PARTS & ACCESORIES						
Program	8,582	15,072	81	1,788	P 9,011	P 4,377
Obligations	7,381	13,298	152	1,443	P 429	n.a.
Value delivered	1,010	2,265	85	290	P 345	P 420
ORDNANCE						
Program	7,778	17,488	70	3,902	P 1,581	P 1,882
Obligations	5,418	10,354	200	610	P 2,908	n.a.
Value delivered	700	1,685	45	250	P 285	P 315
NAVAL SHIPS						
Program	6,796	9,605	-	872	25	P 5,483
Obligations	6,442	7,930	388	382	277	n.a.
Value delivered and/or in place	810	1,665	65	200	P 235	P 270
MERCHANT SHIPS						
Program	1,442	3,288	7	-54	P 3,750	P 47
Obligations	1,484	2,381	29	52	P 1,606	n.a.
Value delivered and/or in place	240	510	20	70	P 85	P 100
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	8,285	64	1,119	P 1,013	P 449
Obligations	2,940	5,846	234	840	P 626	n.a.
Value delivered	1,530	2,815	145	265	P 365	P 385

Table continued on page IX.  
Graph appears on opposite page.

For footnotes see Page XII.

## WAR CONSTRUCTION



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	15,567	147	2,878	P 1,366	P 2,564
Unobligated balance	2,696	4,443	-	-	-	-
Obligations	5,765	11,124	449	1,085	P 1,641	n.a.
Value in place <sup>e</sup>	2,505	5,810	280	680	P 700	P 700
Value not in place	3,260	5,314	-	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	8,112	147	555	P 1,365	P 1,586
Obligations	2,865	6,318	335	837	P 1,211	n.a.
Value in place	960	2,800	80	400	P 430	P 425
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	153	774	n.a.
Value in place	575	1,753	n.a.	209	230	P 222
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	-	1,573	1	P 978
Obligations	2,625	4,381	88	246	425	n.a.
Value in place	1,430	2,670	190	240	P 240	P 240
DEFENSE HOUSING						
Program	492	1,392	-	750	0	0
Obligations	275	425	26	2	P 5	n.a.
Value in place	115	340	10	40	30	35
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	11,264	91	1,691	P 472	P 448
Unobligated balance	1,677	5,663	-	-	-	-
Obligations	2,157	5,601	152	681	P 976	n.a.
Checks issued by agencies <sup>e</sup>	1,752	3,823	138	403	P 410	P 425
STOCKPILE						
Program	983	2,399	85	768	310	P 0
Obligations	470	1,050	28	90	P 0	n.a.
Checks issued by agencies	192	488	14	83	P 80	P 85
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	-	0	0	P 111
Obligations	66	561	-	108	99	n.a.
Checks issued by agencies	1	211	-	40	P 45	P 50

Table continued on following page.  
Graph appears on opposite page.

For footnotes see Page XII.

## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Com. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
NON-MUNITIONS (CONTINUED)						
PAY, SUBSISTENCE & TRAVEL <sup>f</sup>						
Army Military						
Program	944	3,013	0	450	0	0
Obligations	934	2,030	72	196	420	n.a.
Checks issued	696	1,510	53	148	150	155
Navy Military						
Program	378	963	0	0	0	r 9
Obligations	334	610	34	58	62	n.a.
Checks issued	388	640	33	43	45	45
Civilian Payroll						
Program	32	247	0	77	0	101
Obligations	32	140	5	13	20	n.a.
Checks issued	356	684	30	60	60	60
MISCELLANEOUS NON-MUNITIONS						
Program	872	3,120	6	396	162	227
Obligations	321	1,210	13	216	375	n.a.
Checks issued by agencies	119	290	8	29	30	30
BREAKDOWN BY AGENCIES						
AGENCIES INCLUDED IN TREASURY GENERAL FUND						
U. S. ARMY						
Program	13,134	31,981	0	7,376	12,526	0
Obligations	11,404	23,334	695	2,332	4,015	n.a.
Checks paid by U. S. Treasury	3,636	7,889	345	976	1,088	1,099
U. S. NAVY						
Program	12,308	20,024	0	2,333	58	r 15,133 <sup>1</sup>
Obligations	11,182	16,327	553	1,225	955	5,566
Checks paid by U. S. Treasury	2,217	4,726	217	494	518	531
LEND-LEASE						
Program	7,000	12,985	-	0	0	0
Allocations	5,177	11,148	-	1,949	892	232
Obligations	2,458	6,282	-	1,026	1,068	1,146
Checks paid by U. S. Treasury	21	910	-	256	368	432

Table continued on following page.

For footnotes see Page XII.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
AGENCIES INCLUDED IN TREASURY GENERAL FUND (CONT'D)						
U.S. MARITIME COMMISSION						
Program	784	2,734	-	-1	3,850 h	P 0
Obligations	886	1,724	22	3	1,566 h	n.a.
Checks paid by U.S. Treasury (net) \$	44	156	-4	36	49	62
OTHER U.S. AGENCIES						
Program	1,226	3,619	-	1,349	30	117
Obligations	720	1,202	38	46	100	n.a.
Checks paid by U.S. Treasury	163	614	11	85	77	77
ADDITIONAL AGENCIES INCLUDED IN U.S. FINANCED PROGRAM						
R. F. C. AND SUBSIDIARIES						
Program	2,623	5,130	228	1,087	754	n.a.
Obligations	1,151	3,569	64	409	759	n.a.
Checks issued by R.F.C.	350	956	20	150	129	P 130
ADDITIONAL AGENCIES INCLUDED IN TOTAL WAR PROGRAM						
FOREIGN ORDERS						
Program (Orders)	3,786	4,096	232	52 P	0	P 0
Obligations	3,786	4,096	232	52 P	0	n.a.
Checks issued by Purchasing Missions	2,104	2,714	183	173	68	P 62

For footnotes see page XII.



## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

R Revised

P Preliminary

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>c</sup> United States Treasury General Fund includes the war activities of all United States Government agencies (including Lend-Lease). It does not include the activities of government owned corporations or foreign orders in the United States.
- <sup>d</sup> Checks paid include (1) all checks paid out of the Treasury General Fund (cf. footnote c); (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>e</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- <sup>h</sup> Funds included in Fifth Supplemental Appropriation Act approved March 5, 1942. Obligation of these funds was initiated in January.
- <sup>i</sup> Does not include \$5.5 billion, Title I, FY 1943, approved February 7, 1942, but not available for obligation prior to July 1, 1942.

## ECONOMIC ACTIVITY RELATED TO THE WAR

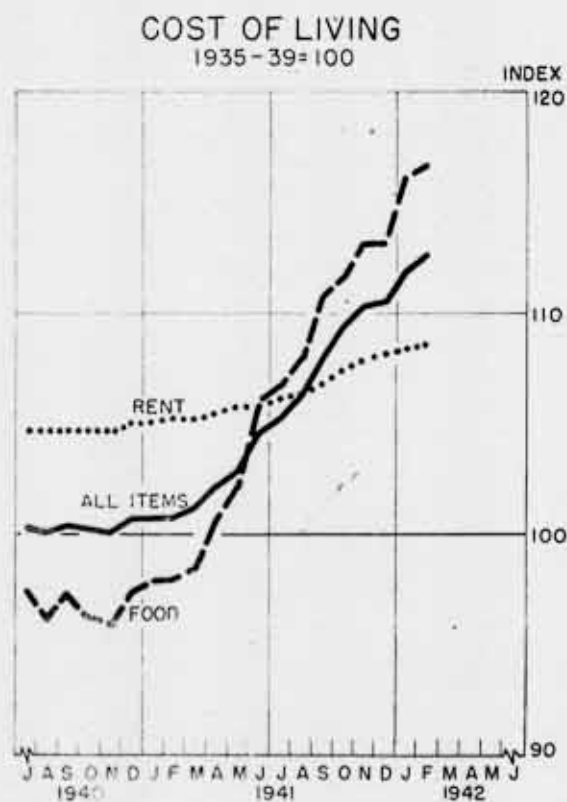
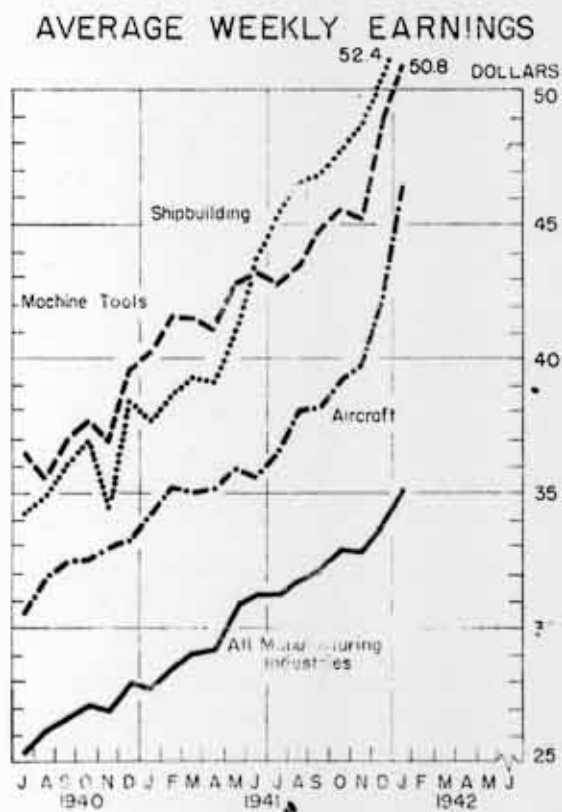
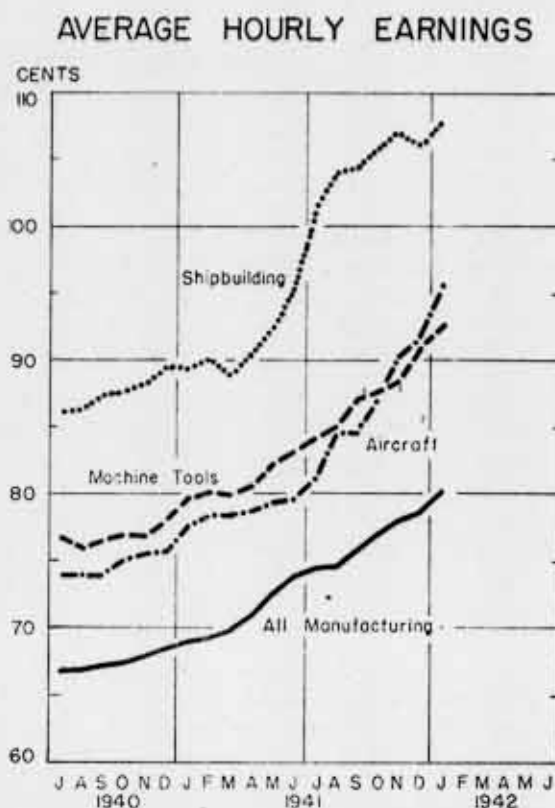
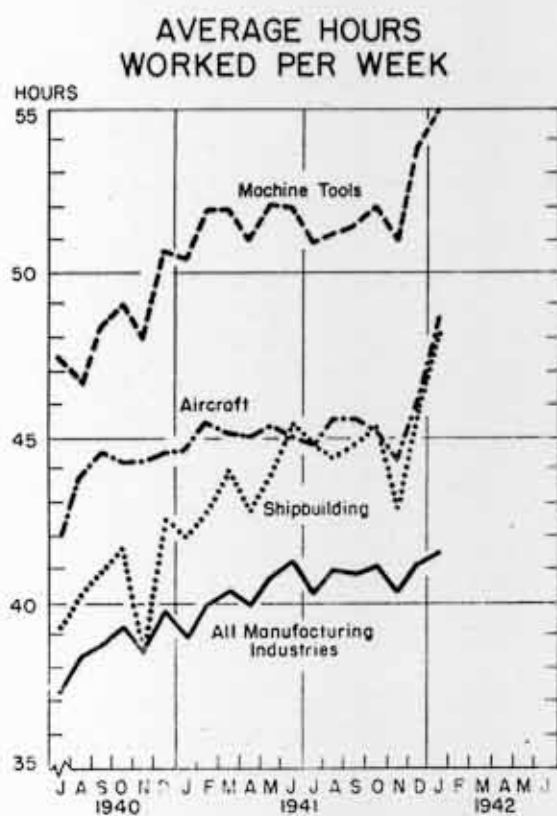
	1940	1941			1942	
	July	January	November	December	January	
<b>● AVERAGE HOURS WORKED PER WEEK<sup>h</sup></b> (Hours)						
All manufacturing industries:	37.3	39.0	40.3	41.2	P 41.5	
Durable goods	37.9	40.6	41.8	42.8	P 43.7	
Nondurable goods	36.7	37.3	38.6	39.4	P 39.1	
Machine tools	47.5	50.4	51.0	53.8	P 55.0	
Aircraft	42.0	44.7	44.3	46.2	P 48.7	
Shipbuilding	39.3	42.0	42.9	46.0	P 48.2	
<b>● AVERAGE HOURLY EARNINGS<sup>h</sup></b> (Cents)						
All manufacturing industries:	66.7	68.9	78.1	78.7	P 80.1	
Durable goods	72.7	75.8	86.5	87.1	P 88.9	
Nondurable goods	51.5	62.0	68.8	69.5	P 70.1	
Machine tools	76.8	79.7	88.6	90.8	P 92.6	
Aircraft	73.8	77.6	90.2	91.6	P 95.6	
Shipbuilding	86.2	89.3	107.0	106.0	P 107.9	
<b>● AVERAGE WEEKLY EARNINGS<sup>h</sup></b> (Dollars)						
All manufacturing industries:	25.25	27.74	r 32.79	r 33.68	P 35.10	
Durable goods	28.52	31.90	37.65	38.65	P 40.94	
Nondurable goods	21.87	22.65	r 26.11	r 26.92	P 28.99	
Machine tools	36.45	40.15	45.17	48.82	P 50.81	
Aircraft	30.48	34.13	39.74	r 42.22	P 46.43	
Shipbuilding	34.03	37.69	45.90	49.19	P 52.42	
<b>EMPLOYMENT</b> (Thousand workers)						
War industries						
Private, 18 major industries:	1,660	2,038	2,789	2,868	2,969	
Private contractors;						
public construction	13	448	617	633	583	
Public	117	171	263	286	308	
Total	1,790	2,657	3,661	3,766	3,860	
Deep sea merchant vessels	51	49	49	49	47	
	Cumulative 6/11/40 through			Monthly		
	End 1st full year 6/30/41	End of December 1941	End of January 1942	November 1941	December 1941	January 1942
<b>VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY</b> (Million dollars)						
Total	1,424	3,260	3,435	549	327	175
Approved, private funds	829	1,326	1,547	107	173	221
Approved, public funds	201	252	326	11	7	74
Disapproved	7	25	29	0	11	4
Pending	387	1,657	1,533	431	136	-124

<sup>h</sup> Graph appear on following page.  
Bureau of Labor Statistics.

<sup>P</sup> Preliminary data.

<sup>r</sup> Revised data.





## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

	1940	1941	1942			
	July	January	January	February	Week ending	
					March 7	March 14
<b>FED. RES. BD. PROD. INDEXES</b>						
		(Unadjusted indexes 1935-39=100)				
Total industrial production	120	135	P 165			
Durable manufactures	131	166	P 216			
Nondurable manufactures	111	118	P 137			
Minerals	121	113	P 125			
<b>BUR. FOR. &amp; DOM. COM. MFRS. ORDERS, SHIPMENTS, INVENTORIES</b>						
		(Indexes)				
New orders, total (1/39=100)	127	176	P 246			
Shipments, total (1/39=100)	117	148	P 205			
Inventories (1939av.mo.=100)	112.2	121.8	P 162.0			
Durable (1939av.mo.=100)	113.9	132.5	P 178.4			
Nondurable (1939av.mo.=100)	110.7	112.5	P 147.8			
<b>BLS PRICE INDEXES</b>						
		(Indexes)				
Strategic Materials (8/39=100)	123.6	126.1	P 144.8	P 143.8	143.9	143.9
Critical Materials (8/39=100)	107.5	111.7	120.2	P 122.9	123.0	123.0
Basic Commodities (8/39=100)	108.5	120.5	163.0	165.1	165.6	166.1
Machine Tools (8/39=100)	108.7	114.6	119.7	119.7	-	-
All Commodities (1926=100)	77.7	80.8	96.0	96.7	96.9	97.1
<b>BLS COST OF LIVING INDEX</b>						
		(1935-39=100)				
All items	100.3	100.8	111.9	112.6		
Food	97.4	97.8	116.2	116.8		
Rent	*104.6	105.0	108.4	108.6		
<b>TRANSPORTATION &amp; ELEC. POWER</b>						
Freight Cars						
Loadings (thous. per week)	706	684	772	781	771	799
Unloads for export (dly.av.)						
Atlantic & Gulf ports (No.)	1,494	1,352	1,822	1,759	2,014	1,883
Pacific ports (No.)	112	130	212	308	327	298
Surplus, total, dly.av. (thous.)	133	110	60	59	61	
Box cars	57	43	22	22	21	
Coal cars	47	42	22	20	21	
Bad order cars, total, 1st of month (thous.)	153	109	62	61	(Mar 1) 81	
Power prod. (Mil. kwh.)	12,094	13,641	15,651	P 14,137	3,392	3,357
<b>NATIONAL INCOME</b>						
		(Billion dollars, annual rate)				
Total income payments	75.2	81.7	P 101.2			
<b>FEDERAL DEBT</b>						
Net public debt	41.6	43.9	56.8	58.5		
<b>DEFENSE BOND SALES</b>						
		(Million dollars)				
	-	-	1,061	703	160	124

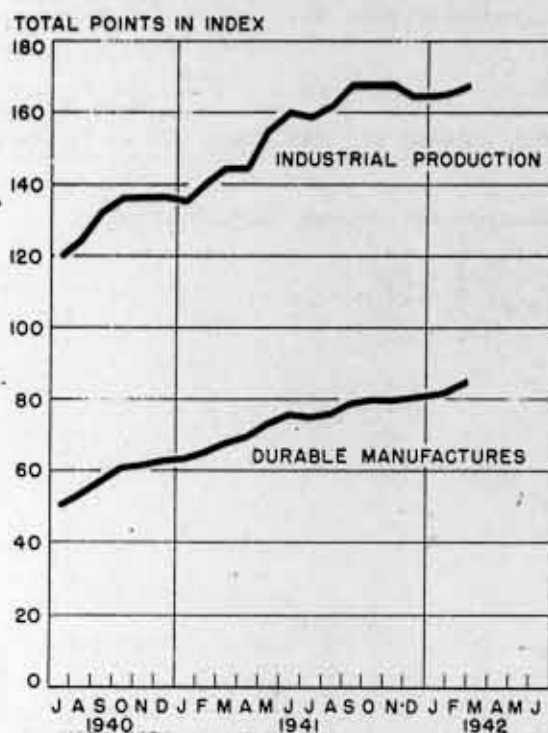
● Graph appears on following page.

▲ Graph appears on opposite page.

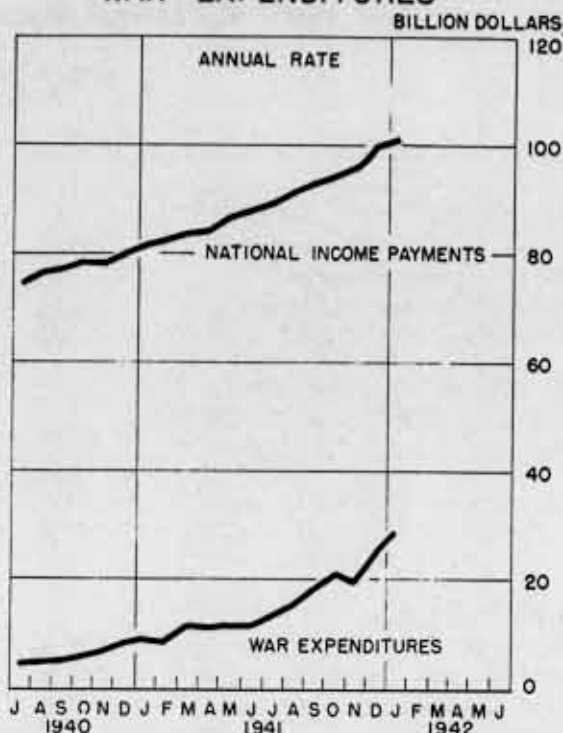
P Preliminary data.

\*June 1940.

### INDUSTRIAL PRODUCTION

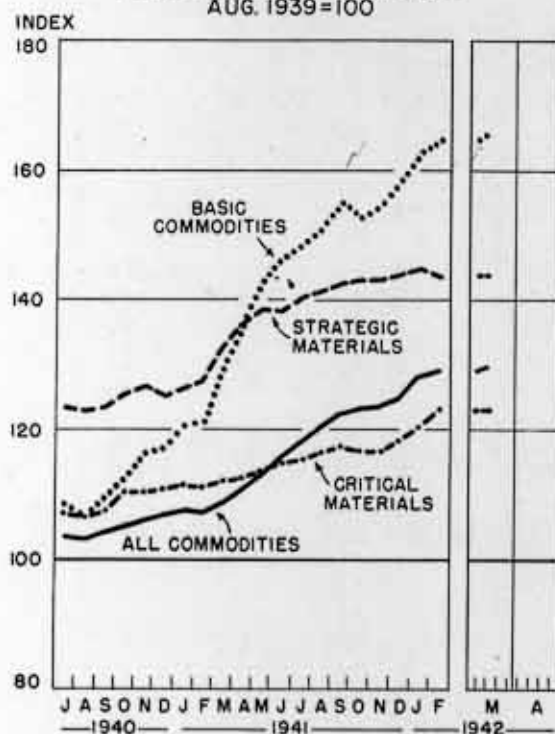


### NATIONAL INCOME & WAR EXPENDITURES



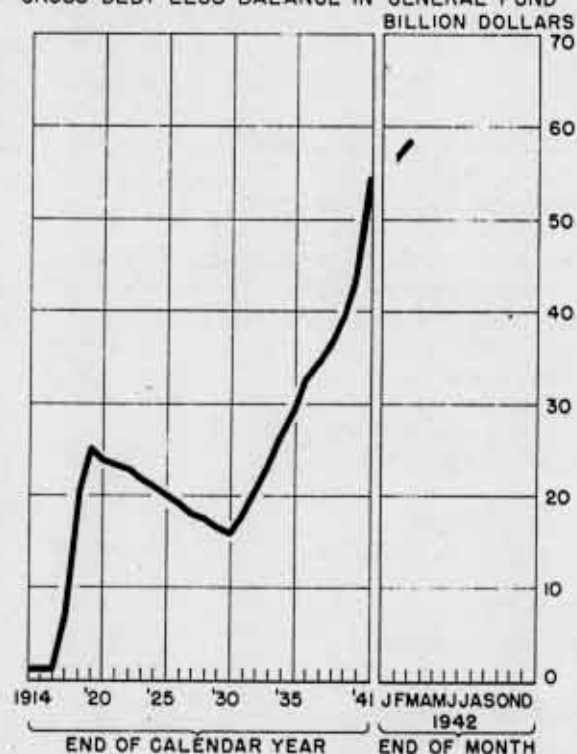
### WHOLESALE PRICES

AUG. 1939=100

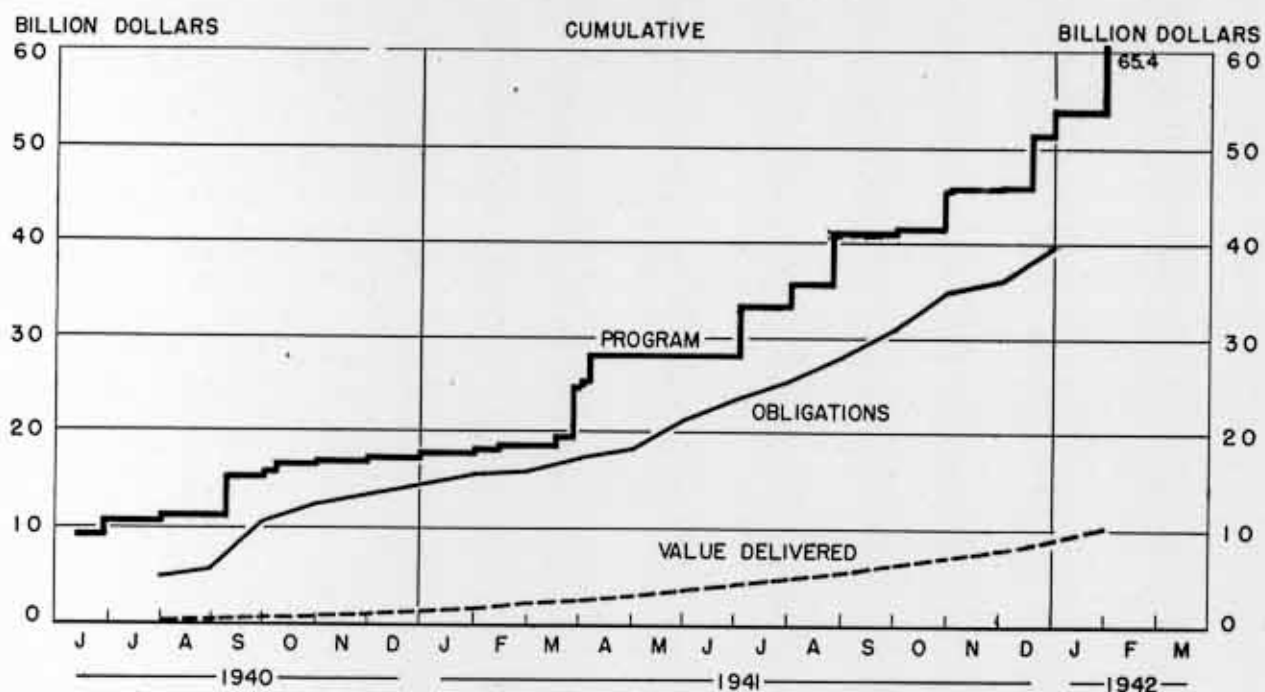


### NET FEDERAL DEBT, 1914-1942

GROSS DEBT LESS BALANCE IN GENERAL FUND



### MUNITIONS PRODUCTION



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941	1942			
	July	January	January	February	Week Ending	
					March 7	March 14
<b>EMPLOYMENT</b>			(Thousand workers)			
Total civil nonagricultural	35,904	37,142	P 39,838			
Total WPA employment	1,655	1,890	1,024	1,029	1,007	984
War industries						
Deep sea merchant vessels			Confidential data. See page XIII			
<b>UNEMPLOYMENT (WPA ESTIMATE)</b>			(Million workers)			
Number of unemployed	9.3	7.6	4.2	4.0		
<b>DEFENSE HOUSING</b>			(Number of dwelling units, cumulative to end of period)			
Fund allocations	1,460	56,528	256,743	279,048	290,008	P 318,201
Constr. contracts awarded	624	36,191	153,410	169,586	171,446	P 181,622
Construction completed	0	1,314	83,433	92,670	93,334	P 94,108

P Preliminary data.



The President

*file*

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# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 2(E) and 4(D) or (2)  
Comman. Dept. Letter, 11-16-73  
By RHP, Date MAR 29 1973

~~Confidential~~

March 27, 1942

Number 80

# WAR PROGRESS



**BRIEFS OF CONTENTS**Page

TENTATIVE AND PARTIAL FIGURES INDICATE THAT THE PRODUCTION OF MACHINE TOOLS for 1942 presents a critical situation. Orders for requirements should be placed immediately and all facilities must be completely utilized to meet the situation.

1

BRITISH METHODS ALLOW RAW MATERIALS to be delivered at the time and in the quantity needed for war production. They are allocated to uses or to Government departments and are distributed to legitimate users under license.

5

WAR PROGRESS SERIES. Employment in 18 selected war industries passed the 3 million mark in February. From January to February employment in the 18 industries increased by 117 thousand or 4 percent. The greatest increases were in shipbuilding, airplanes, and electrical machinery. Strikes in plants with important war contracts increased substantially in February.

I



## THE MACHINE TOOL SITUATION

TENTATIVE AND PARTIAL FIGURES INDICATE THAT THE PRODUCTION OF MACHINE TOOLS FOR 1942 PRESENTS A CRITICAL SITUATION. ORDERS FOR REQUIREMENTS SHOULD BE PLACED IMMEDIATELY AND ALL FACILITIES MUST BE COMPLETELY UTILIZED TO MEET THE SITUATION.

**T**entative and partial figures on machine tools required in 1942 indicate an extremely critical

situation. This situation for the ten tools presenting especially acute problems is summarized in the following table.

TYPE OF TOOL	UNFILLED ORDERS FEB.1, 1942	NAVAL & MER- CHANT SHIPS	AIR- PLANES	ARMY ORDNANCE	TOTAL UNFILLED ORDERS & ADDL. REQ. (1) TO (4)	DEC-JAN AVERAGE MONTHLY PROD.	MONTHS TO PRODUCE (5)÷(6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
HORIZONTAL BORING, DRILL- ING, & MILLING MACHINES	1,138	1,350	154	1,122	3,764	130	29.0
VERTICAL BORING MILLS	1,190	1,920	880	1,206	5,196	181	28.7
GEAR HOBBERS	778	537	589	754	2,658	124	21.4
GEAR SHAPERS	684	213	1,218	895	3,010	63	47.8
ENGINE LATHES, 24" AND OVER	1,240	1,514	123	580	3,457	197	17.5
TURRET LATHES, SADDLE TYPE	2,596	2,527	829	1,974	7,926	305	26.0
THREAD MILLERS (INCL. HOBBERS)	793	503	441	728	2,465	93	26.5
PLANER TYPE MILLING MACHINES	88	198	70	243	599	8	74.9
DIE SINKERS	53	116	106	52	327	3	109.0
PLANERS	424	849	48	243	1,564	67	23.3

SOURCE: COLUMNS (1) AND (6) FROM TABULATIONS OF THE MACHINE TOOL BRANCH OF WPB. COLUMNS (2), (3), AND (4) ARE BASED ON ARMY AND NAVY MUNITIONS BOARD REPORT OF FEBRUARY 15, 1942 ON MACHINE TOOL REQUIREMENTS.

MARCH 27, 1942

CONFIDENTIAL ...

1

The foregoing figures make clear:

1. That more than two-thirds of these critical machine tools required in 1942 if the munitions production program is to be carried out were not yet ordered as of February 1.
2. That at December-January rates of production it will take to turn out the tools needed during 1942 from a year and a half in the case of engine lathes to six years for planer type milling machines and even longer in the case of die sinkers. At scheduled rates the production period will be shortened.

Requirements of the Defense Aid Program or for miscellaneous munitions production are omitted from the data in the table. Furthermore, tool requirements of subcontractors

are in general omitted although requirements of the first subcontractors are included in the case of the plane program.

These data provided by the ANMB are based on report 8-I for planes, the latest program available for the Navy and Maritime Commission and a modification of the G-4 program for Army ordnance. The G-4 program is now being revised and it will presumably be somewhat reduced but the machine tool requirements presented here are preliminary estimates based on the best data now available.

Existing data on requirements indicate a relatively satisfactory situation for a number of tools, although it is possible that complete requirement information would tell a different story. Current production rates will satisfy known requirements for a number of tools in less than six months as the list below shows.

No. of Months Necessary To  
Produce Known Requirements  
at Dec.-Jan. Rate of Prod.

Drilling Machines, Sensitive and Upright	8.3
Lathes, Bench (inc. Bench turret)	6.2
Milling Machines, Bench and Hand	6.7
Rifling Machines	5.9
Rifle Chambering Machines	3.1
Tapping and Threading Machines	2.7

To meet the machine tool situation the following steps are called for:

1. Place orders immediately for the bulk of the tools required this year so that every manufacturer may plan the most effective use of his equipment.
2. Utilize more fully the machine tool plants now in production. Machine tool plants on the average in January used their equipment approximately 60 percent of the practical maximum of 146 hours per week.
3. Shift existing facilities and labor in the machine tool industries from producing non-

critical to producing critical tools, wherever possible.

4. Reduce the numbers of sizes and models of critical tools to a minimum wherever that will make possible the fullest use of line production methods and increase the rate of production.
5. Seek out and get into capacity operation every idle metal working facility in the United States.
6. Utilize more fully the machine tools now employed in war production. Many plants making war materiel are still using their bottleneck machines substantially less than 24 hours per day.

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## BRITISH CONTROLS OF THE DISTRIBUTION OF MATERIALS

BRITISH METHODS ALLOW RAW MATERIALS TO BE DELIVERED AT THE TIME AND IN THE QUANTITY NEEDED FOR WAR PRODUCTION. THEY ARE ALLOCATED TO USES OR TO GOVERNMENT DEPARTMENTS AND ARE DISTRIBUTED TO LEGITIMATE USERS UNDER LICENSE.

Great Britain has faced problems essentially similar to those encountered by the United States in directing the flow of materials to the uses in which they will be most effective for the prosecution of the war. The American system for solving these problems has in recent months tended in the direction of a combination of several of the procedures already adopted in Britain. This tendency is particularly noticeable in the growing importance of more direct and detailed controls as opposed to the reliance upon preference ratings alone. A description of the principal British methods may therefore be suggestive for future developments in the United States.

In Great Britain the supervision or supply of each material or group of materials is entrusted to a Control, which is analagous in many

ways to a material Commodity Branch of the War Production Board. Most of the Controls are under the general supervision of the Ministry of Supply, but some Controls are placed in other departments which have special concern with, or competence in, the regulation of particular materials. For instance, the Ministry of Aircraft Production controls magnesium and aluminum, the Department of Mines supervises coal, and the Ministry of Food handles the control of basic foodstuffs. There are, of course, similar cases of the use of special departmental skills in the United States--the control of fuels by the Department of Interior is one--although some of these cases have been attended here by considerable duplication.

The British Control--staffed in general by representatives of the trade--has greater authority over

the commodities within its jurisdiction than its American counterpart; particularly, the Control is empowered to fix prices and to make purchases and sales. These functions in the United States are exercised by the Commodity Sections of the Office of Price Administration, by the subsidiary corporations of the R.F.C. and by other agencies. Thus, with respect to the control imposed on each material the British have achieved a greater measure of organizational centralization than has the United States. Coordination among the several material controls is not fully developed, however.

The coordination of the activities of the controls in the distribution of materials, and the formulation of policies for their guidance, is the task of the British Materials Committee. This Committee, composed of representatives of the Ministry of Supply, the Ministry of Aircraft Production, the Admiralty and all other ministries concerned with the use of each material, is presided over by a "neutral" chairman who makes the final decisions. The Committee was originally responsible to the Production Executive (a committee of the War Cabinet) but is now a part of the new Ministry of Production. In general composition and function the Materials Committee corresponds to the Requirements Committee of the War Production Board.

The policies in the distribution of some of the materials to be administered by the Controls are prescribed by the Materials Committee in either of two ways—"allocation by use" or "allocation by departments." In general, when the shortage of supply requires a reduction of uses by Government departments or when important questions of substitution are involved, one of the two methods of "allocation" is instituted. However, such important materials as chemicals and heavy nonferrous metals are governed almost exclusively by the Controls. "Allocation by use" involves the formulation by the Committee in considerable detail of a schedule of the permitted amounts of materials which may be consumed in a list of final uses during a stated period. This schedule is drawn up by the Committee on the basis of information furnished by the relevant Control and by interested Government departments. Aluminum, magnesium, paper, paperboard, hemp, flax, and jute are now subject to "allocation" in this manner. It is then the responsibility of the Control in issuing licenses for the purchase of the allocated material to regulate its distribution among purchasers in accordance with the Committee's schedule of final uses.

In the second method, followed in cases of greater stringency, al-



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	December 1940	November 1941	December 1941	January 1942
(Million dollars) BREAKDOWN OF MUNITIONS PRODUCTION						
● MUNITIONS PRODUCTION, TOTAL						
Program	28,566	P 53,738	442	163	P 7,627	P 11,630
Unobligated balance	4,901	P 13,929	-	-	-	-
Obligations	23,665	P 39,809	1,118	1,009	P 3,327	n.a.
Value delivered and/or in place*	4,290	8,940	435	870	1,075	P 1,315
Value not delivered nor in place	19,375	P 30,869	-	-	-	-
AIRPLANES, PARTS & ACCESSORIES						
Program	8,582	P 15,072	169	-9	P 1,788	P 9,011
Obligations	7,381	P 13,298	191	692	P 1,443	n.a.
Value delivered	1,010	2,265	80	215	290	345
ORDNANCE						
Program	7,778	P 17,488	71	125	P 3,902	P 1,581
Obligations	5,418	P 10,354	249	-290	P 610	n.a.
Value delivered	700	1,685	35	180	250	P 285
NAVAL SHIPS						
Program	6,796	9,605	0	498	872	P 25
Obligations	6,442	7,930	301	43	382	n.a.
Value delivered and/or in place	810	1,665	60	160	200	P 235
MERCHANT SHIPS						
Program	1,442	P 3,288	100	-466	P -54	P 0
Obligations	1,484	P 2,381	103	78	P 52	n.a.
Value delivered and/or in place	240	510	20	55	70	P 85
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	P 8,285	102	15	P 1,119	P 1,013
Obligations	2,940	P 5,846	274	486	P 840	n.a.
Value delivered	1,530	2,815	240	260	265	P 365

Table continued on page VII.

For footnotes see Page I.

● Graph appears on opposite page.

locations are made by the Committee not to uses as such but to Departments as sponsors or representatives of uses. This method is now employed with non-alloy steel, alloy steel, tin plate, drop forgings, hard wood, soft wood, plywood and cotton yarn. Each department submits to the Committee a detailed estimate of requirements for the final uses which it represents--the Admiralty for Naval uses, the Board of Trade for miscellaneous civilian uses not covered elsewhere and so on. Every use of the material to be allocated is sponsored by some department. The Committee allocates to each Department a specific quantity of material which it may purchase in the allocation period (three or six months) or which it may authorize others to purchase. No purchase of a commodity embodying a material which is allocated in this manner may be made without such an authorization. The Admiralty, for instance, is empowered to authorize its prime contractors to purchase definite amounts of alloy steel up to the limits of its allocation. The prime contractor may transfer his authorization to his suppliers, who may in turn re-transfer it until the authorization is presented to the manufacturer of alloy steel. Where the department is not itself the purchaser of the finished product embodying the allocated material, but merely represents certain private uses, the au-

thorization may be transferred to such producers as the department selects. Departments may transfer authorizations to cover requirements for particular orders or issue authorizations in "bulk" to cover all of a producers' requirements in the allocation period. The "bulk" procedure is generally used by nonpurchasing departments and for uses in which the material consumption per order is small. This departmental plan is somewhat modified in the allocation of building materials. The interdepartmental Works and Building Committee receives estimates of requirements from the departments and submits them to the Materials Committee. Allocations are made to the Works and Buildings Committee which suballocates the materials to departments.

Some features of the "allocation by use" system are found in the provisions of War Production Board Priorities Bureau "L" and "M" orders which prohibit or limit the consumption of scarce materials in particular uses. However, while many of these orders regulate the flow of the entire supply of the controlled material among uses the top policy decisions implied have not heretofore been handed down in any complete budget for the particular material. The preparation of such a budget is a function of the new Requirements Committee. There is no



American counterpart of the "allocation by the department" system.

Both systems of allocations used by the British have the important advantage of necessitating a balancing of end product requirements in terms of their costs in materials. The departmental method also forces each department to budget a known quantity of materials with a view to most effective use. Moreover, the assignment of authorization to purchase specific quantities reduces the problem of tying raw material requirements to finished object requirements. This has been a troublesome problem in the American priorities system, during the past year and a half. A major objective in the development of the Production Requirements Plan has been to insure that priorities ratings issued for final products shall not be extended for the acquisition of unnecessarily large amounts for unnecessarily early delivery in the intermediate stages. Under the departmental system the flow of authorizations through the processes of production regulates the demand for materials at every stage.

The policies drawn up by the British Materials Committee, under either form of "allocation", are executed by the Controls through the licensing system. Any firm or Government department which wishes to purchase scarce materials must apply

to the Control stating to what use the material will be put. The Control grants or refuses the license for a specified quantity. Licenses for materials which are allocated by final use are distributed by the Control among uses within the limitations established by the Materials Committee. In the case of some materials which have been allocated by departments, the departmental authorization must be exchanged with a Control for a license. This gives the Control power to divert demand from scarcer to less scarce types and grades of materials and to insist on economical use. In the very important case of steel, however, the departmental authorizations themselves serve as licenses. In the absence of an allocation program formulated by the Materials Committee, the Control attempts, as a rule, to reduce consumption by requiring maximum substitution and other economies in use and by refusing to grant licenses for certain uses. Where an unallocated material is complimentary to an allocated material in any use it is the policy of the Control to license a sufficient quantity of the unallocated material to match the allocated one but this has not been accomplished through any formal coordinating machinery.

The British have not, of course, completely solved the many difficult problems involved in regulating the

distribution of materials in a large and complex industrial economy. Yet it seems clear that the British have proceeded a considerable way towards the evolution of practical methods for handling many of these problems. The British have recognized the fundamental necessity for making allocations on the basis of comprehensive information as to the requirements for different uses or the requirements of different users, and have developed an effective technique for securing this information. This has permitted the formulation of an overall policy for each material by a coordinating agency. Moreover, although there still remain important criticisms of the British system—especially the dif-

ficulty in coordinating actions affecting different materials going to the same end product and the lack of regulation of inventories at the point of use—the possibility of evasion through stocking up and through diversion to uses not clearly essential parts of the war effort has been limited by the institution of detailed regulation. The organization and powers for the operation of a similarly effective control system now exist in this country but many steps in the development of such a system remain to be taken. However, greater geographical and economic decentralization create peculiar difficulties in this country which the British have not had to face.

## WAR PROGRESS SERIES

### Employment in War Manufacturing Industries, February 1942.

Employment in 18 selected war industries increased by 117 thousand from January and passed the 3 million mark in February. All but two of the 18 industries showed gains in employment. The greatest increases over the month occurred in the shipbuilding(42,500), airplanes(30,200), and electrical machinery (12,100) industries. These three industries, which employed about 40 percent of the total for the 18 industries, accounted for 70 percent of the total increase. Blast furnaces, steel works and rolling mills, and foundries and machine shops had the highest employment among the 18 industries in February, each employing over 600 thousand wage earners. The increase in employment over the month in these two industries was only 10 percent of the total increase for the 18 industries.

The number of wage earners in all manufacturing industries combined increased by 43 thousand from January to February. Despite this

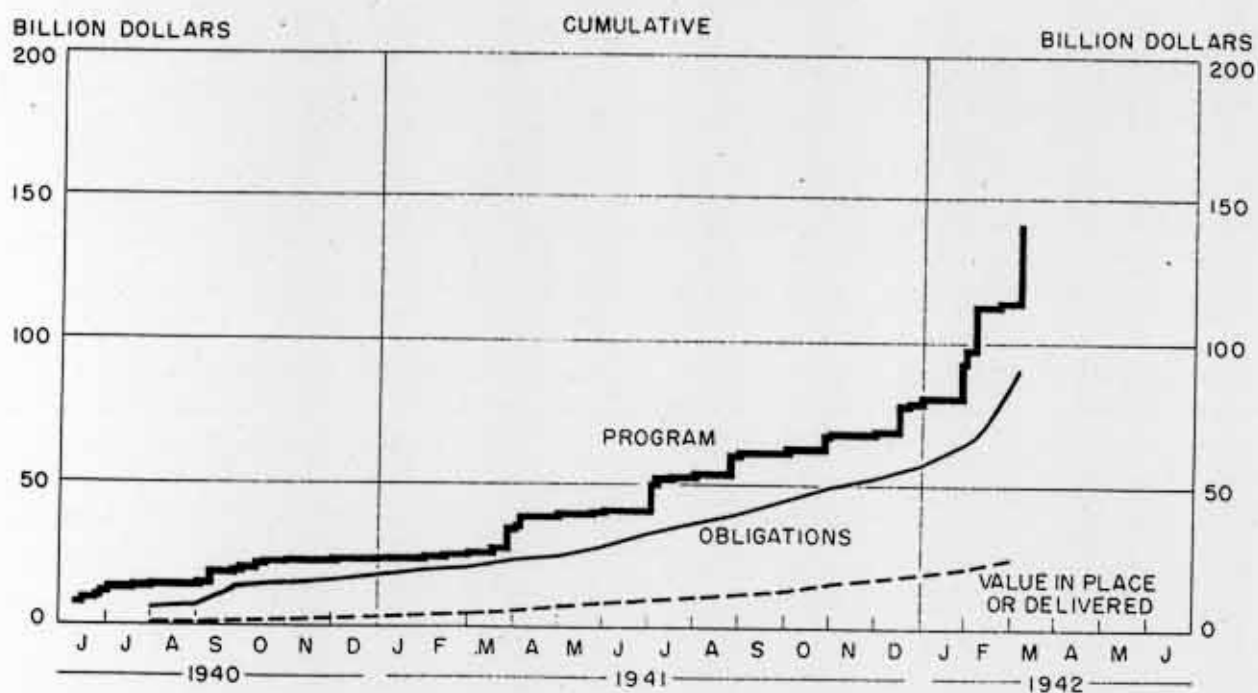
net increase, there was a decline of 82 thousand wage earners in the automobile industry. Raw material shortages or conversion to war production also occasioned declines in some other industries, particularly for woolen and worsted goods and hardware.

### Labor Disputes February 1942

The number of strikes in progress in all industries rose from 255 in January to 275 in February after a steady decline since last August. The number of workers involved increased over 60 percent, from 49 thousand to 80 thousand. The increase in the number of man days lost, however, was less than 10 percent. In February 425 thousand man days were lost compared with 390 thousand in January.

In plants with important war contracts there were 21 strikes in progress in February, compared with 10 in January. Preliminary estimates indicate that the number of man days lost increased from 7 thousand in January to 34 thousand in February.

# TOTAL WAR PROGRAM



## WAR PROGRESS SERIES

## TOTAL WAR PROGRAM IN THE UNITED STATES

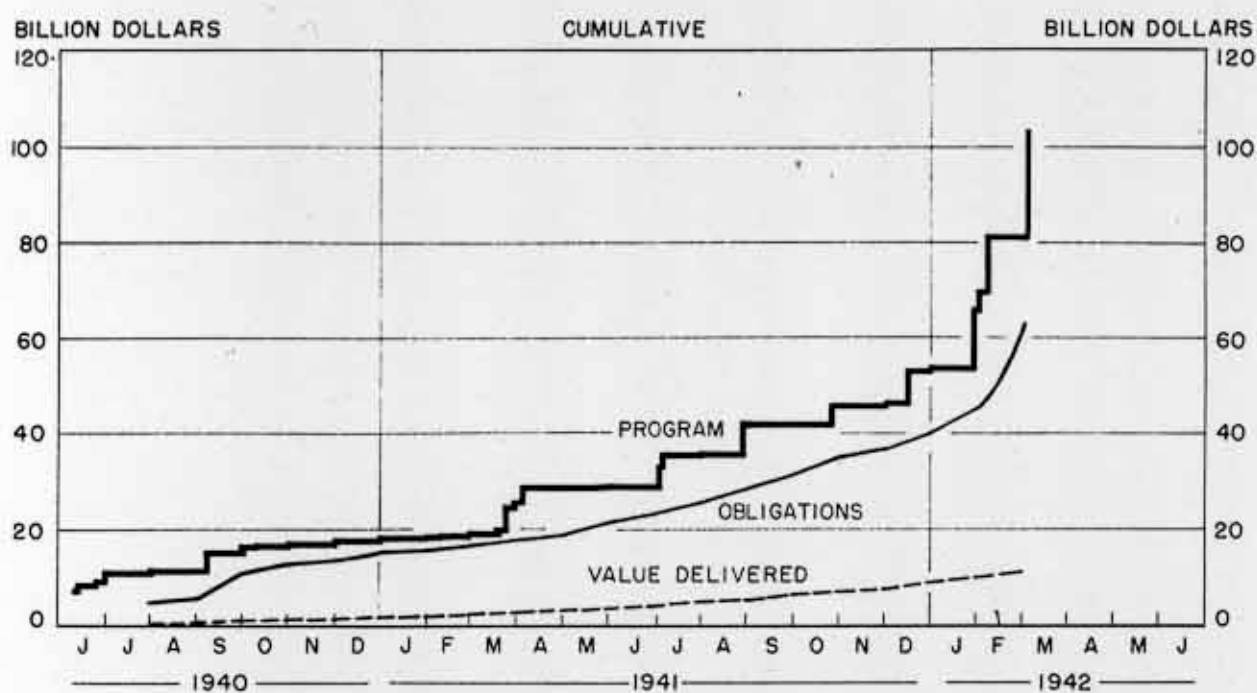
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars)						
● TOTAL WAR PROGRAM IN THE U.S. a						
Program	40,861	r 80,604	p 113,059	p 17,164	p 15,291	p 27,991
Uncommitted balance	9,274	r 23,979	p 27,128	-	-	-
Contracts and other commitments	31,587	r 56,625	p 85,931	8,414	p 20,892	n.a.
Value delivered and/or in place b	8,547	18,573	p 23,703	p 2,470	p 2,660	n.a.
Checks paid c	8,536	17,965	22,655	2,297	2,393	n.a.
MUNITIONS PRODUCTION & WAR CONSTRUCTION, TOTAL						
Program	37,027	69,305	p 101,096	p 16,644	p 15,147	p 25,178
Uncommitted balance	7,597	r 18,281	p 22,510	-	-	-
Contracts and other commitments	29,430	r 51,024	p 78,586	7,438	p 20,124	4,678 i
Value delivered and/or in place b	6,795	14,750	p 19,045	p 2,060	p 2,235	n.a.
Value not delivered nor in place	22,635	r 36,274	p 59,541	-	-	-
PRODUCTION OF MUNITIONS						
Program	28,566	53,738	p 81,643	p 15,328	p 12,577	p 22,022
Uncommitted balance	4,901	13,929	p 19,527	-	-	-
Contracts and other commitments	23,665	39,809	p 62,116	5,846	p 16,461	3,615 i
Value delivered and/or in place b	4,290	8,940	p 11,835	p 1,360	p 1,535	n.a.
Value not delivered nor in place	19,375	30,869	p 50,281	-	-	-
WAR CONSTRUCTION						
Program	8,461	15,567	p 19,453	p 1,316	p 2,570	p 3,156
Uncommitted balance	2,696	r 4,352	p 2,983	-	-	-
Contracts and other commitments	5,765	r 11,215	p 16,470	1,592	p 3,663	1,063 i
Value delivered and/or in place b	2,505	5,810	p 7,210	p 700	p 700	n.a.
Value not delivered nor in place	3,260	r 5,405	p 9,260	-	-	-
NON-MUNITIONS WAR ITEMS, TOTAL						
Program	3,834	r 11,299	p 11,963	p 520	p 144	p 2,813
Uncommitted balance	1,677	r 5,698	p 4,618	-	-	-
Contracts and other commitments	2,157	5,601	p 7,345	976	p 768	n.a.
Checks issued b	1,752	3,823	p 4,658	410	p 425	n.a.

Table continued on Page V.

For footnotes see Page X.

● Graph appears on opposite page.

# MUNITIONS PRODUCTION





WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

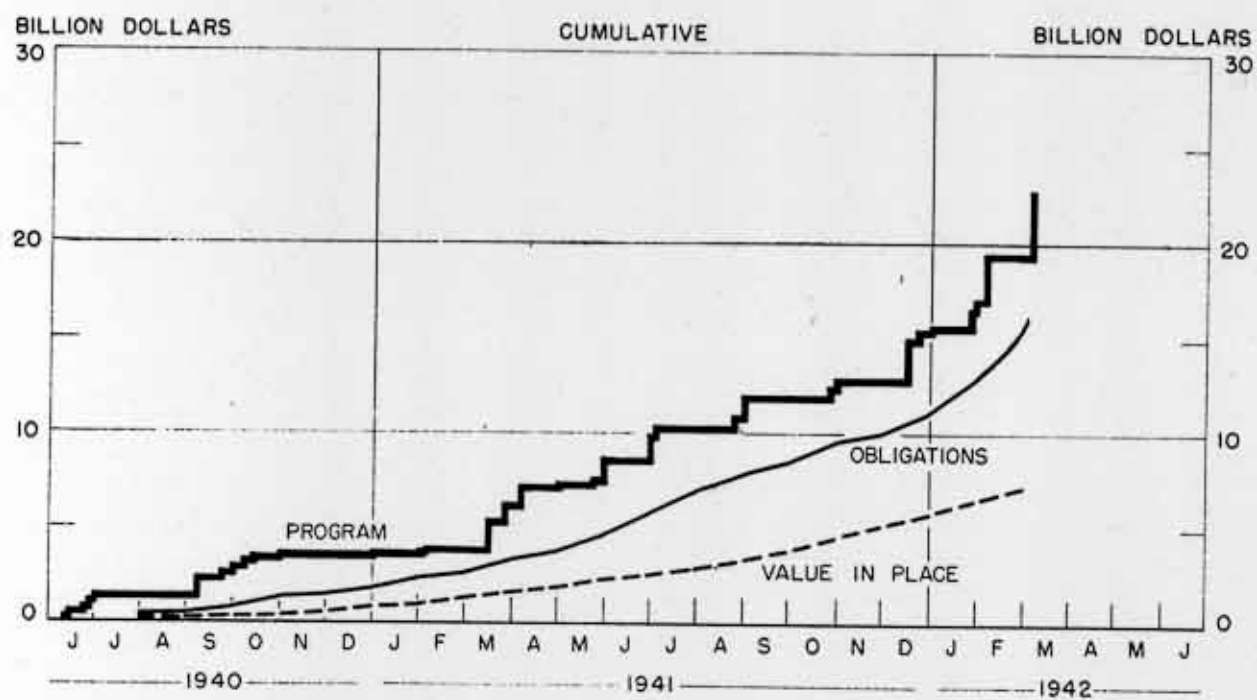
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars) BREAKDOWN OF MUNITIONS PRODUCTION						
● MUNITIONS PRODUCTION, TOTAL						
Program	28,566	53,738	P 81,643	P 15,328	P 12,577	P 22,022
Uncommitted balance	4,901	13,929	P 19,527	-	-	-
Contracts and other commitments	23,665	39,809	P 62,116	5,846	P 16,461	3,615 <sup>1</sup>
Value delivered and/or in place <sup>b</sup>	4,290	8,940	P 11,835	P 1,360	P 1,535	n.a.
Value not delivered nor in place	19,375	30,869	P 50,281	-	-	-
AIRPLANES, PARTS & ACCESSORIES						
Program	8,582	15,072	P 28,458	P 9,009	P 4,377	P 167
Contracts and other commitments	7,381	13,298	P 23,560	429	P 9,833	1,052 <sup>1</sup>
Value delivered	1,010	2,265	P 3,030	P 345	P 420	n.a.
ORDNANCE						
Program	7,778	17,488	P 20,851	P 1,481	P 1,882	P 12,461
Contracts and other commitments	5,418	10,354	P 16,673	2,908	P 3,411	1,595 <sup>1</sup>
Value delivered	700	1,685	P 2,375	P 330	P 360	n.a.
NAVAL SHIPS						
Program	6,796	9,605	P 15,223	25	P 5,593	-
Contracts and other commitments	6,442	7,930	9,874	277	1,667	457 <sup>1</sup>
Value delivered and/or in place	810	1,665	P 2,170	P 235	P 270	n.a.
MERCHANT SHIPS						
Program	1,442	3,288	P 6,975	P 3,750	P -63	P 734
Contracts and other commitments	1,484	2,381	4,252	1,606	265	0 <sup>1</sup>
Value delivered and/or in place	240	510	P 695	P 85	P 100	n.a.
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	8,285	P 10,136	P 1,063	P 788	P 8,660
Contracts and other commitments	2,940	5,846	P 7,757	626	P 1,285	511 <sup>1</sup>
Value delivered	1,530	2,815	P 3,565	P 365	P 385	n.a.

Table continued on Page VII.

For footnotes see Page X.

● Graph appears on opposite page.

# WAR CONSTRUCTION



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

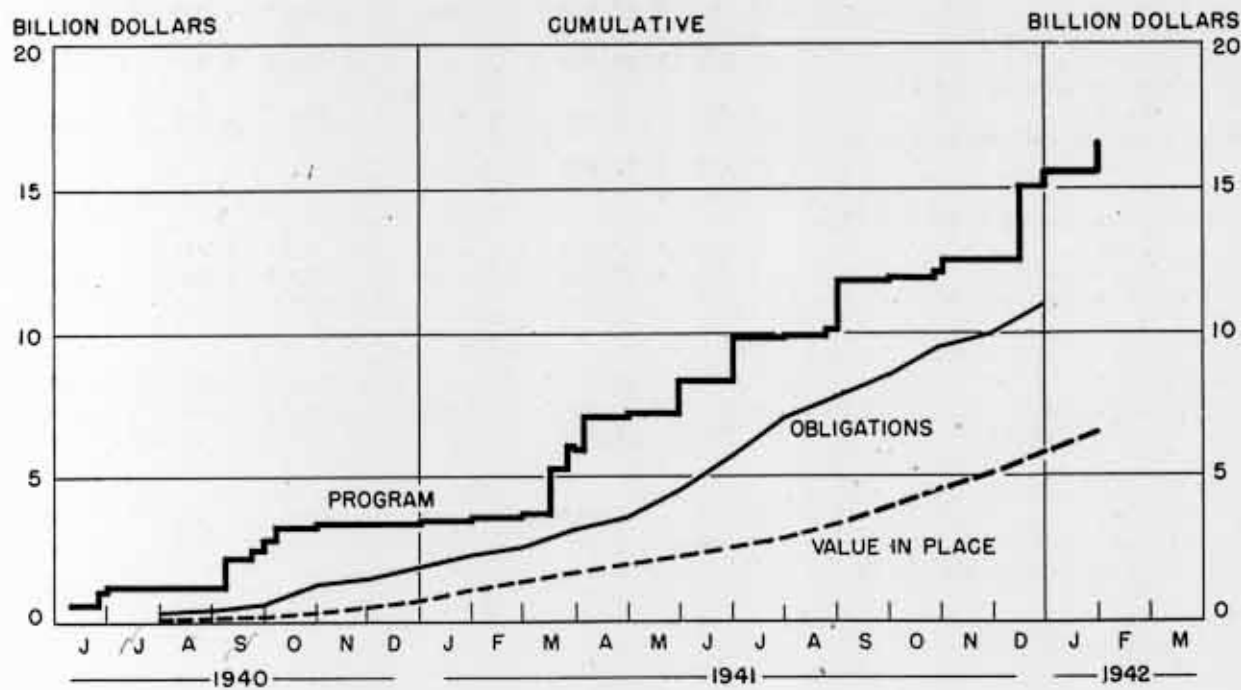
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
● WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	15,567	P 19,453	P 1,316	P 2,570	P 3,156
Uncommitted balance	2,696	r 4,352	P 2,983	-	-	-
Contracts and other commitments	5,765	r 11,215	P 16,470	1,592	P 3,663	1,063 <sup>1</sup>
Value in place <sup>b</sup>	2,505	5,810	P 7,210	P 700	P 700	n.a.
Value not in place	3,260	r 5,405	P 9,260	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	8,112	P 11,015	P 1,311	P 1,592	P 3,124
Contracts and other commitments	2,865	6,318	P 9,891	1,156	P 2,417	904 <sup>1</sup>
Value in place	960	2,800	P 3,655	P 430	P 425	n.a.
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	774	n.a.	n.a.
Value in place	575	1,753	n.a.	230	n.a.	n.a.
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	7,046	r 5	978	P 32
Contracts and other commitments	2,625	4,381	P 6,000	425	P 1,194	159 <sup>1</sup>
Value in place	1,430	2,670	P 3,150	P 240	P 240	n.a.
DEFENSE HOUSING						
Program	492	1,392	1,392	0	0	P 0
Contracts and other commitments	275	r 516	579	11	52	n.a.
Value in place	115	340	P 405	P 30	P 35	n.a.
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	r 11,299	P 11,963	P 520	P 144	P 2,813
Uncommitted balance	1,677	r 5,698	P 4,618	-	-	-
Commitments	2,157	5,601	P 7,345	976	P 768	n.a.
Checks issued by agencies <sup>b</sup>	1,752	3,823	P 4,658	P 410	P 425	n.a.
STOCKPILE						
Program	983	2,399	P 2,713	310	P 4	P 0
Commitments	470	1,050	1,050	-	-	n.a.
Checks issued by agencies	192	488	P 653	P 80	P 85	n.a.

Table continued on Page VIII

For footnotes see Page X.

● Graph appears on opposite page.

# WAR CONSTRUCTION



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million Dollars)						
BREAKDOWN OF NON-MUNITIONS (Continued)						
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	1,294	0	r -228	1,784
Commitments	66	561	793	99	133	n.a.
Checks issued by agencies	1	211	p 306	p 45	p 50	n.a.
PAY, SUBSISTENCE & TRAVEL f						
Army Military						
Program	944	3,013	3,013	0	0	146
Commitments	934	2,030	p 2,873	420	p 423	n.a.
Checks issued	696	1,510	p 1,815	p 150	p 155	n.a.
Navy Military						
Program	378	963	972	0	9	0
Commitments	334	610	740	62	68	n.a.
Checks issued	388	640	p 730	p 45	p 45	n.a.
Civilian Payroll						
Program	32	247	248	0	r 1	0
Commitments	32	140	180	20	20	n.a.
Checks issued	356	684	p 804	p 60	p 60	n.a.
MISCELLANEOUS NON-MUNITIONS						
Program	872	r 3,155	p 3,723	p 210	p 358	p 883
Commitments	321	1,210	p 1,709	375	p 124	n.a.
Checks issued by agencies	119	290	p 350	p 30	p 30	n.a.

Table continued on following page.

For footnotes see Page X.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars)						
BREAKDOWN BY AGENCIES						
UNITED STATES FINANCED WAR PROGRAM d						
Program	37,075	r 76,508	F108,963	r 17,164	P 15,291	P 27,991
Uncommitted balance	9,274	r 23,979	P 27,128	-	-	-
Contracts and other commitments	27,801	r 52,529	P 81,835	r 8,414	P 20,892	n.a.
Checks paid	6,431	15,251	P 19,811	2,229	P 2,331	n.a.
U. S. ARMY						
Program	13,134	31,981	44,507	12,526	-	22,566
Contracts and other commitments	11,404	23,334	P 39,728	4,015	P 12,379	3,255 <sup>1</sup>
Checks paid	3,636	7,889	10,076	1,088	1,099	513
U. S. NAVY						
Program	12,308	20,024	35,215 <sup>6</sup>	58	15,133 <sup>6</sup>	-
Contracts and other commitments	11,182	16,327	22,848	955	5,566	1,423 <sup>1</sup>
Checks paid	2,217	4,726	5,775	518	531	381
LEND-LEASE						
Program	7,000	12,985	12,985	-	-	5,425
Allocations	5,177	r 11,345	12,272	r 695	232	n.a.
Contracts and other commitments	2,458	6,282	8,459	1,068	r 1,109	n.a.
Checks paid	21	910	1,710	368	432	248
U. S. MARITIME COMMISSION						
Program	784	2,734	6,584	3,850 <sup>h</sup>	0	P 0
Contracts and other commitments	886	1,724	3,612	1,566 <sup>h</sup>	322	n.a.
Checks paid (net) e	44	156	267	49	62	44
RFC AND SUBSIDIARIES						
Program	2,623	5,130	P 5,856	r 700	P 26	P 0
Contracts and other commitments	1,151	3,569	P 5,633	r 704	P 1,360	n.a.
Checks issued by RFC	350	956	P 1,215	129	P 130	n.a.
OTHER U. S. AGENCIES						
Program	1,226	r 3,654	3,816	30	r 132	P 0
Contracts and other commitments	720	r 1,293	1,555	r 106	156	n.a.
Checks paid	163	614	768	77	77	35
FOREIGN ORDERS						
Program (orders)	3,786	4,096	P 4,096	P 0	P 0	P 0
Commitments	3,786	4,096	4,096	P 0	P 0	P 0
Checks issued by Purchasing Missions	2,105	2,714	P 2,844	68	P 62	n.a.

For footnotes see Page X.

MARCH 27, 1942

CONFIDENTIAL

IX



## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

P Preliminary

<sup>r</sup> Revised. Revisions in cumulative figures through  
December 31, 1941 made in month of December

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>c</sup> Checks paid include (1) all checks paid out of the Treasury General Fund; (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>d</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>e</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Does not include \$5.5 billion, Title I, FY 1943, approved February 7, 1942, but not available for obligation prior to July 1, 1942.
- <sup>h</sup> Funds included in Fifth Supplemental Appropriation Act, approved March 5, 1942. Obligation of these funds was initiated in January.
- <sup>i</sup> Contract clearances.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941			1942	
	July	January	November	December	January	February
<b>EMPLOYMENT IN 18 MAJOR PRIVATE WAR INDUSTRIES</b>						
	(Indexes 1939=100)					
All eighteen industries	123.3	151.4	r 207.4	r 213.3	221.2	P 230.2
Blst. furn., st. wks., etc.	116.7	128.7	144.9	145.7	145.8	P 146.4
Foundry & mach. shop prod.	114.8	137.5	174.2	176.1	178.1	P 180.8
Electr. mach., app. & supp.	115.3	143.8	r 188.0	r 189.1	189.1	P 194.8
Smelting and refining	112.7	124.0	127.0	128.3	129.1	P 128.7
Brass, bronze, copper prod.	114.5	151.5	169.2	169.4	172.3	P 175.2
Aluminum manufactures	121.2	146.5	r 160.7	r 167.8	168.3	P 176.6
Machine tools	155.6	189.4	243.1	249.0	259.1	P 271.1
Machine tool accessories	139.7	167.7	r 250.1	r 257.4	268.1	P 277.9
Abrasives	112.1	150.7	193.5	194.8	195.9	P 195.2
Screw-machine products	115.9	156.9	209.3	213.4	230.5	P 239.8
Airframes	222.2	355.7	684.5	719.5	784.5	P 837.3
Aero-engines	299.2	434.1	905.6	r 1,001.1	1,097.8	P 1,201.1
Shipbuilding	138.7	195.8	434.6	477.9	544.7	P 606.0
Firearms	164.0	241.4	432.1	451.7	512.1	P 571.7
Ammunition	144.6	245.8	r 541.4	r 622.9	688.8	P 726.9
Explosives	142.5	176.6	486.0	492.6	528.0	P 550.9
Optical goods	111.9	138.1	182.6	186.9	191.9	P 194.2
Instruments	115.7	147.9	222.3	232.2	240.2	P 246.2
<b>EMPLOYMENT</b>						
	(Thousand workers)					
War industries						
Private, 18 major industries	1,660	2,038	r 2,793	r 2,872	r 2,982	P 3,099
Private contractors;						
public construction	13	448	617	633	583	
Public	117	171	263	286	308	
Total	1,790	2,657	r 3,673	r 3,791	r 3,873	
Deep sea merchant vessels	51	49	49	49	47	49
<b>LABOR DISPUTES IN PLANTS WITH IMPORTANT WAR CONTRACTS</b>						
Number strikes in progress	n.a.	13	P 24	P 9	P 10	P 21
Workers involved (thous.)	n.a.	26	P 20	P 4	P 3	P 15
Man days idle (thous.)	n.a.	146	P 108	P 14	P 7	P 34
<b>VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY</b>						
	(Million dollars)					
Total	1,424	3,260	3,435	n.a.	327	175
Approved, private funds	829	1,326	1,547	P 1,970	173	221
Approved, public funds	201	252	326	P 340	7	74
Disapproved	7	25	29	n.a.	11	4
Pending	387	1,657	1,533	n.a.	136	-124

P Preliminary data.

r Revised data.

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## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

	1940	1941	1942			
	July	January	January	February	Week ending	
					March 14	March 21
<b>FED. RES. BD. PROD. INDEXES</b>						
		(Unadjusted indexes 1935-39=100)				
Total industrial production	120	135	165 P	168		
Durable manufactures	131	166	215 P	220		
Nondurable manufactures	111	118	137 P	138		
Minerals	121	113	126 P	126		
<b>BUR. FOR. &amp; DOM. COM. MFRS. ORDERS, SHIPMENTS, INVENTORIES</b>						
			(Indexes)			
New orders, total (1/39=100)	127	176 P	246			
Shipments, total (1/39=100)	117	148 P	205			
Inventories, (1939 av.mo.=100)	112.2	121.8 P	162.0			
Durable (1939 av.mo.=100)	113.9	132.5 P	178.4			
Nondurable (1939 av.mo.=100)	110.7	112.5 P	147.8			
<b>BLS PRICE INDEXES</b>						
			(Indexes)			
Strategic Materials (8/39=100)	123.6	126.1	144.8 F	143.8	143.9	143.9
Critical Materials (8/39=100)	107.5	111.7	120.2 P	122.9	123.0	123.1
Basic Commodities (8/39=100)	108.5	120.5	163.0	165.1	166.1	166.0
Machine Tools (8/39=100)	108.7	114.6 F	118.6 F	118.4	-	-
All Commodities (1926=100)	77.7	80.8	96.0	96.7	97.1	97.2
<b>BLS COST OF LIVING INDEX</b>						
			(1935-39=100)			
All items	100.3	100.8	111.9	112.6		
Food	97.4	97.8	116.2	116.8		
Rent	*104.6	105.0	108.4	108.6		
<b>TRANSPORTATION &amp; ELEC. POWER</b>						
<b>Freight Cars</b>						
Loadings (thous. per week)	706	684	772	781	799	797
Unloads for export (dly.av.)						
Atlantic & Gulf ports (No.)	1,494	1,352	1,822	1,759	1,883	1,862
Pacific ports (No.)	112	130	212	308	298	297
Surplus, total, dly.av. (thous.)	133	110	60	59	58	
Box cars	57	43	22	22	21	
Coal cars	47	42	22	20	19	
Bad order cars, total, 1st of month (thous.)	153	109	62	61 (Mar. 1)	61	
Power Prod. (Mil. kwh.)	12,094	13,641 F	15,646	14,084	3,357	3,357
<b>NATIONAL INCOME</b>						
		(Billion dollars, annual rate)				
Total income payments	75.2	81.7 P	101.2			
<b>FEDERAL DEBT</b>						
Net public debt	41.6	43.9	56.8	58.5		
<b>DEFENSE BOND SALES</b>						
			(Million dollars)			
	-	-	1,061	703	124	117

● Graph appears on following page.  
June 1940.

P Preliminary data.

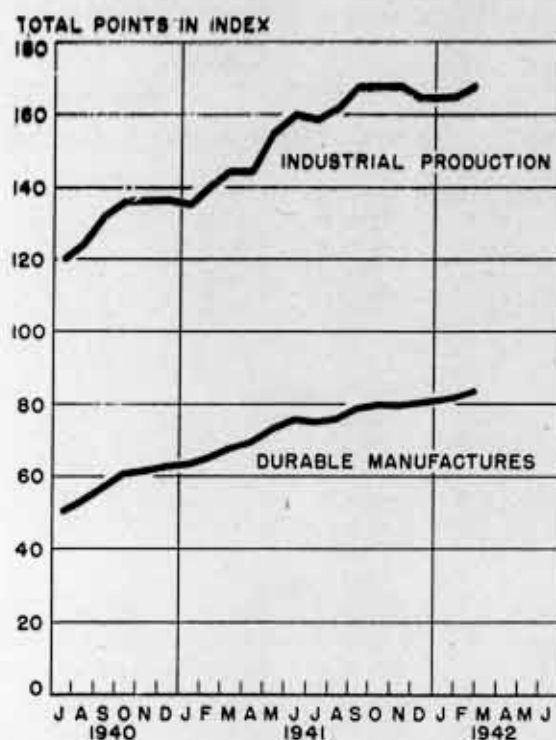
F Revised data.

MARCH 27, 1942

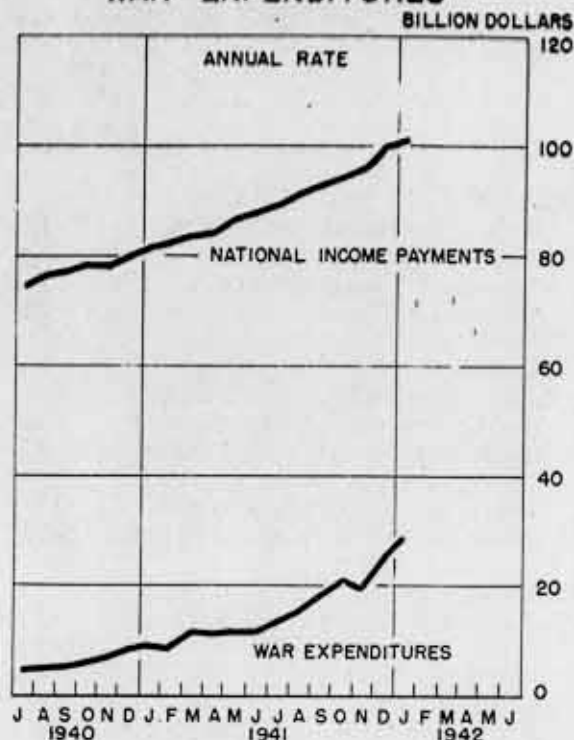
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XIII

### INDUSTRIAL PRODUCTION

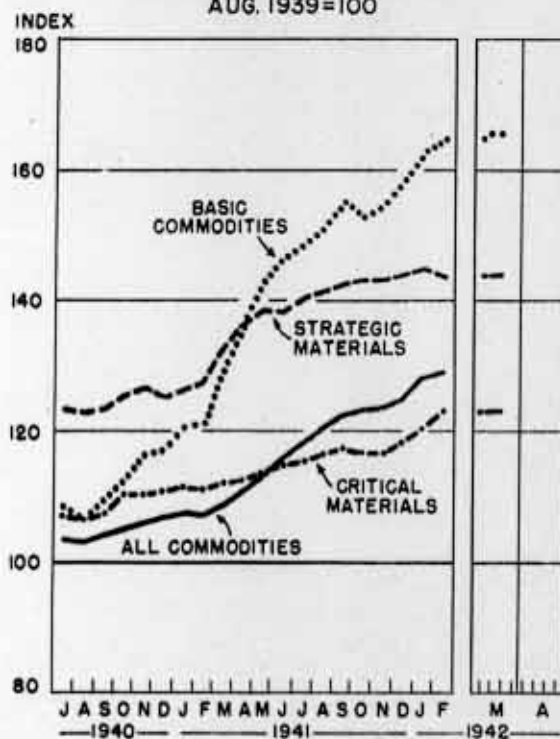


### NATIONAL INCOME & WAR EXPENDITURES



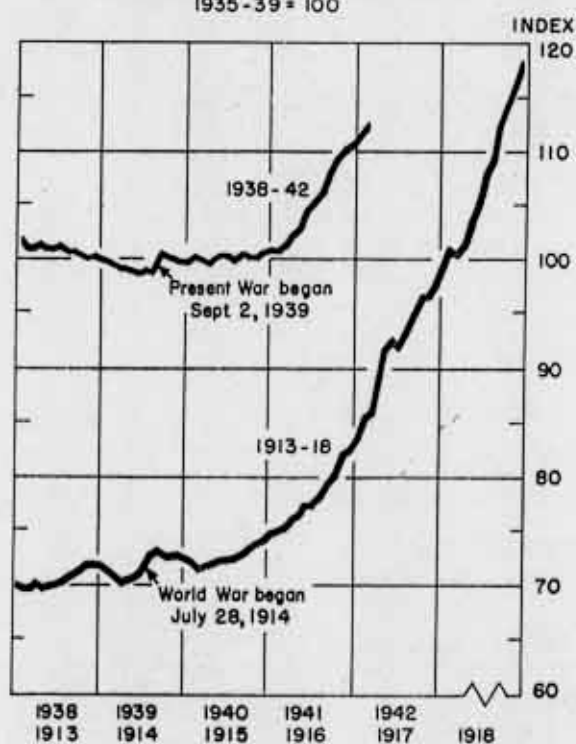
### WHOLESALE PRICES

AUG. 1939=100



### COST OF LIVING

1935-39 = 100



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941	1942			
	July	January	January	February	Week Ending	
					March 14	March 21
<b>EMPLOYMENT</b>						
			(Thousand workers)			
Total civil nonagricultural	35,904	37,142	p 39,838			
Total WPA employment	1,655	1,890	1,024	1,029	984	961
War industries						
Deep sea merchant vessels			Confidential data. See page XI.			
<b>UNEMPLOYMENT (WPA ESTIMATE)</b>						
			(Million workers)			
Number of unemployed	9.3	7.6	4.2	4.0		
<b>LABOR DISPUTES</b>						
			Confidential data. See page XI.			
Plants with important war contracts						
All industries						
Number strikes in progress	390	341	p 255	p 275		
Workers involved (thous.)	83	110	p 49	p 80		
Man days idle (thous.)	586	661	p 390	p 425		
<b>DEFENSE HOUSING</b>						
			(Number of dwelling units, cumulative to end of period)			
Fund allocations	1,460	56,528	256,743	279,048	318,245	319,798
Constr. contracts awarded	624	36,191	153,410	169,586	182,360	185,052
Construction completed	0	1,314	83,433	92,670	93,953	92,267

P Preliminary data.



The President

1

# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 8(M) and 8(D) or (E)  
Commerce Dept. Letter, 11-18-72  
By RHP, Date MAR 29 1973

~~Confidential~~

April 3, 1942

Number 81

# WAR PROGRESS



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	December 1940	November 1941	December 1941	January 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	P 15,540	92	32	P 2,851	P 962
Unobligated balance	2,696	P 4,443	-	-	-	-
Obligations	5,765	P 11,097	350	412	P 1,058	n.a.
Value in place*	2,505	- 15,810	260	565	680	P 740
Value not in place	3,260	P 5,287	-	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	P 8,085	92	11	P 528	P 961
Obligations	2,865	P 6,291	247	213	P 810	n.a.
Value in place	960	2,800	60	300	400	P 450
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	155	153	n.a.
Value in place	575	1,753	n.a.	202	209	n.a.
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	0	21	1,573	P 1
Obligations	2,625	4,381	74	185	246	n.a.
Value in place	1,430	r 2,670	200	235	240	P 250
DEFENSE HOUSING						
Program	492	1,392	0	0	750	P 0
Obligations	275	425	29	14	2	-
Value in place	115	340	0	30	40	P 40
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	P 11,261	8	-29	P 1,688	P 22
Unobligated balance	1,677	P 5,663	-	-	-	-
Obligations	2,157	P 5,598	154	401	P 678	n.a.
Checks issued by agencies*	1,752	P 3,823	122	360	P 403	P 410
STOCKPILE						
Program	983	2,399	3	0	768	P 0
Obligations	470	1,050	45	50	90	n.a.
Checks issued by agencies	192	P 488	14	42	P 83	P 80
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	-	7	0	P 0
Obligations	66	561	-	61	108	n.a.
Checks issued by agencies	1	211	-	45	40	P 45

Table continued on following page.  
Graph appears on opposite page.

For footnotes see Page I.

**BRIEFS OF CONTENTS**Page

- MARCH AIRPLANE ACCEPTANCES for the third consecutive month exceeded WPB schedules but lagged behind tentative quotas necessary to meet the President's objectives. Merchant ship deliveries continue to lag behind both schedules and quotas necessary to meet the President's goal so greatly that drastic steps should be taken at once.

1

- TIGHT SCRAP SUPPLIES threaten to prevent steel production from meeting military and essential civilian requirements of 86 million tons in 1942. To achieve this goal, 52 million tons of scrap will be required. Steel production at scheduled rates will provide 25 million tons of "home" scrap. The remaining 27 million tons must be "purchased" scrap, of which junked equipment is expected to provide 12 million tons. Intensified collection drives will have to be undertaken quickly to bring out these 12 million tons of scrap.

3

- WAR PROGRESS SERIES. Passage of the Sixth Supplemental National Defense Appropriations Act amounting to \$18,242 million will bring the total war appropriations for the war program to \$160,105 million. United States foreign trade for January 1942 was more than 30 percent less than for December 1941, largely due to difficulties of shipping. During the three months ended February 1942, new orders for durable goods increased by nearly 100 percent. In February the index stood at 522, or over three times the level for July 1940. Shipments in February were about twice their volume in the summer of 1940.

I

## PRODUCTION OF PLANES AND SHIPS IN MARCH

MARCH AIRPLANE ACCEPTANCES FOR THE THIRD CONSECUTIVE MONTH EXCEEDED WPB SCHEDULES BUT LAGGED BEHIND TENTATIVE QUOTAS NECESSARY TO MEET THE PRESIDENT'S OBJECTIVES. MERCHANT SHIP DELIVERIES CONTINUE TO LAG BEHIND BOTH SCHEDULES AND QUOTAS NECESSARY TO MEET THE PRESIDENT'S GOAL SO GREATLY THAT DRASTIC STEPS SHOULD BE TAKEN AT ONCE.

**A**irplanes. Acceptances of airplanes in March were nearly 5 percent ahead of the 8-I schedule for the month and were 15 percent above February acceptances, according to weighted value indexes based on early reports. However, they were still some 8 percent below the tentative March quota designed

to achieve the President's 60 thousand plane goal.

As shown in the following table, the value of actual acceptances of airplanes has exceeded the value of scheduled (8-I) acceptances for each of the past three months, but has been below the tentative monthly objective.

Month	Tentative Monthly Objective <sup>a</sup>	W. P. B. Schedule <sup>b</sup>	Deliveries
(Percent of value of President's goal)			
January	3.7	3.3	3.4 <sup>F</sup>
February	4.2	3.7	4.0 <sup>F</sup>
March	4.9	4.3	4.5 <sup>P</sup>
President's Goal	100.0		

<sup>a</sup> Tentative monthly quota to meet President's goal

<sup>b</sup> 8-I ultimate

<sup>F</sup> Revised

<sup>P</sup> Preliminary



Merchant Ships. The delivery of merchant ships in March continued to lag according to preliminary reports. 26 ships were delivered; 47 should have been delivered according to tentative quotas established by the Maritime Commission to meet the President's goal. In February 26 ships were delivered and 29 should have been delivered.

In each of the first three months of 1942 deliveries have lagged behind first of month production schedules, as well as the tentative objectives. If the United States is going to have enough ships to meet its needs, drastic steps must be taken promptly to increase production schedules and deliveries to meet the President's goal.

	Tentative Monthly Objective	First of Month Production Schedules	Actual Deliveries
		(Ships)	
January	25	25	16
February	29	29	26 <sup>Ⓐ</sup>
March	47	30	26 <sup>Ⓐ</sup>
1942 Objective	698 <sup>Ⓐ</sup>		

<sup>Ⓐ</sup> The United States Maritime Commission schedule for 8 million dwt. tons of merchant shipping, for which the President asked, includes 7.7 million dwt. tons of other ships. Figures in this article include only the ocean going vessels.

<sup>Ⓐ</sup> Revised

<sup>Ⓐ</sup> Preliminary



## STEEL SCRAP SHORTAGE THREATENED

TIGHT SCRAP SUPPLIES THREATEN TO PREVENT STEEL PRODUCTION FROM MEETING MILITARY AND ESSENTIAL CIVILIAN REQUIREMENTS OF 86 MILLION TONS IN 1942. TO ACHIEVE THIS GOAL, 52 MILLION TONS OF SCRAP WILL BE REQUIRED. STEEL PRODUCTION AT SCHEDULED RATES WILL PROVIDE 25 MILLION TONS OF "HOME" SCRAP. THE REMAINING 27 MILLION TONS MUST BE "PURCHASED" SCRAP, OF WHICH JUNKED EQUIPMENT IS EXPECTED TO PROVIDE 12 MILLION TONS. INTENSIFIED COLLECTION DRIVES WILL HAVE TO BE UNDERTAKEN QUICKLY TO BRING OUT THESE 12 MILLION TONS OF SCRAP.

**T**he current scarcity of iron and steel scrap supplies may develop into a serious shortage by mid-summer unless present scrap collection rates can be stepped up. Steel ingot production has been maintained in the first three months of 1942 at rates sufficient to meet the estimated military and essential civilian requirements for 1942 of 86 million tons.<sup>a</sup> A number of furnaces, however, are reported to be shut down over the country because of the lack of scrap. The production during the first quarter, furthermore, is reported practically to have exhausted inventories of scrap and to have used up "purchased" scrap as fast as it was collected. The fact that scrap collection has been proceeding at a pace just about sufficient to maintain a favorable rate of steel output in most areas, but not enough to replenish or maintain scrap inventories, means that most steel mills cannot assure continuous pro-

duction very far in advance. Unless the "hand-to-mouth" scrap supplies situation can be relieved shortly, the number of idle furnaces may interfere seriously with scheduled production.

About 52 million tons of scrap will be required for the production of 86 million tons of steel ingots in 1942 and for foundry operations at the 1941 level, which required an estimated 8 million tons of the total. These 52 million tons of scrap will complement the estimated 58 million ton pig iron output for 1942, of which about 50 million tons will be available for steel after foundry and export needs are deducted. Pig iron could be substituted for scrap if it were available to a limited extent without impairing the quality of steel. Of the two sources of scrap the "home" scrap of the steel mills derived from conversion losses in 1941 was estimated at 25

million net tons; approximately 26 million tons can be obtained this year if the 86 million tons of steel are produced. The ingot production and scrap used during 1941 and estimates for 1942 are summarized as follows:

	1942 (est)	1941
	(million tons)	
Ingot Output	86	83
Total Scrap Consumed (Incl. foundry allowance of 8 million tons)	52	52
Home	26	25
Purchased	26	27

Some 26 or 27 million tons of "purchased" scrap, approximately equal to last year's record, must be collected. Of the three primary sources of "purchased" scrap; (1) the railroads; (2) industrial scrap arising from fabricating losses and from the finishing of castings; (3) "dormant" scrap, resulting from junking is the major and most uncertain source. "Dormant" scrap includes all junked scrap such as that provided by auto wreckers, farmers, peddlers, ship-breakers, etc. In 1941 this kind of scrap furnished 12

million tons; in 1942 about the same amount will have to come from this source. The extent to which "dormant" sources can be drawn upon to yield these 12 million tons, and yield them in time to meet production schedules, will be largely determined (1) by the speed with which needed changes in price differentials are determined and put into effect, and (2) by the success of salvage programs sponsored by the Bureau of Conservation of the War Production Board and other agencies.

Claims that prices have not been high enough to encourage the necessary increase in scrap collection have led to extensive controversy. Among the questions raised are the "basing-point" price system now in effect versus a "shipping-point" price system which has been proposed and price differentials for various qualities of scrap. These questions should be settled promptly so that scrap collection may proceed at increased rates.

Industrial scrap, the second largest source of "purchased" scrap, is expected to furnish 11½ million tons, nearly a million tons more than came from this source in 1941. Increased fabricating losses, accompanying the production of military items, as well as the increased junking of unused factory equipment, part of which is due to conversion

to munitions production, is expected to provide this increase. Since industrial scrap is usually sent directly to the steel mills, there should be no problem of collection.

A slight decrease in railroad scrap is expected in 1942 due to the repair of equipment which is ordinarily junked. It is possible, however, that this decrease may not occur if projected plans by the War Production Board's Bureau of Industrial Conservation with respect to scrap can be applied speedily and forcefully. It has been alleged that much potential scrap in the form of obsolete equipment is tied up by legal complications. If the railroads and other holders of large quantities of obsolete equipment can be encouraged to clear up these legal complications, the supply of scrap from these sources may be increased over last year. Collection from these sources, however, in the first three months of 1942 is below the level required.

Plans for increasing the rate

of scrap collection must be worked out quickly. It is essential that an increasing supply of steel-making materials be forthcoming throughout the year in order that (1) supply will parallel schedules of steel production and (2) that sufficient stocks of scrap will be on hand against the lag of scrap collection next winter and the increased production requirements of 1943.

<sup>a</sup> Based upon estimated requirements of 48 million tons of ingot steel for direct military production and 38 million tons for indirect military and essential civilian needs such as food containers, agricultural equipment, transportation equipment, machinery, defense housing, and miscellaneous essential civilian purposes.

<sup>b</sup> Of this 27 million tons, slightly over 19 million tons would be available for steel after allowing for foundry consumption of 8 million tons. Exports of scrap in 1942 have been eliminated by order of the President.

## WAR PROGRESS SERIES

### Pending Legislation

The Sixth Supplemental National Defense Appropriation Act, amounting to \$18,242 million, passed the House of Representatives on March 28. The major part, \$17,376 million, is to go to the War Department, about half of which is for airplanes and most of the rest is for posts, \$821 million to the Navy Department, and \$45 million to other agencies. In addition, estimates were sent to Congress on March 30 for \$809 million for posts, depots, etc., for the Navy Department, and on March 28 for \$4 million for other agencies. If this pending legislation amounting to \$19,055 million is passed, the total war program in the United States will be \$160,105 million.

### Foreign Trade by Principal Areas During January 1942

United States exports of \$480 million during January 1942, \$172

There was a \$50 million decrease in the exports to Latin America and a \$45 million decrease to the United Kingdom. A similar movement was evident in the imports which totaled \$256 million in January 1942, \$82 million less than in December 1941. All the principal sources of imports showed decreases during January. The United States armed forces require such a large part of the merchant fleet that foreign trade will have to be reduced because of limited shipping facilities.

Practically all exports from the United States since the latter part of December have been under export license. Additional materials which have become more important in the war effort are now included in strategic and critical imports. million less than in December 1941, represented substantial decreases to the principal areas, except Russia.

(See chart on page XII on foreign trade by months from July 1940 to January 1942.)

New Orders, Shipments, and Inventories

During the first three months after the Declaration of War by the United States, new orders for durable manufactured goods (as reported by the Bureau of Foreign and Domestic Commerce) increased by nearly 100 percent over their November 1941 level. In February the index stood at 522, or over three times the index for July 1940. Shipments in February were about twice their volume in the summer of 1940. In recent months shipments have levelled off, reflecting the effects of the decline in new orders from June to October 1941.

Although new orders and shipments for nondurable goods have shown relatively steady increases

since July 1940 to February 1942, the increases have been of a much smaller magnitude than those for durable goods. Inventories of durable goods have increased steadily since the beginning of the period. In contrast, inventories of nondurable goods remained fairly stable from July 1940 until May 1941. Since that time they have risen some 28 percent.

Freight Car Loadings, Surplus Cars and Bad Order Cars.

Freight car loadings in February were seven percent higher than a year ago. In contrast, surplus cars show a considerable decline. The number of cars awaiting or undergoing repairs (bad order cars) has declined steadily since July 1940.



## WAR PROGRESS SERIES

## TOTAL WAR PROGRAM IN THE UNITED STATES

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars)						
● TOTAL WAR PROGRAM IN THE U.S. a						
Program	40,861	80,604	P 113,059	P 17,164	P 15,291	P 27,991
Uncommitted balance	9,274	23,979	P 27,128	-	-	-
Contracts and other commitments	31,587	56,625	p 85,931	8,414	p 20,892	n.a.
Value delivered and/or in place b	8,547	18,573	p 23,703	p 2,470	p 2,660	n.a.
Checks paid c	8,536	17,965	p 22,715	2,297	p 2,453	n.a.
MUNITIONS PRODUCTION & WAR CONSTRUCTION, TOTAL						
Program	37,027	69,305	p 101,096	p 16,644	p 15,147	p 25,178
Uncommitted balance	7,597	18,281	p 22,510	-	-	-
Contracts and other commitments	29,430	51,024	P 78,586	7,438	P 20,124	4,678 1
Value delivered and/or in place b	6,795	14,750	p 19,045	p 2,060	p 2,235	n.a.
Value not delivered nor in place	22,635	36,274	p 59,541	-	-	-
PRODUCTION OF MUNITIONS						
Program	28,566	53,738	p 81,643	P 15,328	P 12,577	P 22,022
Uncommitted balance	4,901	13,929	p 19,527	-	-	-
Contracts and other commitments	23,665	39,809	p 62,116	5,846	p 16,461	3,615 1
Value delivered and/or in place b	4,290	8,940	P 11,835	P 1,360	P 1,535	n.a.
Value not delivered nor in place	19,375	30,869	P 50,281	-	-	-
WAR CONSTRUCTION						
Program	8,461	15,567	P 19,453	P 1,316	P 2,570	P 3,156
Uncommitted balance	2,696	4,352	P 2,983	-	-	-
Contracts and other commitments	5,765	11,215	P 16,470	1,592	P 3,663	1,063 1
Value delivered and/or in place b	2,505	5,810	P 7,210	P 700	P 700	n.a.
Value not delivered nor in place	3,260	5,405	P 9,260	-	-	-
NON-MUNITIONS WAR ITEMS, TOTAL						
Program	3,834	11,299	P 11,963	P 520	P 144	P 2,813
Uncommitted balance	1,677	5,698	P 4,618	-	-	-
Contracts and other commitments	2,157	5,601	P 7,345	976	P 768	n.a.
Checks issued b	1,752	3,823	P 4,658	410	P 425	n.a.

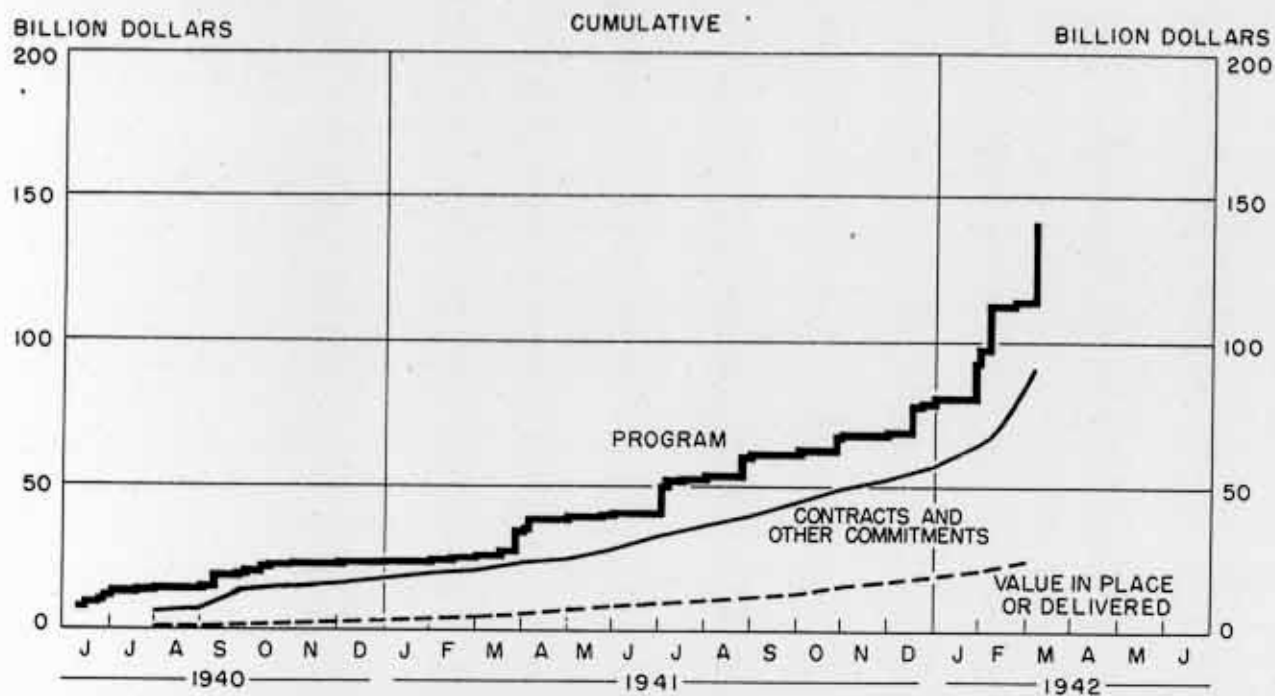
Table continued on Page V.

For footnotes see Page X.

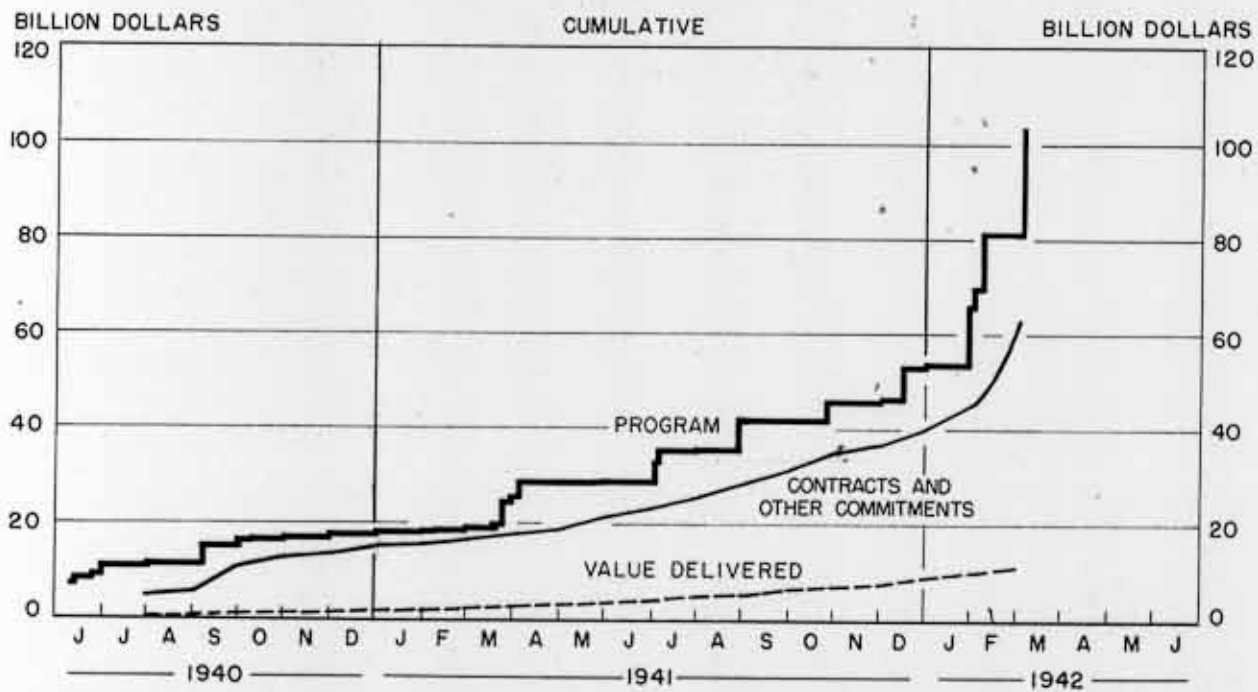
● Graph appears on following page.



### TOTAL WAR PROGRAM



### MUNITIONS PRODUCTION



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	December 1940	November 1941	December 1941	January 1942
(Million dollars) NON-MUNITIONS (CONTINUED)						
PAY, SUBSISTENCE & TRAVEL <sup>f</sup>						
Army Military						
Program	944	3,013	0	0	450	0
Obligations	934	2,030	60	150	196	n.a.
Checks issued	696	P 1,510	43	144	P 148	P 150
Navy Military						
Program	378	963	0	159	0	0
Obligations	334	610	32	62	58	n.a.
Checks issued	388	P 640	31	43	P 43	P 45
Civilian Payroll						
Program	32	247	0	0	77	0
Obligations	32	140	6	10	13	n.a.
Checks issued	356	P 684	28	60	P 60	P 60
MISCELLANEOUS NON-MUNITIONS						
Program	872	P 3,117	5	-195	P 393	P 22
Obligations	321	P 1,207	11	68	P 213	n.a.
Checks issued by agencies	119	P 290	6	26	P 29	P 30
BREAKDOWN BY AGENCIES						
AGENCIES INCLUDED IN TREASURY GENERAL FUND						
U. S. ARMY						
Program	13,134	31,981	0	0	7,376	12,526
Obligations	11,404	23,334	491	404	2,332	n.a.
Checks paid by U. S. Treasury	3,636	7,889	282	704	976	1,088
U. S. NAVY						
Program	12,308	20,024	0	64	2,333	58
Obligations	11,182	16,327	473	421	1,225	955
Checks paid by U. S. Treasury	2,217	4,726	178	441	494	518
LEND-LEASE						
Program	7,000	12,985	-	0	0	0
Allocations	5,177	11,148	-	2,415	1,949	n.a.
Obligations	2,458	6,282	-	430	1,026	n.a.
Checks Paid by U. S. Treasury	21	910	-	198	256	368

Table continued on following page.

For footnotes see Page I.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

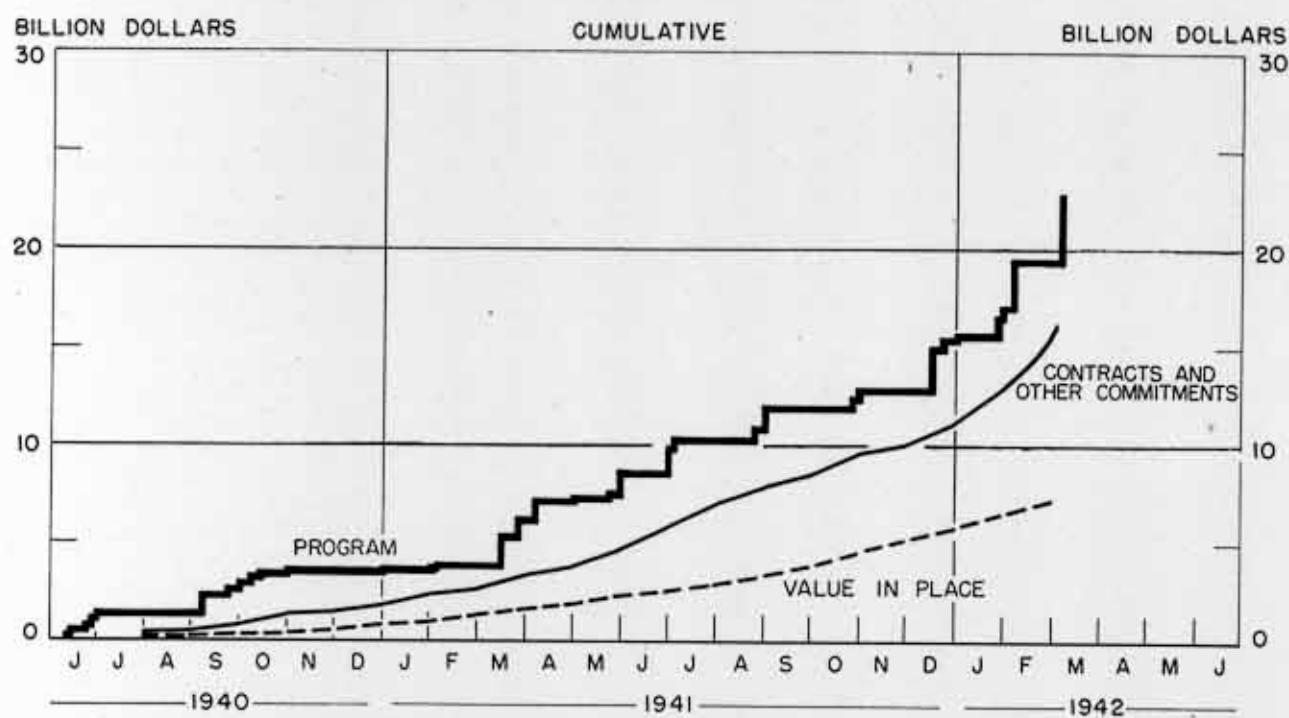
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars) BREAKDOWN OF MUNITIONS PRODUCTION						
● MUNITIONS PRODUCTION, TOTAL						
Program	28,566	53,738	P 81,643	P 15,328	P 12,577	P 22,022
Uncommitted balance	4,901	13,929	P 19,527	-	-	-
Contracts and other commitments	23,665	39,809	P 62,116	5,846	P 16,461	3,615 <sup>1</sup>
Value delivered and/or in place <sup>b</sup>	4,290	8,940	P 11,835	P 1,360	P 1,535	n.a.
Value not delivered nor in place	19,375	30,869	P 50,281	-	-	-
AIRPLANES, PARTS & ACCESSORIES						
Program	8,582	15,072	P 28,458	P 9,009	P 4,377	P 167
Contracts and other commitments	7,381	13,298	P 23,560	429	P 9,833	1,052 <sup>1</sup>
Value delivered	1,010	2,265	P 3,030	P 345	P 420	n.a.
ORDNANCE						
Program	7,778	17,488	P 20,951	P 1,491	P 1,882	P 12,461
Contracts and other commitments	5,418	10,354	P 16,673	2,908	P 3,411	1,595 <sup>1</sup>
Value delivered	700	1,685	P 2,375	P 330	P 360	n.a.
NAVAL SHIPS						
Program	6,796	9,605	P 15,223	25	P 5,593	-
Contracts and other commitments	6,442	7,930	9,874	277	1,667	457 <sup>1</sup>
Value delivered and/or in place	810	1,665	P 2,170	P 235	P 270	n.a.
MERCHANT SHIPS						
Program	1,442	3,288	P 6,975	P 3,750	P -63	P 734
Contracts and other commitments	1,484	2,381	4,252	1,606	265	0 <sup>1</sup>
Value delivered and/or in place	240	510	P 695	P 85	P 100	n.a.
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	8,285	P 10,136	P 1,063	P 788	P 8,660
Contracts and other commitments	2,940	5,846	P 7,757	626	P 1,285	511 <sup>1</sup>
Value delivered	1,530	2,815	P 3,565	P 365	P 385	n.a.

Table continued on Page VII.

For footnotes see Page X.

- Graph appears on opposite page.

# WAR CONSTRUCTION



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	15,567	P 19,453	P 1,316	P 2,570	P 3,156
Uncommitted balance	2,696	4,352	P 2,983	-	-	-
Contracts and other commitments	5,765	11,215	P 16,470	1,592	P 3,663	1,063 <sup>1</sup>
Value in place <sup>b</sup>	2,505	5,810	P 7,210	P 700	P 700	n.a.
Value not in place	3,260	5,405	P 9,260	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	8,112	P 11,015	P 1,311	P 1,592	P 3,124
Contracts and other commitments	2,865	6,318	P 9,891	1,156	P 2,417	904 <sup>1</sup>
Value in place	960	2,800	P 3,655	P 430	P 425	n.a.
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	774	n.a.	n.a.
Value in place	575	1,753	n.a.	230	n.a.	n.a.
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	7,046	5	978	P 32
Contracts and other commitments	2,625	4,381	P 6,000	425	P 1,194	159 <sup>1</sup>
Value in place	1,430	2,670	P 3,150	P 240	P 240	n.a.
DEFENSE HOUSING						
Program	492	1,392	1,392	0	0	P 0
Contracts and other commitments	275	516	579	11	52	n.a.
Value in place	115	340	P 405	P 30	P 35	n.a.
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	11,299	P 11,963	P 520	P 144	P 2,813
Uncommitted balance	1,677	5,698	P 4,618	-	-	-
Commitments	2,157	5,601	P 7,345	976	P 768	n.a.
Checks issued by agencies <sup>b</sup>	1,752	3,823	P 4,658	P 410	P 425	n.a.
STOCKPILE						
Program	983	2,399	P 2,713	310	P 4	P 0
Commitments	470	1,050	1,050	-	-	n.a.
Checks issued by agencies	192	488	P 653	P 80	P 85	n.a.

Table continued on Page V.

For footnotes see Page X.

● Graph appears on opposite page.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million Dollars)						
BREAKDOWN OF NON-MUNITIONS (Continued)						
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	1,294	0	-228	1,784
Commitments	66	561	793	99	133	n.a.
Checks issued by agencies	1	211	P 306	P 45	P 50	n.a.
PAY, SUBSISTENCE & TRAVEL f						
Army Military						
Program	944	3,013	3,013	0	0	146
Commitments	934	2,030	P 2,873	420	P 423	n.a.
Checks issued	696	1,510	P 1,815	P 150	P 155	n.a.
Navy Military						
Program	378	963	972	0	9	0
Commitments	334	610	740	62	68	n.a.
Checks issued	388	640	P 730	P 45	P 45	n.a.
Civilian Payroll						
Program	32	247	248	0	1	0
Commitments	32	140	180	20	20	n.a.
Checks issued	356	684	P 804	P 60	P 60	n.a.
MISCELLANEOUS NON-MUNITIONS						
Program	872	3,155	P 3,723	P 210	P 358	P 883
Commitments	321	1,210	P 1,709	375	P 124	n.a.
Checks issued by agencies	119	290	P 350	P 30	P 30	n.a.

Table continued on following page.

For footnotes see Page X.



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1-15 1942
(Million dollars)						
BREAKDOWN BY AGENCIES						
UNITED STATES FINANCED WAR PROGRAM d						
Program	37,075	76,508	P108,963	17,164	P 15,291	P 27,991
Uncommitted balance	9,274	23,979	P 27,128	-	-	-
Contracts and other commitments	27,801	52,529	P 81,835	8,414	P 20,892	n.a.
Checks paid	6,431	15,251	P 19,871	2,229	P 2,391	n.a.
U. S. ARMY						
Program	13,134	31,981	44,507	12,526	-	22,566
Contracts and other commitments	11,404	23,334	P 39,728	4,015	P 12,379	3,255 <sup>1</sup>
Checks paid	3,636	7,889	10,076	1,088	1,099	513
U. S. NAVY						
Program	12,308	20,024	35,215 <sup>6</sup>	58	15,133 <sup>6</sup>	-
Contracts and other commitments	11,182	16,327	22,848	955	5,566	1,423 <sup>1</sup>
Checks paid	2,217	4,726	5,775	518	531	381
LEND-LEASE						
Program	7,000	12,985	12,985	-	-	5,425
Allocations	5,177	11,345	12,272	695	237	n.a.
Contracts and other commitments	2,458	6,282	8,459	1,068	1,109	n.a.
Checks paid	21	910	1,710	368	432	248
U. S. MARITIME COMMISSION						
Program	784	2,734	6,584	3,850 <sup>h</sup>	0	P 0
Contracts and other commitments	886	1,724	3,612	1,566 <sup>h</sup>	322	n.a.
Checks paid (net) e	44	156	267	49	62	44
RFC AND SUBSIDIARIES						
Program	2,623	5,130	P 5,856	700	P 26	P 0
Contracts and other commitments	1,151	3,569	P 5,633	704	P 1,360	n.a.
Checks issued by RFC	350	956	P 1,275	190	P 130	n.a.
OTHER U. S. AGENCIES						
Program	1,226	3,654	3,816	30	132	P 0
Contracts and other commitments	720	1,293	1,555	106	156	n.a.
Checks paid	163	614	768	77	77	35
FOREIGN ORDERS						
Program (orders)	3,786	4,096	P 4,096	P 0	P 0	P 0
Commitments	3,786	4,096	4,096	P 0	P 0	P 0
Checks issued by Purchasing Missions	2,105	2,714	P 2,844	68	P 62	n.a.

For footnotes see Page X.

## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

P Preliminary

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>c</sup> Checks paid include (1) all checks paid out of the Treasury General Fund; (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>d</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>e</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Does not include \$5.5 billion, Title I, FY 1943, approved February 7, 1942, but not available for obligation prior to July 1, 1942.
- <sup>h</sup> Funds included in Fifth Supplemental Appropriation Act, approved March 5, 1942. Obligation of these funds was initiated in January.
- <sup>i</sup> Contract clearances.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941				1942
	July	January	October	November	December	January
● UNITED STATES FOREIGN TRADE						
Exports			(Million dollars)			
Total exports	317	325	666	492	652	480
Exports by destination						
United Kingdom	108	117	249	161	187	142
Canada	65	62	103	92	130	91
British Asia	24	28	43	46	60	47
China	10	8	17	12	9	11
Latin America	58	59	135	98	140	90
Russia	6	3	19	14	27	29
Other pro-democratic areas	11	21	75	49	79	63
Portugal and Spain	4	2	2	1	2	1
Axis & Axis-dominated	21	18	7	7	9	3
All other	8	8	16	12	9	3
Exports licensed	9.7	37.0	81.7	83.0 P	83.0 P	100.0
Imports			(Million dollars)			
Imports for consumption	218	224	292	276	338	256
Imports by origin						
United Kingdom	16	10	9	10	12	8
Canada	37	35	56	51	59	53
British Asia	55	63	75	91	87	70
China	10	5	10	6	7	2
Latin America	52	67	104	83	123	103
Russia	1	2	1	5	3	3
Other pro-democratic areas	13	10	8	12	22	9
Portugal and Spain	2	2	3	1	4	2
Axis & Axis-dominated areas	23	20	8	7	7	4
All other	9	9	18	10	14	2
Strategic and critical materials	31.1	40.9	33.4	40.1	32.4 P	39.4
U. S. WATER-BORNE FOREIGN COMMERCE						
Exports			(Million long tons)			
American flag	1.1	.6	1.3	1.3 P	1.4	n.a.
Foreign flag	4.5	2.3	4.7	4.2 P	4.8	n.a.
Imports						
American flag	1.6	1.0	2.4	2.0 P	2.5	n.a.
Foreign flag	2.4	1.8	2.0	1.7 P	2.1	n.a.

P Preliminary data.

n.a. Data not available.

● Graph appears on following page.

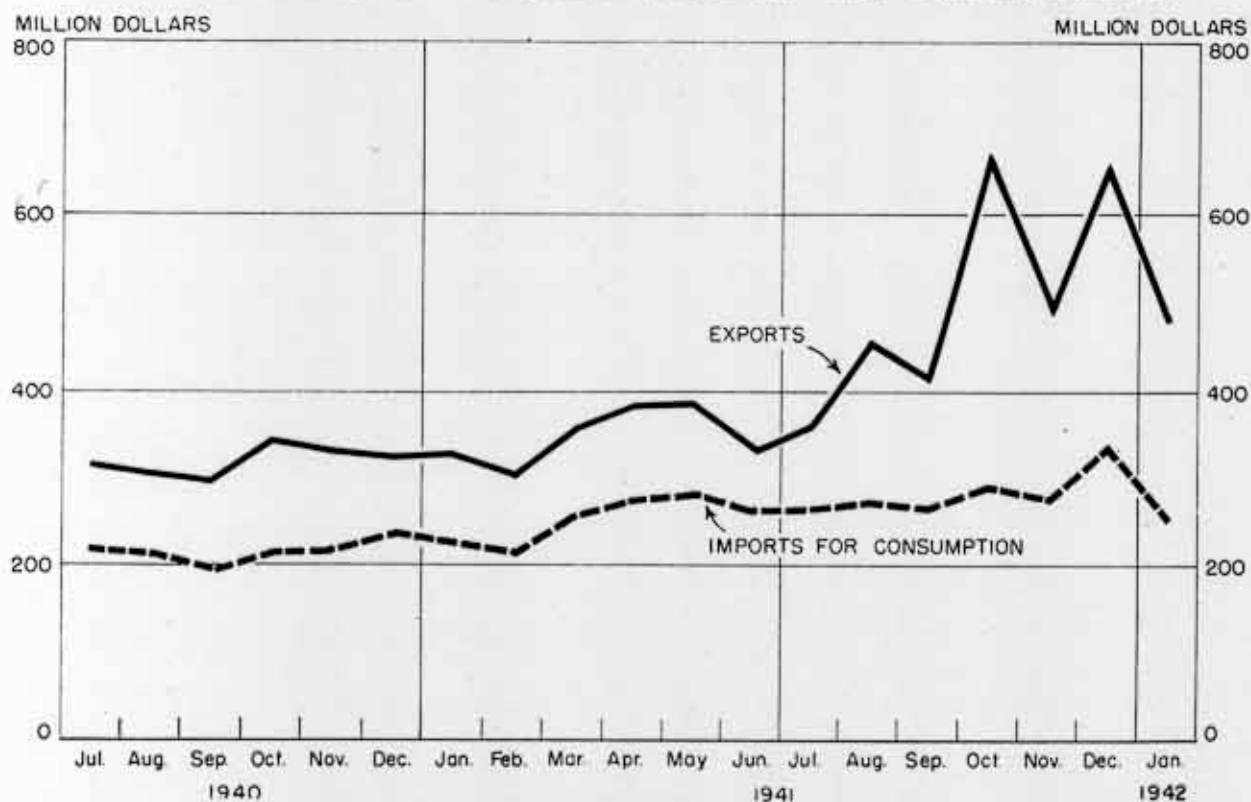
ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941			1942	
	July	January	November	December	January	February
<b>EMPLOYMENT</b>						
(Thousand workers)						
War industries						
Private, 18 major industries	1,660	2,038	2,793	2,872	2,982	P 3,099
Private contractors; public construction	13	448	617	633	583	
Public	117	171	263	286	308	
Total	1,790	2,657	3,673	3,791	3,873	
Deep sea merchant vessels	51	49	49	49	47	49
<b>VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY</b>						
(Million dollars)						
Total	1,424	3,260	3,435	n.a.	327	175
Approved, private funds	829	1,326	1,547	P 1,970	173	221
Approved, public funds	201	252	326	P 340	7	74
Disapproved	7	25	29	n.a.	11	4
Pending	387	1,657	1,533	n.a.	136	-124

p Preliminary Data.

n.a. Data not Available.

MONTHLY VALUE OF FOREIGN TRADE OF THE UNITED STATES



## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

	1940	1941	1942			
	July	January	January	February	Week ending March 21 March 28	
FED. RES. BD. PROD. INDEXES		(Unadjusted indexes 1935-39=100)				
Total industrial production	120	135	165 P	168	Mar. Est.	170
Durable manufactures	131	166	215 P	220		232
Nondurable manufactures	111	118	137 P	138		135
Minerals	121	113	126 P	126		118
● BUR. FOR. & COM. COM. MFRS.						
ORDERS, SHIPMENTS, INVENTORIES			(Indexes)			
New orders, total (1/39=100)	127	176	268 P	314		
Shipments, total (1/39=100)	117	148	201 P	215		
Inventories, (1939 av. mo.=100)	112.2	121.8	161.9 P	163.1		
Durable (1939 av. mo.=100)	113.9	132.5	179.2 P	181.1		
Nondurable (1939 av. mo.=100)	110.7	112.5	146.9 P	147.2		
BLS PRICE INDEXES			(Indexes)			
Strategic Materials (8/39=100)	123.6	126.1	144.8	143.8	143.9	143.9
Critical Materials (8/39=100)	107.5	111.7	120.2	122.9	123.1	123.1
Basic Commodities (8/39=100)	108.5	120.5	163.0	165.1	166.0	166.4
Machine Tools (8/39=100)	108.7	114.6	118.6	118.4	-	-
All Commodities (1926=100)	77.7	80.8	96.0	96.7	97.2	97.4
BLS COST OF LIVING INDEX			(1935-39=100)			
All items	100.3	100.8	111.9	112.6		
Food	97.4	97.8	116.2	116.8		
Rent	*104.6	105.0	108.4	108.6		
TRANSPORTATION & ELEC. POWER						
▲ Freight Cars						
Loadings (thous. per week)	706	684	772	781	797	805
Unloads for export (dly. av.)						
Atlantic & Gulf Ports (No.)	1,494	1,352	1,822	1,759	1,862	2,073
Pacific ports (No.)	112	130	212	308	297	322
Surplus, total, dly. av. (thous.)	133	110	60	59	58	
Box cars	57	43	22	22	21	
Coal cars	47	42	22	20	19	
Bad order cars, total, 1st of month (thous.)	153	109	62	61	(Mar. 1) 61	
Power Prod. (Mil. kwh.)	12,094	13,641	15,646	14,084	3,357	3,346
NATIONAL INCOME		(Billion dollars, annual rate)				
Total income payments	75.2	81.7 p	101.2			
FEDERAL DEBT						
Net public debt	41.6	43.9	56.8	58.5		
DEFENSE BOND SALES	-	-	(Million dollars)			
			1,061	703	117	95

● Graph appears on following page.

▲ Graph appears on Page XV.

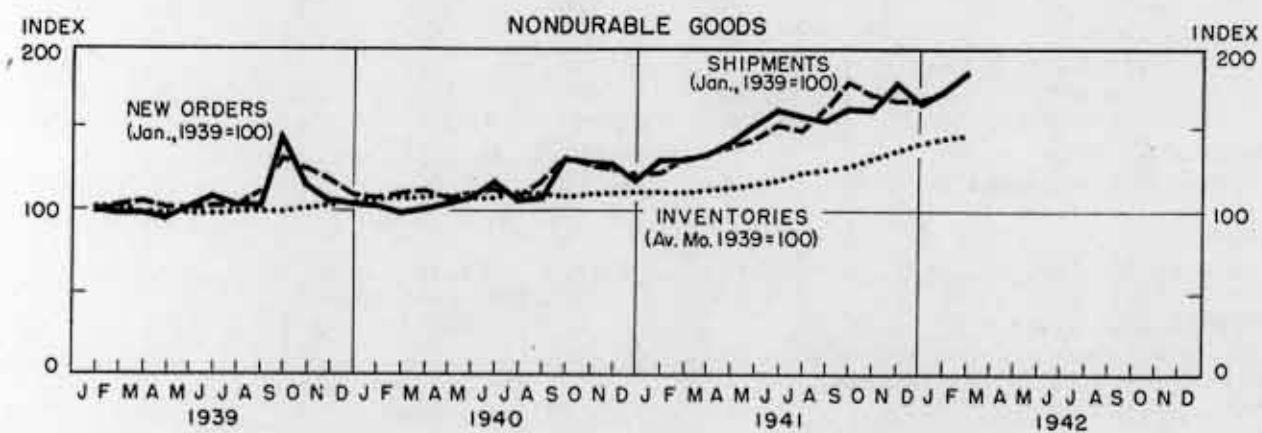
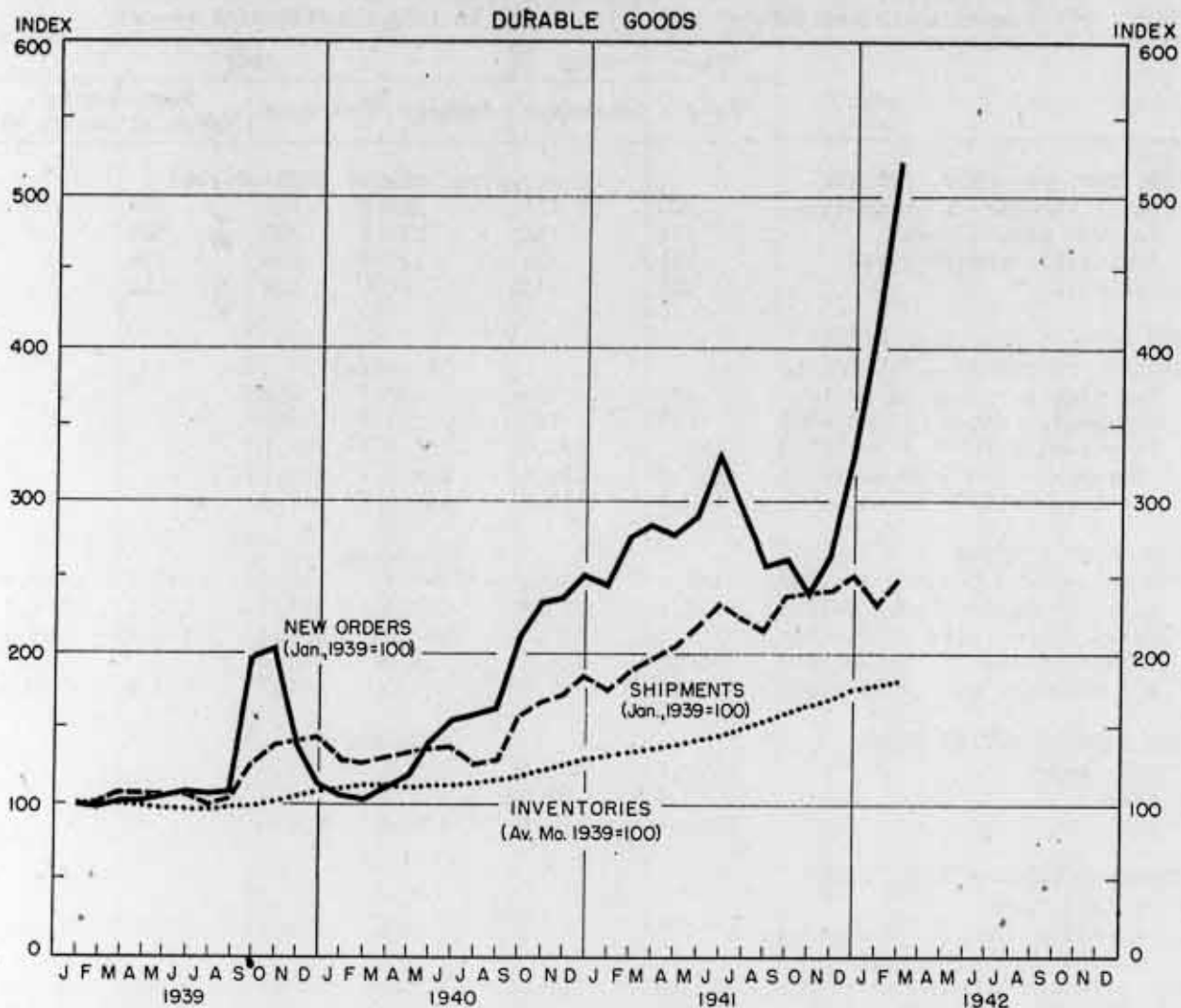
p Preliminary data.

\* June, 1940.



# MANUFACTURERS' NEW ORDERS, SHIPMENTS, AND INVENTORIES

INDEX NUMBERS





WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	December 1940	November 1941	December 1941	January 1942
(Million dollars)						
AGENCIES INCLUDED IN TREASURY GENERAL FUND (CONT'D)						
U.S. MARITIME COMMISSION						
Program	784	2,734	0	67	-1	P 0
Obligations	886	1,724	3	86	3	n.a.
Checks paid by U.S. Treasury (net) &	44	156	-3	26	36	49
OTHER U.S. AGENCIES						
Program	1,226	3,619	0	0	1,349	30
Obligations	720	1,202	40	96	46	n.a.
Checks paid by U.S. Treasury	163	614	13	68	85	77
ADDITIONAL AGENCIES INCLUDED IN U.S. FINANCED PROGRAM						
R. F. C. AND SUBSIDIARIES						
Program	2,623	5,130	80	-5	1,087	P 0
Obligations	1,151	3,569	153	345	409	n.a.
Checks issued by R.F.C.	350	P 956	13	95	P 150	n.a.
ADDITIONAL AGENCIES INCLUDED IN TOTAL WAR PROGRAM						
FOREIGN ORDERS						
Program (Orders)	3,786	P 4,066	462	40	P 22	P 0
Obligations	3,786	P 4,066	462	40	P 22	n.a.
Checks issued by Purchasing Missions	2,104	P 2,644	188	79	P 103	n.a.

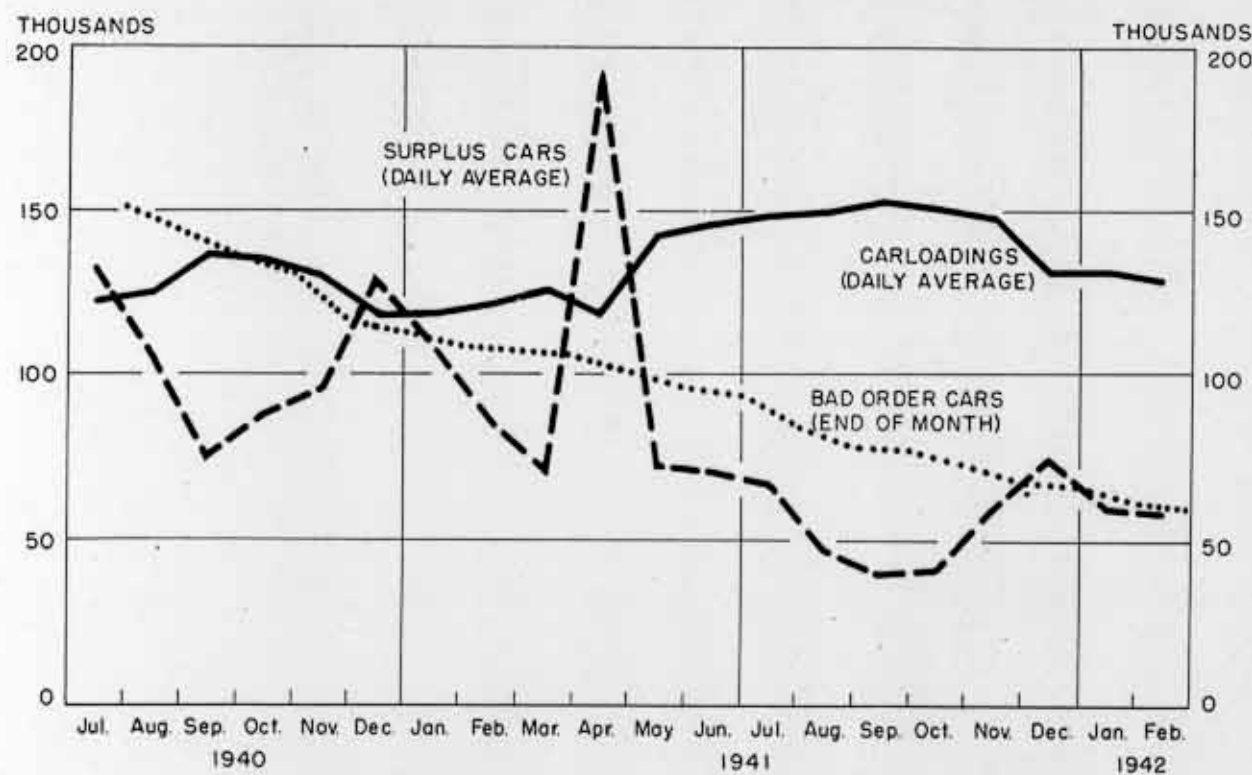
For footnotes see page I.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941	1942			
	July	January	January	February	Week ending March 21	March 28
EMPLOYMENT			(Thousand workers)			
Total civil nonagricultural	35,904	37,142	39,871	P 39,842		
Total WPA employment	1,655	1,890	1,024	1,029	961	
War industries			Confidential data. See page XII.			
Deep sea merchant vessels						
UNEMPLOYMENT (WPA ESTIMATE)			(Million workers)			
Number of unemployed	9.3	7.6	4.2	4.0		
DEFENSE HOUSING	(Number of dwelling units, cumulative to end of period)					
Fund allocations	1,460	56,528	256,743	279,048	319,798	342,261
Constr. contracts awarded	624	36,191	153,410	169,586	185,052	185,350
Construction completed	0	1,314	83,433	92,670	92,267	97,681

P Preliminary Data.

## FREIGHT CARLOADINGS, SURPLUS CARS, AND BAD ORDER CARS



The President

1

# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 2(E) and 2(D) or (A)  
Commerce Dept. Letter, 11-18-72  
By RHP, Date MAR 29 1973

~~Confidential~~

April 10, 1942

Number 82

# WAR PROGRESS



**BRIEFS OF CONTENTS**Page

THE OBJECTIVES OF THE STOCKPILE PROGRAM for many critical and strategic materials are now practically unattainable because of the loss of producing areas, the difficulties of shipping, and the greatly increased war demands. Even before war was declared, deliveries lagged behind purchases. A number of the stockpile materials are already being distributed to industry. Every effort should be exerted for building up reserves of those materials which are still obtainable.

1

ACHIEVEMENT OF WAR PRODUCTION OBJECTIVES requires sharp curtailment of nonessential output. Since December 7, 1941 the production of a great number of consumers' metal goods has been prohibited or curtailed by Limitation Orders. Complementing the priorities and allocations system the Limitation Order is a simple, prompt, and effective method of bringing about the necessary further reductions in the production of consumers' goods.

7

WAR PROGRESS SERIES. Income payments declined seasonably from \$9.4 billion in December to \$8.0 billion in February. For the same period retail sales declined from \$5.5 billion to \$3.7 billion. Average weekly earnings of factory employees in manufacturing industries were 34 percent higher in January than in the third quarter of 1940. During the same period the cost of living increased 12 percent.

I



## THE STOCKPILE SITUATION

THE OBJECTIVES OF THE STOCKPILE PROGRAM FOR MANY CRITICAL AND STRATEGIC MATERIALS ARE NOW PRACTICALLY UNATTAINABLE BECAUSE OF THE LOSS OF PRODUCING AREAS, THE DIFFICULTIES OF SHIPPING, AND THE GREATLY INCREASED WAR DEMANDS. EVEN BEFORE WAR WAS DECLARED, DELIVERIES LAGGED BEHIND PURCHASES. A NUMBER OF THE STOCKPILE MATERIALS ARE ALREADY BEING DISTRIBUTED TO INDUSTRY. EVERY EFFORT SHOULD BE EXERTED FOR BUILDING UP RESERVES OF THOSE MATERIALS WHICH ARE STILL OBTAINABLE.

The original purpose of the stockpile program was to accumulate reserves of critical and strategic materials as protection against an emergency during which such materials could not be obtained. The general pre-war objective was to accumulate a two years' military supply of scarce materials which could not be procured in sufficient quantities in the United States. The objectives were gradually modified so that in most cases they are now sufficiently high to meet direct military requirements for two years or more at the 1942 rates of munitions production.

Procurement of stockpile materials to meet the objectives has been hampered from the very start of the program by a variety of political, economic, and other considerations. Only in a few cases

were the full amounts of the objectives purchased, for most materials only a small part of the full objectives has been put under contract. In most cases, moreover, the accumulated deliveries have been considerably smaller than purchases. Only in the cases of cork, tungsten, and mercury are accumulations as large as the direct military requirements for 1942 and 1943. In contrast, the stockpile reserves of nickel, cotton linters, and copper are insignificant as compared with the direct military requirements for the next two years.

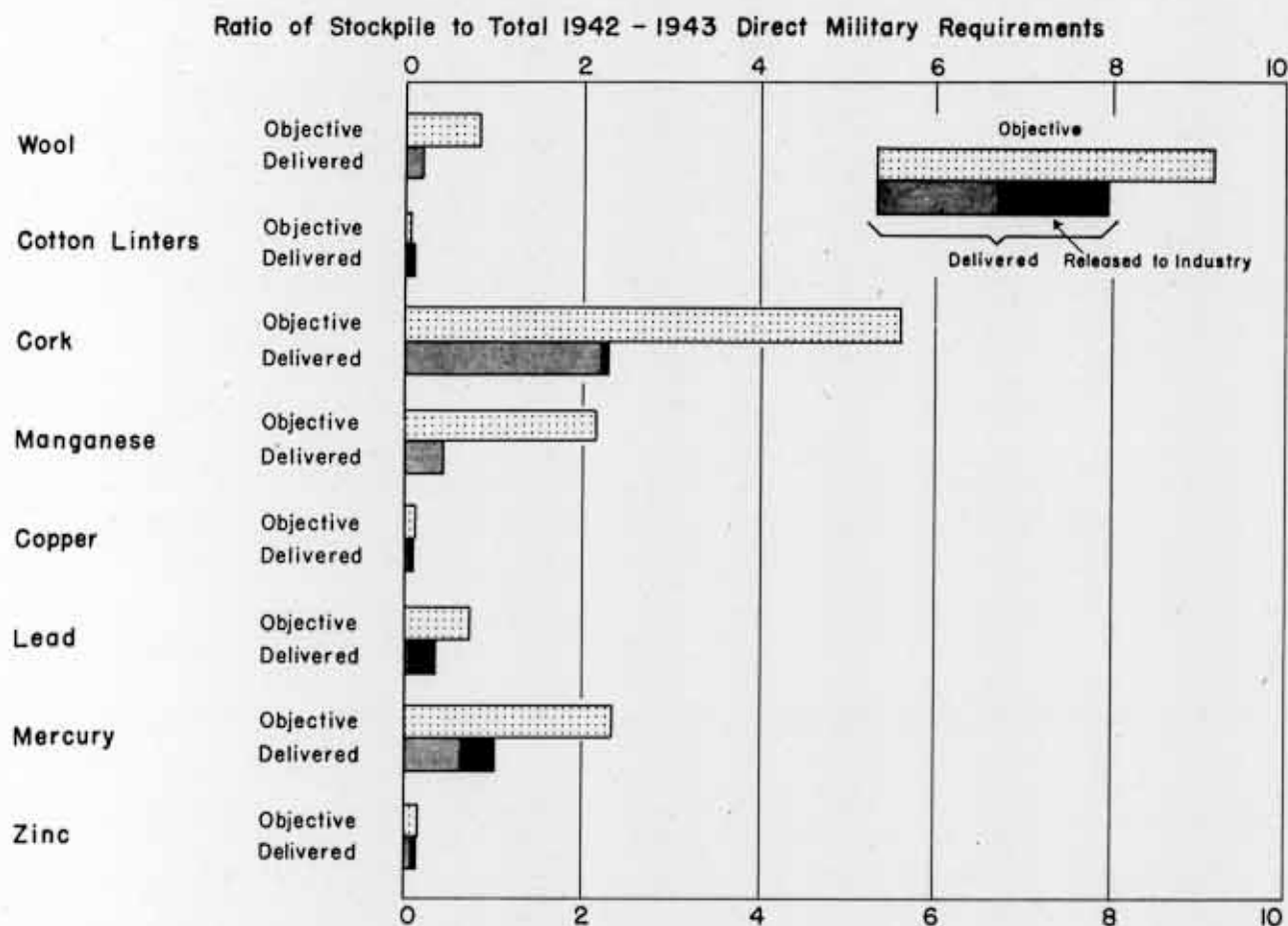
Despite the fact that materials on hand constitute only small fractions of the original objectives, the stockpile program has performed several useful functions. In the first place the stockpile program served to stimulate imports in the



pre-war period. Secondly, withdrawals from the stockpile reserves of 14 materials shown in Charts 1 and 2 have already aided in keeping essential military production going. In fact, the seriousness of our situation with respect to some of these raw materials is indicated by the large proportions of the reserves which have already been released to industry.

For cork, copper, lead, manganese, wool, zinc, shown in Chart 1, and other materials not shown on the chart, a continuation of the stockpile program is still possible. For these materials procurement activities and shipping arrangements must continue to be closely integrated to obtain a continued accumulation. Plans are being made with other members of the United Nations in order

CHART 1 - RELATIONSHIP OF STOCKPILE TO DIRECT MILITARY REQUIREMENTS FOR 1942 AND 1943

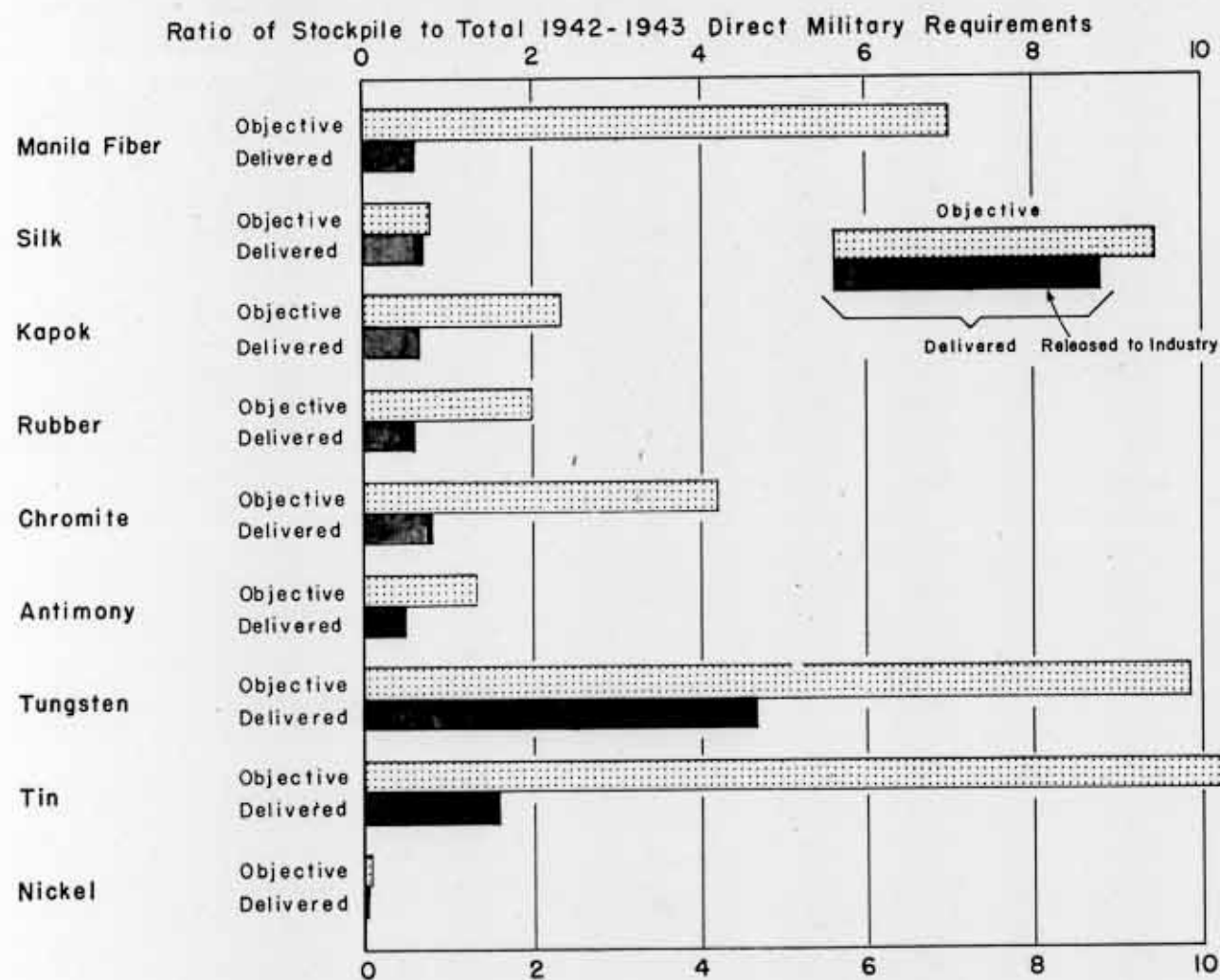


to complete stockpile objectives for these materials, without regard for the usual procurement economies.

For the materials shown in Chart 2 the original concept of the stockpile has little meaning; quantities of these materials equal to

direct military requirements in 1942 and 1943 can be accumulated only by the adoption of most stringent conservation methods. For these, non-essential civilian consumption should be eliminated; moreover, every possible substitute, even for military use, should be developed.

CHART 2- RELATIONSHIP OF STOCKPILE TO DIRECT MILITARY REQUIREMENTS FOR 1942 AND 1943



Requisition by the government of all supplies of raw materials or even partially fabricated products, which can be used for military purposes or from which the raw materials can be recovered, is necessary.

Fibers, Fabrics, and Rubber.

There is little prospect that substantial additions can be made to the present stockpiles of rubber, kapok, manila fiber, or silk. The objective of 1.9 million tons of rubber has had little meaning since the fall of Malaya and the Dutch East Indies. Of the more than a million tons of crude rubber imported during 1941, about 6 percent was supplied by India and Ceylon and smaller proportions by Africa and South America. It is reported that substantial quantities of rubber were landed in India and Australia from Malaya and the Dutch East Indies so that some further imports may be expected indirectly from the latter areas. Between the end of December 1941 and the middle of March 1942 about 65 thousand net tons of rubber were added to the Government stockpile. More than a fourth of the total deliveries to the stockpiles, however, have already been released to war industries.

Only about 9 percent of the stockpile objective for manila fiber

has been accumulated and substantial addition is out of the question, since all of our supply must come from the Philippines. Although the stockpiles are proportionately greater for kapok and silk, prospects for increased supply are similar to those for manila fiber. The supplies of imported cotton linters and cork have not been directly affected by the war in the Pacific, but the war demands on ocean shipping make further accumulation difficult. Australia was the principal source of our stockpiled wool, and supplied about 40 percent of total imports during 1941. The British own most of the stockpile of wool but provision has been made for its purchase by the United States.

Ferro-alloys. Nearly 70 percent of the supply of imported tungsten came from the Far East during 1941. Tungsten, therefore, has been more seriously affected by the war than other ferro-alloys and more than a third of the Governmental stockpile of tungsten has already been released to industry. During 1941 some 35 percent of the imports of chromite also originated in the Far East. Further accumulations of this metal, particularly of the metallurgical grades, will be difficult. Alternative sources of imports, as well as domestic production will make it possible to accumulate addi-

tional quantities of manganese. The stockpile position of manganese is so favorable in comparison with other ferro-alloys that it is questionable whether shipping space should be further allotted for its transportation from India or Africa. Canada normally supplies practically all the nickel consumed in the United States. The stockpile of nickel was to be built up from sources outside Canada, namely, Brazil, Burma, and New Caledonia. Most of the small stocks which had been accumulated have been released.

Non-ferrous Metals. The stockpile of tin has declined during the past few months and is expected to continue to decline inasmuch as the Far Eastern sources of some 90 percent of the United States supply have become inaccessible. The chart does not include tin ore imported for smelting at Texas City, Texas. This new smelter is expected to ease the pressure on the present supply, when the plant comes into operation later this month. Public purchases of copper, lead, and zinc, were intended primarily for immediate distribution to industry, rather than for stockpile reserves. Most of the copper and lead have already been released to industry and the tight shipping conditions will hinder the rebuilding of these reserves. More than a third of the stockpiles of

mercury and zinc have also been released. The present demands of industry for antimony and the cutting off of the major source of supply - China - will probably preclude further accumulations.

Non-metallic Minerals. There are wide variations between stockpile accumulations and the objectives in the non-metallic minerals. Stockpiles of optical glass and quartz crystals exceed the objectives, while reserves of asbestos and graphite, because of releases in response to urgent demands, constitute less than 5 percent of the objectives. A large proportion of the strategic grades of asbestos, graphite, and mica, all comparatively small tonnage items, come from Africa and India. A strict allocation of present stocks against the possibility that transportation from these sources may become more difficult will conserve stockpiles.

Medicinal and Chemical Products. The Dutch East Indies have been practically the sole source of quinine (sulphate) and it seems unlikely that further substantial reserves can be accumulated. The present supply is estimated to be sufficient for from one to two years, depending upon the size of the armed forces in

the tropics. Small quantities of cinchona bark, the raw material for quinine, are obtained from Latin America and some stocks of the bark, not shown on the chart, have been accumulated from the Far East. Atabrine and "sulfa" substitutes for quinine are also being developed. Imports of sodium nitrate for the stockpile reserves have come from Chile. Even though the demands for nitrates are urgent, ocean shipping

is so difficult that substitutes may have to be supplied for that portion of the stockpile not already delivered from Chile.

NOTE: The estimate of military requirements for 1942 and 1943, used as a basis for these ratios are the latest available and are subject to revision.



## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

r Revised

P Preliminary

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>c</sup> United States Treasury General Fund includes the war activities of all United States Government agencies (including Lend-Lease). It does not include the activities of government owned corporations or foreign orders in the United States.
- <sup>d</sup> Checks paid include (1) all checks paid out of the Treasury General Fund (cf. footnote c); (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>e</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.



## THE CURTAILMENT OF CONSUMER GOODS PRODUCTION BY LIMITATION ORDERS

ACHIEVEMENT OF WAR PRODUCTION OBJECTIVES REQUIRES SHARP CURTAILMENT OF NONESSENTIAL OUTPUT. SINCE DECEMBER 7, 1941 THE PRODUCTION OF A GREAT NUMBER OF CONSUMERS' METAL GOODS HAS BEEN PROHIBITED OR CURTAILED BY LIMITATION ORDERS. COMPLEMENTING THE PRIORITIES AND ALLOCATIONS SYSTEM THE LIMITATION ORDER IS A SIMPLE, PROMPT, AND EFFECTIVE METHOD OF BRINGING ABOUT THE NECESSARY FURTHER REDUCTIONS IN THE PRODUCTION OF CONSUMERS' GOODS.

In 1941 the American economy produced \$115 billion of goods and services. Of this total about \$15 billion went directly into the armament program. It is clear now that the war program in 1942 and in 1943 will be seriously hampered by shortage of materials of the kinds which were consumed in vast quantities for non-essential purposes during 1941. Adequate anticipation of the requirements of the program called for the stock-piling of raw materials, a more adequate program of conversion and the construction of new facilities. Furthermore millions of the man hours and machine hours of work which went into civilian output in 1941 and could have been used for war production have now been lost to the military effort.

If the military program upon which the nation has embarked is to

be carried through successfully the production of goods and services for wider use must be brought substantially below 1941 levels. The greatest cuts must come in the output of consumers' durable goods, but resources released from these fields will not be sufficient. Although the resources which could be transferred to war work from any particular industry in the semi-durable and perishable sectors of production may be small, the aggregate transfer possible from these great portions of the economy is very large. Moreover, curtailment of civilian output must not wait until the resources released can be immediately absorbed in war production. Cuts must be made earlier to permit the accumulation of materials, the training and transfer of workers and the adaptation of equipment for future armament production.

There are several ways in which the necessary curtailment of non-essential output can be effected. Bidding by the Government, its contractors and sub-contractors for products, labor, materials and equipment is an important method. But unless this method is combined with a much greater restriction of civilian demand by taxation than is now imposed it must result in inflation, which it is now public policy to prevent by direct price controls. The operation of the priorities and allocation system tends in principle to restrict production for civilians by decreasing the quantities of materials which may be consumed in such production. This system is therefore formally distinct from the kind of control imposed by Limitation Orders, which restrict the production of particular finished goods. In fact, however, the regulations of the Priorities system often function in the same way as a Limitation Order, by curtailing particular kinds of production. Furthermore, the restrictions enacted by Limitation Orders are sometimes stated in terms of restrictions upon the use of particular materials.

The general purpose and scope of Limitation Orders was defined by Administrative Order No. 5 of the Division of Industry Operations as follows:

"Limitation Orders in the 'L' series are issued in order to curtail the production of particular products for the purpose of saving materials generally, making productive facilities available to more important uses, forcing conversion, and similar reasons. In the usual case, 'L' orders will not be issued to restrict the use of particular materials; this purpose should be accomplished through the medium of the 'M' orders. 'L' orders will generally be limited to restrictions on the number of units which may be produced during stated periods."

"L" orders originate with the industrial branch of WPB which handles the end product to be curtailed.

In most cases the limitation is stated as a percentage of base period production or material consumption which will be allowed to each producer in a specified period in the future. Differentiation among producers on the basis of size is a common characteristic of these orders, predicated on the belief that larger firms may more easily be converted to war production or upon the desire to minimize "hardships" to small producers. Some orders also provide for a differential rate of limitation as among products of the

same class according to the percentage which scarce materials represent of their total cost; thus, musical instruments using large quantities of metals are more severely restricted than nonmetallic instruments. Exemptions are generally granted for production under orders of the Army, the Navy, foreign governments and other specified governmental agencies, which requires that appropriate control must be exercised at some other level to prevent nonessential use by governmental agencies.

In this article attention is confined to restrictions on the output of consumers' goods by Limitation Order; producers' goods and construction will be considered subsequently. "L" orders have been earliest and most extensively used in the field of durable consumers' goods. This was natural because such goods are most directly competitive with munitions production in the use of resources and probably least essential for the maintenance of civilian efficiency. Although the production of nondurable consumers' goods has not been restricted by Limitation Order, except for cellophane, other controls have effectively curtailed output of such items as silk stockings, toilet preparations and rubber goods.

The first formal limitation in the field of durable consumers'

goods was imposed upon passenger automobiles on September 13, 1941. Production of passenger automobiles in the four-month period, August 1 to November 30, 1941, was ordered held to 73½% of output in the same period of 1940. The automobile industry had previously been operating under an informal agreement entered into with Mr. Knudsen on April 17, 1941 which called for a 20% cut in the 1941-42 model year. The informal agreement had the defect of encouraging high output in the remaining months of the 1940-41 model year in order to raise the base from which curtailment would be made. The production of automobiles was also affected by the order of October 27, prohibiting the production of "bright work" except for certain functional parts. The production of replacement parts for passenger automobiles and light motor trucks was limited to the base period rate.

Between September 13 and December 7 restrictions were also imposed on the production of domestic mechanical refrigerators, domestic laundry equipment, and domestic vacuum cleaners, and the use of steel in domestic ice refrigerators was limited.

The restrictions which were in force on December 7 or had been provided for in limitation orders issued before that date are shown in Table I.

TABLE 1 - MAXIMUM RESTRICTIONS ON PRODUCTION OF CONSUMERS' DURABLE GOODS  
IMPOSED BY LIMITATION ORDERS ISSUED BEFORE DECEMBER 7, 1941

	PERCENT OF BASE PERIOD RATE ALLOWED	BASE PERIOD	DATE IN EFFECT
PASSENGER CARS	51.6	DECEMBER 1940	12/1/41
AUTOMOBILE REPLACEMENT PARTS	100.	1/1/41-3/31/41	1/1/42
AUTO BRIGHT WORK	0		10/27/41
MECHANICAL REFRIGERATORS	48-70	6/30/40-6/30/41	1/1/41
DOMESTIC LAUNDRY EQUIPMENT	80-88	6/30/40-6/30/41	8/1/41
VACUUM CLEANERS	90-100	6/30/40-6/30/41	10/1/41
USE OF STEEL IN ICE REFRIGERATORS	65	6/30/40-6/30/41	9/1/41

Since December 7 the number of commodities subject to limitation has been increased and the restrictions on commodities already controlled have been made more stringent. By a series of successive steps, permitted production of passenger automobiles and light motor trucks was brought down to zero effective February 1, 1942, almost five months after the first formal Limitation Order. A halt was ordered to the production of domestic mechanical refrigerators after April 30, but production in the period February 14 to April 30 was allowed to continue at a high rate, presumably in order to accumulate a "stock pile." Seven months elapsed between the first order relating to domestic mechanical refrigerators and the

date for final suspension.

More expeditious action was taken in the instance of gaming machines; the order of December 10 prohibited their manufacture after February 1, 1942. Production of automatic phonograph and weighing and amusement machines was ordered to stop on May 1, almost five months after the first order curtailing their production. On April 7 Mr. Nelson announced that all production of metal consumers' goods would soon be halted.

The restrictions on the production of consumers' durable goods which were in effect or had been ordered on March 31 are shown in Table II.



TABLE 2 - MAXIMUM RESTRICTIONS ON PRODUCTION OF DURABLE CONSUMERS' GOODS  
IMPOSED BY LIMITATION ORDERS ISSUED BEFORE APRIL 1, 1942

COMMODITY	PERCENT OF BASE PERIOD RATE ALLOWED	BASE PERIOD	EFFECTIVE DATE
PASSENGER CARS	0		2/1/42
AUTOMOBILE REPLACEMENT PARTS	300	1941	1/1/42
AUTO BRIGHT WORK	0		10/27/41
MECHANICAL REFRIGERATORS	0		5/1/42
DOMESTIC LAUNDRY EQUIPMENT	0		4/15/42-5/15/42
VACUUM CLEANERS	0		5/1/42
STEEL IN ICE REFRIGERATORS	60	Yr. OR 3 YRS. END 6/30/41	1/1/42
GAMING MACHINES	0		2/1/42
PARTS FOR GAMING MACHINES	0		3/16/42
AUTOMATIC PHONOGRAPHS, WEIGHING AND AMUSEMENT MACHINES	0		5/1/42
USE OF IRON AND STEEL IN DOMESTIC COOKING APPLIANCES	65	6/30/40-6/30/41	1/1/42
USE OF SPECIFIED MATERIALS IN BENDING MACHINES	0-50	6/30/40-6/30/41	2/1/42
USE OF SPECIFIED MATERIALS IN INCANDESCENT LAMPS	75-80	1940	2/1/42
USE OF CRITICAL MATERIALS IN MUSICAL INSTRUMENTS	50-75	1940	3/1/42
RADIOS AND PHONOGRAPHS	0		4/23/42
BICYCLES	42	1941	3/12/42
BICYCLE PARTS	100	1941	3/12/42
SHOTGUNS EXCEPT .12 GAUGE	50	1940	2/23/42
AIRFRAMES:			
WITH ALUMINUM RIBS, OVER 18% ALUMINUM BY WEIGHT	0		2/17/42
WITH OTHER RIBS, OVER 12% ALUMINUM BY WEIGHT	0		2/17/42
WITH ALUMINUM RIBS, 12-18% ALUMINUM BY WEIGHT	0		9/1/42
PORTABLE ELECTRIC LAMPS, SHADES, AND PARTS	60	1940	5/1/42
SAFETY RAZORS	70	1940	3/25/42
SAFETY RAZOR BLADES AND STRAIGHT RAZORS	100	1940	3/25/42
USE OF CRITICAL MATERIALS IN FLASHLIGHTS	0		3/31/42
MISCELLANEOUS SMALL ELECTRICAL HOUSEHOLD APPLIANCES	0		6/1/42
USE OF THE BASE METALS IN CASKETS	0		6/30/42
USE OF IRON AND STEEL IN LAWN MOWERS	0		7/1/42
METAL HOUSEHOLD FURNITURE	0		5/31/42
USE OF IRON AND STEEL IN BEDS SPRINGS AND MATTRESSES	40-85	6/30/40-6/30/41	4/1/42
USE OF IRON, STEEL AND ZINC IN HOUSEHOLD UTENSILS	0-90	6/30/40-6/30/41	4/1/42 & 6/1/42
TOYS MADE OF CRITICAL MATERIALS	0		1/1/42 & 6/1/42 7/1/42

The retail value of consumers' durable goods produced in 1941 was approximately \$10 billion. Of this total, about \$5 billion was the value of goods which are now subject to limitation orders. The maximum limitations now in force, if applied to 1941 as a base, would permit production of the restricted items at an annual rate of about \$1 billion.<sup>b</sup> The chief items of consumers' durable goods not now covered by Limitation Orders are non-metal household furniture, floor coverings, china and jewelry.

It is clear that the Limitation Orders so far imposed upon consumers' goods production operate chiefly to shift metals, metal-working equipment and metal-working labor away from civilian uses. In this field the restrictions essential to a war economy have now been nearly reached. Yet the Limitation Order has also important potentialities outside the metal-working sector of the economy. We must expect soon to see limitations extended to the production of non-metal consumers' goods, in anticipation of shortages of labor, maintenance materials, plant space and other resources. The resources released from the non-metal industries will not be so adaptable to war production as the resources affected by orders already imposed, but their contribution is essential

to the war effort.

Where production is not entirely prohibited but is substantially limited, an important question of the distribution of permitted output among firms arises. The principle is clear that the output ought to be so distributed as to permit the maximum transfer of resources to war work. It is conceivable that an equal proportionate reduction in the output of each plant will satisfy this principle, although this will probably not be true in general. Permission to sell or exchange quotas would encourage the concentration of war work and civilian work in the plants best suited for each. However, producers will be reluctant to abandon the civilian field entirely, to lose the value of brand names and customer connections and to increase the difficulty of post-war adjustment. Consideration must be given to Government direction of the concentration of industry if the maximum contribution to the war effort is to be obtained from civilian curtailment.

In Great Britain the production of a very wide range of consumers' durable, semi-durable, and perishable goods was limited by order as early as the summer of 1940, and the restrictions have been periodically tightened. The commodities now sub-



ject to such control include textiles, furniture, pottery, luggage, jewelry, floor coverings, and mattresses. Of course, the need for restrictions was made obvious and urgent by the lack of import shipping space, which does not affect this country to the same extent as Britain, but the desire to transfer other resources was a major consideration behind the curtailment orders. The resources released, notably labor, have largely been absorbed into the war effort.

The priorities and allocation system will continue to be relied upon to effect a large part of the necessary curtailments in this country and will doubtless be greatly extended as pressures increase. None-the-less there are important reasons for extensive use of the "L" order to prevent resource uses which are plainly not essential for the direct conduct of the war or for the maintenance of civilian health and efficiency under any circumstances which appear at all probable. The Limitation Order where and when it is applicable has the tremendous advantage of administrative simplicity; it operates through rules which are clearly defined and which permit compliance to be easily determined. It does not require the making of a great number of decisions in particular cases, as does the allocation

system, and unlike the even more complex priorities system, it proceeds directly and expeditiously, and localizes the area over which surveillance must be kept.

A particular merit of the Limitation System is that it may be effectively used to prevent non-essential production out of inventories already on hand. It is difficult to do this by regulations directed solely to the use of materials, since non-compliance is difficult to detect unless the volume of output is subject to control. There is also danger that materials controls administered by separate materials agencies may give insufficient weight to the need for transferring into war uses resources other than materials, such as labor, plant capacity, transportation and power. Furthermore, the restrictions brought about by priorities and allocations are in many instances not sufficiently conclusive to effect rapid conversion; producers whose material supplies are cut off often retain the hope that next month or next quarter they will secure more materials for normal consumption. Both allocation and limitation have their appropriate places in our scheme of supply controls. The priorities and allocation system has a very great task of continuously adapting changing and imperfectly

foreseen requirements for more or less essential items to a supply situation which is also variable and uncertain. It will perform the task more efficiently if in the appropriate areas some of the pressures are reduced by use of Limitation Orders.

<sup>a</sup> In certain cases, however, the Limitation Order may provide for curtailment of consumption of

specified materials, in particular products. This may be done where there is no relevant "M" order in force and if it is not deemed practicable to issue such an order. In such cases the "L" order must be approved by the appropriate materials branch.

<sup>b</sup> Assuming that where material use is cut output will be cut in proportion.

## WAR PROGRESS SERIES

Income Payments and Retail Sales,  
February 1942

Income payments decreased from \$9.4 billion in December 1941 to \$8.4 billion in January and \$8.0 billion in February. The decline was entirely seasonal, for the annual rate of income payments rose from \$103.7 billion in December to \$104.8 billion in February.

Consumer expenditures at retail stores have followed the same general upward trend as income payments from the middle of 1938 until May 1941. Since May, the percentage of income payments going into retail sales has been declining. In February 1942, retail sales were only 46.7 percent of total income payments compared with 69.3 percent last May. Retail sales have leveled off since May, largely due to the decline in durable goods sales. The seasonally adjusted index of durable goods sales fell 35 percent from the middle of 1941 to February 1942.

Average Weekly Earnings in Manufacturing Industries and Cost of Living

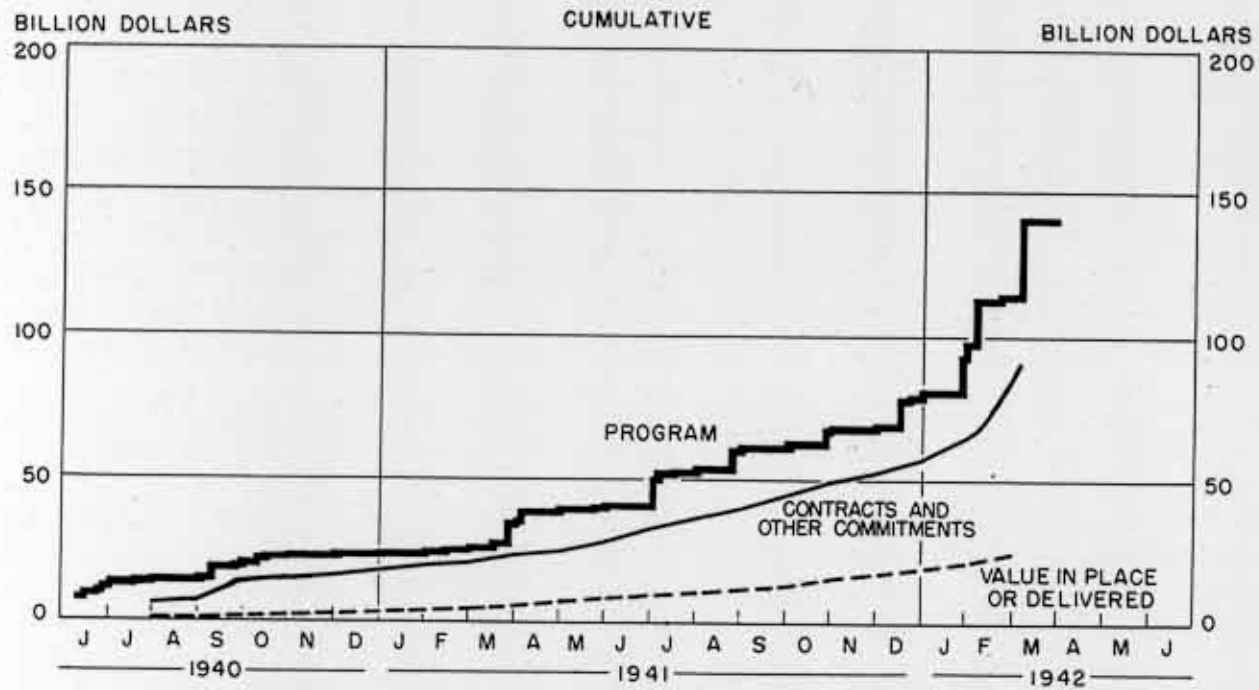
Average weekly earnings of fac-

tory employees in manufacturing industries were 34 percent higher in January than their average for the third quarter of 1940. During the same period, living costs as measured by the BLS index of cost of living rose approximately 12 percent. Increases in basic pay rates are only partially responsible for the rise in average weekly earnings. A considerable part of the rise is due to the lengthening of the work week. Premiums for overtime work and work on night shifts have also been an important factor. Doubtless the necessity for a larger proportion of highly skilled workers in war production has also contributed.

Federal Debt

The net federal debt increased by almost \$6 billion during March. This was the greatest monthly increase ever reported and reflects the acceleration of government expenditures for the war program. At the end of March the debt stood at \$64.4 billion.

# TOTAL WAR PROGRAM



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941				
	July	January	October	November	December	
EMPLOYMENT IN WAR INDUSTRIES	(Thousand workers)					
Private, 18 major industries	1,660	2,038	2,733	2,781	2,847	
Private contractors; public construction	13	448	501	617	633	
Public	117	171	248	263	286	
Total	1,790	2,657	3,482	3,661	3,766	
	Cumulative 6/11/40 through End 1st full year 6/30/41	End of November 1941	End of December 1941	October 1941	Monthly November 1941	December 1941
VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY	(Million dollars)					
Total	1,424	P 2,640	P 3,285	340	p 256	p 645
Approved, private funds	829	1,153	P 1,326	52	107	p 173
Approved, public funds	201	245	n.a.	5	11	n.a.
Disapproved	7	n.a.	n.a.	3	n.a.	n.a.
Pending	387	n.a.	n.a.	280	n.a.	n.a.
P Preliminary data				n.a. Data not available.		

WAR PROGRESS SERIES  
TOTAL WAR PROGRAM IN THE UNITED STATES

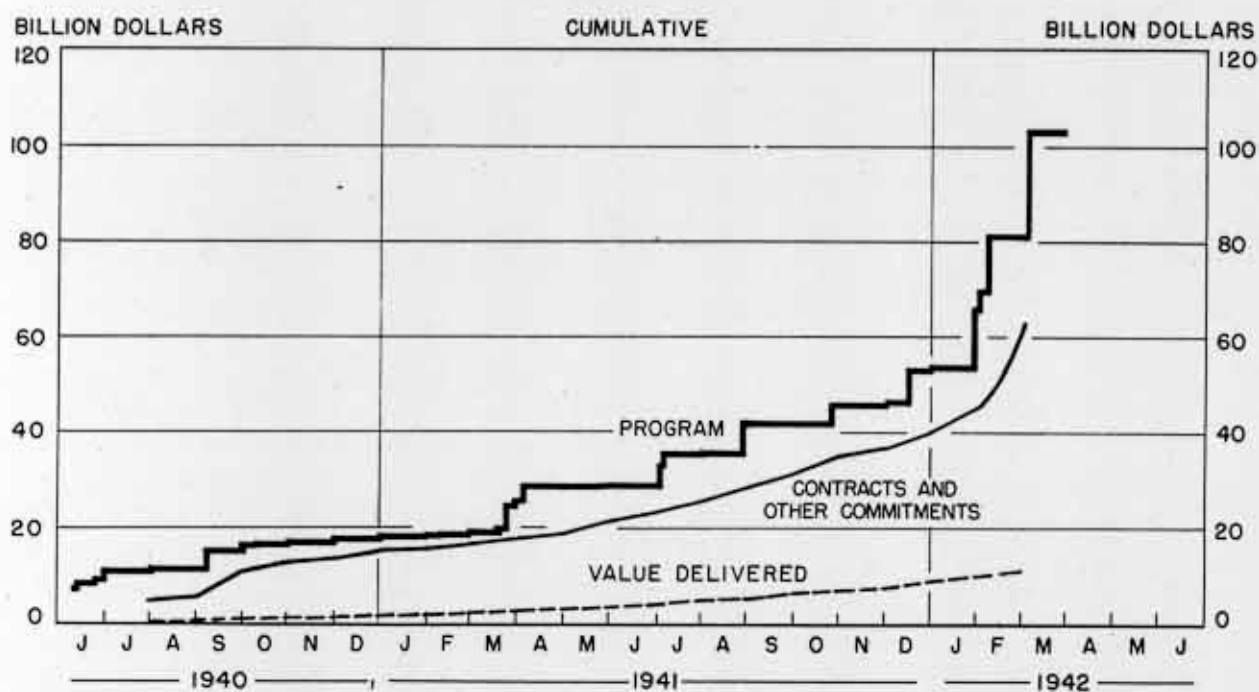
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1942
(Million dollars)						
● TOTAL WAR PROGRAM IN THE U. S. a						
Program	40,861	80,604	p 112,999	17,164	p 15,231	p 27,991
Uncommitted balance	9,274	23,979	p 26,968	-	-	-
Contracts and other commitments	31,587	56,625	p 86,031	8,414	p 20,992	n.a.
Value delivered and/or in place b	8,547	18,573	p 23,703	p 2,470	p 2,660	n.a.
Checks paid c	8,536	17,965	p 22,715	2,297	p 2,453	n.a.
MUNITIONS PRODUCTION & WAR CONSTRUCTION, TOTAL						
Program	37,027	69,305	p 101,036	16,644	p 15,087	p 25,178
Uncommitted balance	7,597	18,281	p 22,416	-	-	-
Contracts and other commitments	29,430	51,024	p 78,620	7,438	p 20,158	n.a.
Value delivered and/or in place b	6,795	14,750	p 19,045	p 2,060	p 2,235	n.a.
Value not delivered nor in place	22,635	36,274	p 59,575	-	-	-
PRODUCTION OF MUNITIONS						
Program	28,566	53,738	p 81,643	15,328	p 12,577	p 22,022
Uncommitted balance	4,901	13,929	p 19,493	-	-	-
Contracts and other commitments	23,665	39,809	p 62,150	5,846	p 16,495	n.a.
Value delivered and/or in place b	4,290	8,940	p 11,835	p 1,360	p 1,535	n.a.
Value not delivered nor in place	19,375	30,869	p 50,315	-	-	-
WAR CONSTRUCTION						
Program	8,461	15,567	p 19,393	1,316	p 2,510	p 3,156
Uncommitted balance	2,696	4,352	p 2,923	-	-	-
Contracts and other commitments	5,765	11,215	p 16,470	1,592	p 3,663	n.a.
Value delivered and/or in place b	2,505	5,810	p 7,210	p 700	p 700	n.a.
Value not delivered nor in place	3,260	5,405	p 9,260	-	-	-
NON-MUNITIONS WAR ITEMS, TOTAL						
Program	3,834	11,299	p 11,963	520	p 144	p 2,813
Uncommitted balance	1,677	5,698	p 4,552	-	-	-
Contracts and other commitments	2,157	5,601	p 7,411	976	p 834	n.a.
Checks issued b	1,752	3,823	p 4,658	410	p 425	n.a.

Graph appears on opposite page.  
Table continued on Page V.

For footnotes see Page I.



# MUNITIONS PRODUCTION



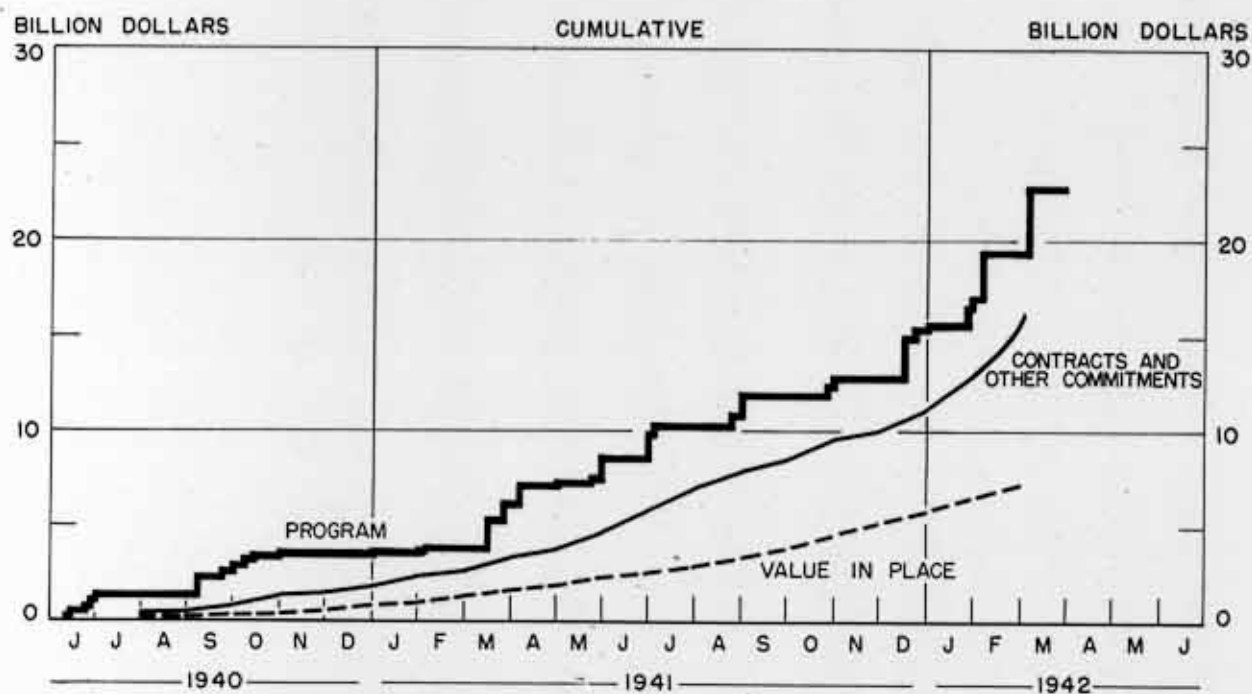
WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1942
(Million dollars) BREAKDOWN OF MUNITIONS PRODUCTION						
● MUNITIONS PRODUCTION, TOTAL						
Program	28,566	53,738	P 81,643	15,328	P 12,577	P 22,022
Uncommitted balance	4,901	13,929	P 19,493	-	-	-
Contracts and other commitments	23,665	39,809	P 62,150	5,846	P 16,495	n.a.
Value delivered and/or in place <sup>b</sup>	4,290	8,940	P 11,835	P 1,360	P 1,535	n.a.
Value not delivered nor in place	19,375	30,869	P 50,315	-	-	-
AIRPLANES, PARTS & ACCESSORIES						
Program	8,582	15,072	P 28,458	9,009	P 4,377	P 167
Contracts and other commitments	7,381	13,298	P 23,560	429	P 9,833	n.a.
Value delivered	1,010	2,265	P 3,030	P 345	P 420	n.a.
ORDNANCE						
Program	7,778	17,488	P 20,851	1,481	P 1,882	P 12,461
Contracts and other commitments	5,418	10,354	P 16,673	2,908	P 3,411	n.a.
Value delivered	700	1,685	P 2,375	P 330	P 360	n.a.
NAVAL SHIPS						
Program	6,796	9,605	P 15,223	25	P 5,593	-
Contracts and other commitments	6,442	7,930	P 9,874	277	P 1,667	n.a.
Value delivered and/or in place	810	1,665	P 2,170	P 235	P 270	n.a.
MERCHANT SHIPS						
Program	1,442	3,288	P 6,975	3,750	P -63	P 734
Contracts and other commitments	1,484	2,381	P 4,252	1,606	P 265	n.a.
Value delivered and/or in place	240	510	P 695	P 85	P 100	n.a.
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	8,285	P 10,136	1,063	P 788	P 8,660
Contracts and other commitments	2,940	5,846	P 7,791	626	P 1,319	n.a.
Value delivered	1,530	2,815	P 3,565	P 365	P 385	n.a.

● Graph appears on opposite page.  
Table continued on Page VII.

For footnotes see Page X.

# WAR CONSTRUCTION



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	15,567 p	19,393	1,316 p	2,510	p 3,156
Uncommitted balance	2,696	4,352 p	2,923	-	-	-
Contracts and other commitments	5,765	11,215 p	16,470	1,592 p	3,663	n.a.
Value in place <sup>b</sup>	2,505	5,810 p	7,210	700 p	700	n.a.
Value not in place	3,260	5,405 p	9,260	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	8,112 p	10,955	1,311 p	1,532	p 3,124
Contracts and other commitments	2,865	6,318 p	9,891	1,156 p	2,417	n.a.
Value in place	960	2,800 p	3,655	430 p	425	n.a.
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	774	n.a.	n.a.
Value in place	575	1,753	n.a.	230	n.a.	n.a.
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	7,046	5	978	p 32
Contracts and other commitments	2,625	4,381 p	6,000	425 p	1,194	n.a.
Value in place	1,430	2,670 p	3,150	240 p	240	n.a.
DEFENSE HOUSING						
Program	492	1,392	1,392	0	0	p 0
Contracts and other commitments	275	516	579	11	52	n.a.
Value in place	115	340 p	405	30 p	35	n.a.
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	11,299 p	11,963	520 p	144	p 2,813
Uncommitted balance	1,677	5,698 p	4,552	-	-	-
Commitments	2,157	5,601 p	7,411	976 p	834	n.a.
Checks issued by agencies <sup>b</sup>	1,752	3,823 p	4,658	410 p	425	n.a.
STOCKPILE						
Program	983	2,399 p	2,713	310 p	4	p 0
Commitments	470	1,050	1,050	-	-	n.a.
Checks issued by agencies	192	488 p	653	80 p	85	n.a.

Graph appears on opposite page.  
Table continued on following page.

For footnotes see page X.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1942
(Million Dollars)						
BREAKDOWN OF NON-MUNITIONS (Continued)						
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	1,294	0	-228	1,784
Commitments	66	561	793	99	133	n.a.
Checks issued by agencies	1	211P	306 P	45 P	50	n.a.
PAY, SUBSISTENCE & TRAVEL <sup>f</sup>						
Army Military						
Program	944	3,013	3,013	0	0	146
Commitments	934	2,030P	2,939	420 P	489	n.a.
Checks issued	696	1,510P	1,815 P	150 P	155	n.a.
Navy Military						
Program	378	963	972	0	9	0
Commitments	334	610	740	62	68	n.a.
Checks issued	388	640P	730 P	45 P	45	n.a.
Civilian Payroll						
Program	32	247	248	0	1	0
Commitments	32	140	180	20	20	n.a.
Checks issued	356	684P	804 P	60 P	60	n.a.
MISCELLANEOUS NON-MUNITIONS						
Program	872	3,155P	3,723	210 P	358 P	883
Commitments	321	1,210P	1,709	375 P	124	n.a.
Checks issued by agencies	119	290P	350 P	30 P	30	n.a.

Table continued on following page.

For footnotes see Page X.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to			Monthly		
	End 1st full year 6/30/41	End of December 12/31/41	End of February 2/28/42	January 1942	February 1942	March 1942
(Million dollars) BREAKDOWN BY AGENCIES						
UNITED STATES FINANCED WAR PROGRAM d.						
Program	-37,075	76,508 <sup>p</sup>	108,903	17,164	<sup>p</sup> 15,231	<sup>p</sup> 27,991
Uncommitted balance	9,274	23,979 <sup>p</sup>	26,968	-	-	-
Contracts and other commitments	27,801	52,529 <sup>p</sup>	81,935	8,414	<sup>p</sup> 20,992	n.a.
Checks paid	6,431	15,251 <sup>p</sup>	19,871	2,229	<sup>p</sup> 2,391	2,987
U. S. ARMY						
Program	13,134	31,981	44,507	12,526	-	22,566
Contracts and other commitments	11,104	23,334 <sup>p</sup>	39,828	4,015	<sup>p</sup> 12,479	n.a.
Checks paid	3,636	7,889	10,076	1,088	1,099	1,130
U. S. NAVY						
Program	12,308	20,024	35,215 <sup>g</sup>	58	15,133 <sup>g</sup>	-
Contracts and other commitments	11,182	16,327	22,848	955	5,566	n.a.
Checks paid	2,217	4,726	5,775	518	531	867
LEND-LEASE						
Program	7,000	12,985	12,985	-	-	5,425
Allocations	5,177	11,345	12,272	695	232	n.a.
Contracts and other commitments	2,458	6,282	8,459	1,068	1,109	n.a.
Checks paid	21	910	1,710	368	432	573
U. S. MARITIME COMMISSION						
Program	784	2,734	6,584	3,850 <sup>h</sup>	0	<sup>p</sup> 0
Contracts and other commitments	886	1,724	3,612	1,566 <sup>h</sup>	322	n.a.
Checks paid (net) e	44	156	267	49	62	81
RFC AND SUBSIDIARIES						
Program	2,623	5,130 <sup>p</sup>	5,796	700	<sup>p</sup> -34	<sup>p</sup> 0
Contracts and other commitments	1,151	3,569 <sup>p</sup>	5,633	704	<sup>p</sup> 1,360	n.a.
Checks issued by RFC	350	956 <sup>p</sup>	1,275	129	190	<sup>p</sup> 190
OTHER U. S. AGENCIES						
Program	1,226	3,654	3,816	30	132	<sup>p</sup> 0
Contracts and other commitments	720	1,293	1,555	106	156	n.a.
Checks paid	163	614	768	77	77	146
FOREIGN ORDERS						
Program (orders)	3,786	4,096 <sup>p</sup>	4,096	0	<sup>p</sup> 0	<sup>p</sup> 0
Commitments	3,786	4,096	4,096	0	<sup>p</sup> 0	<sup>p</sup> 0
Checks issued by Purchasing Missions	2,105	2,714 <sup>p</sup>	2,844	68	<sup>p</sup> 62	n.a.

For footnotes see Page X.



## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

P Preliminary

F Revised. Revisions in cumulative figures through  
December 31, 1941 made in month of December

- a Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- b Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- c Checks paid include (1) all checks paid out of the Treasury General Fund; (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- d United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- e Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- f Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- g Does not include \$6.4 billion, Title I, FY 1943, approved February 7, 1942, but not available for obligation prior to July 1, 1942.
- h Funds included in Fifth Supplemental Appropriation Act, approved March 5, 1942. Obligation of these funds was initiated in January.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941			1942	
	July	January	November	December	January	February
EMPLOYMENT						
War industries			(Thousand workers)			
Private, 18 major industries	1,660	2,038	2,793	2,872	2,982	P 3,099
Private contractors:						
public construction	13	448	617	633	583	
Public	117	171	263	286	308	
Total	1,790	2,657	3,673	3,791	3,873	
Deep sea merchant vessels	51	49	49	49	47	49
		Cumulative 6/11/40 through			Monthly	
	End 1st full year 6/30/41	End of December 1941	End of January 1942	End of February 1942	December 1941	January 1942
VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY						
			(Million dollars)			
Total	1,424	3,260	3,435	n.a.	327	175
Approved, private funds	829	1,326	1,547	1,978	173	221
Approved, public funds	201	252	326	337	7	74
Disapproved	7	25	29	n.a.	11	4
Pending	387	1,657	1,533	n.a.	136	-124

p Preliminary Data.

n.a. Data not Available.

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The President

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# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 6(D) or (2)  
Commanco Dept. Letter, 11-16-73  
By RHE, Bels MAR 29 1973

~~Confidential~~

February 20, 1942

Number 75

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## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

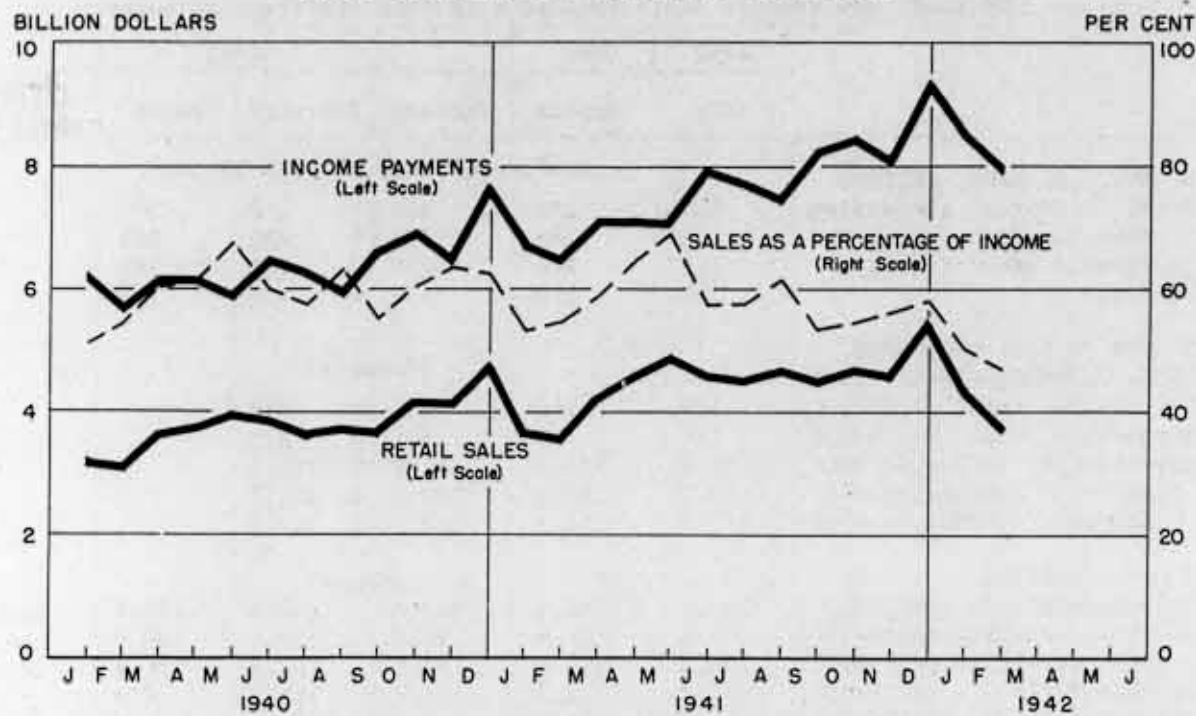
	1940	1941	1942				
	July	January	January	February	March	Week ending April 4	
(Unadjusted indexes 1935-39=100)							
FED. RES. BD. PROD. INDEXES							
Total industrial production	120	135	165	P 168	170		
Durable manufactures	131	166	215	P 220	232		
Nondurable manufactures	111	118	137	P 138	135		
Minerals	121	113	126	P 126	118		
BUR. FOR. & COM. COM. MFRS.							
ORDERS, SHIPMENTS, INVENTORIES							
New orders, total (1/39=100)	127	176	268	P 314			
Shipments, total (1/39=100)	117	148	201	P 215			
Inventories, (1939av.mo.=100)	112.2	121.8	161.9	P 163.1			
Durable (1939av.mo.=100)	113.9	132.5	179.2	P 181.1			
Nondurable (1939av.mo.=100)	110.7	112.5	146.9	P 147.2			
BLS PRICE INDEXES							
Strategic Materials (8/39=100)	123.6	126.1	144.8	143.8	P 144.4	145.6	
Critical Materials (8/39=100)	107.5	111.7	120.2	122.9	P 122.8	123.0	
Basic Commodities (8/39=100)	108.5	120.5	163.0	165.1	166.1	167.1	
Machine Tools (8/39=100)	108.7	114.6	118.6	118.4	n.a.	-	
All Commodities (1926=100)	77.7	80.8	96.0	96.7	n.a.	97.9	
BLS COST OF LIVING INDEX							
All items	100.3	100.8	111.9	112.6			
Food	97.4	97.8	116.2	116.8			
Rent	*104.6	105.0	108.4	108.6			
TRANSPORTATION & ELEC. POWER							
Freight Cars							
Loadings (thous. per week)	706	684	772	781	793		
Unloads for export (dly.av.)							
Atlantic & Gulf Ports (No.)	1,494	1,352	1,822	1,759	P 1,964	1,988	
Pacific Ports (No.)	112	130	212	308	P 302	268	
Surplus, total, dly.av. (thous.)	133	110	60	59	58		
Box cars	57	43	22	22	23		
Coal cars	47	42	22	20	17		
Bad order cars, total,							
1st of month (thous.)	153	109	62	61	61		
Power Prod. (Mil. kwh.)	12,094	13,641	15,646	14,084	P 14,740	3,349	
NATIONAL INCOME							
Total, income payments**	r 75.8	r 82.8	r 104.4	P 104.8			
RETAIL SALES							
Total all retail stores	3,643	3,639	4,211	3,715			
(Unadjusted index, 1935-39=100)							
Durable goods	129.8	120.5	94.7	90.3			
Nondurable goods	104.1	106.9	137.2	134.8			

Graph appears on following page.  
\* June, 1940.

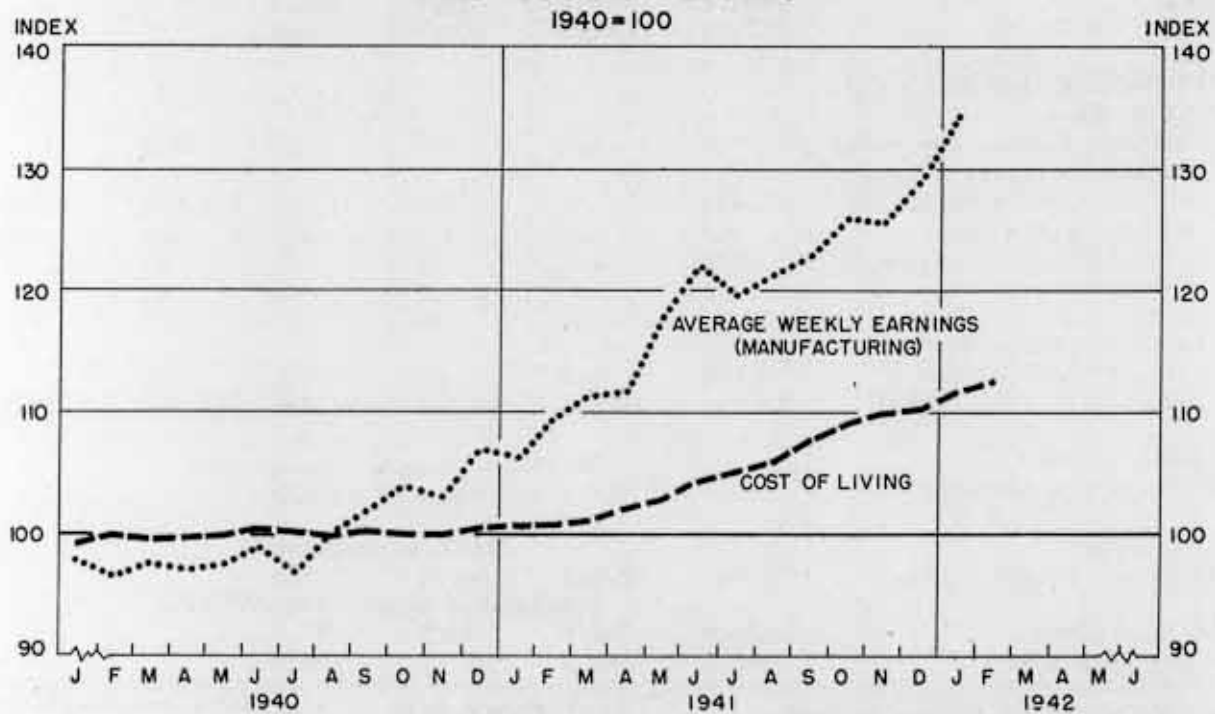
P Preliminary data. n.a. Data not available.  
\*\* Seasonally adjusted. r Revised series.



### MONTHLY INCOME PAYMENTS AND SALES OF RETAIL STORES



### AVERAGE WEEKLY EARNINGS IN MANUFACTURING INDUSTRIES AND COST OF LIVING



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941	1942			
	July	January	January	February	March	Week ending April 4
<b>FEDERAL DEBT</b>			(Billion dollars)			
Net public debt	41.6	43.9	56.8	58.5	64.4	
<b>DEFENSE BOND SALES</b>	-	-	(Million dollars)			
			1,061	703	558	126
<b>EMPLOYMENT</b>			(Thousand workers)			
Total civil nonagricultural	35,904	37,142	39,871 <sup>P</sup>	39,842		
Total WPA employment	1,655	1,890	1,024	1,029	963	923
War industries						
Deep sea merchant vessels		Confidential data. See page XI				
<b>UNEMPLOYMENT (WPA ESTIMATE)</b>			(Million workers)			
Number of unemployed	9.3	7.6	4.2	4.0	3.6	
<b>DEFENSE HOUSING</b>			(Number of dwelling units, cumulative to end of period)			
Fund allocations	1,460	56,528	256,743	279,048	342,261	342,261
Constr. contracts awarded	624	36,191	153,410	169,586	185,350	187,274
Construction completed	0	1,314	83,433	92,670	97,681	98,339

<sup>P</sup> Preliminary data.

## ECONOMIC ACTIVITY RELATED TO THE WAR

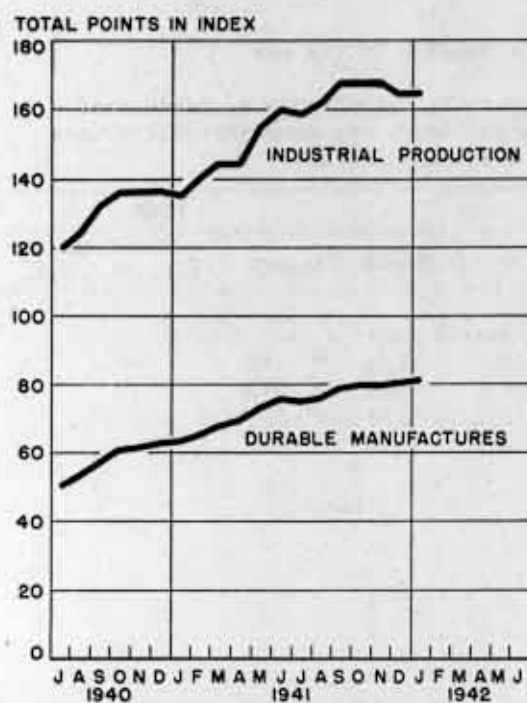
The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

	1940	1941		1942		
	July	January	December	January	Week ending Feb. 7	Feb. 14
<b>FED. RES. BD. PROD. INDEXES</b>						
	(Unadjusted indexes 1935-39=100)					
Total industrial production	120	135	164	P 164		
Durable manufactures	131	166	211	P 213		
Nondurable manufactures	111	118	139	P 137		
Minerals	121	113	124	P 127		
<b>BUR. FOR. &amp; DOM. COM. MFRS. ORDERS, SHIPMENTS, INVENTORIES</b>						
	(Indexes)					
New orders, total (1/39=100)	127	176	228			
Shipments, total (1/39=100)	117	148	206			
Inventories, (1939av.mo.=100)	112.2	121.8	158.8			
Durable (1939av.mo.=100)	113.9	132.5	176.3			
Nondurable (1939av.mo.=100)	110.7	112.5	143.6			
<b>BLS PRICE INDEXES</b>						
	(Indexes)					
Strategic Materials (8/39=100)	123.6	126.1	143.9	P 144.9	r 144.7	144.3
Critical Materials (8/39=100)	107.5	111.7	118.2	P 120.2	r 122.8	122.9
Basic Commodities (8/39=100)	108.5	120.5	158.4	163.0	164.9	165.2
Machine Tools (8/39=100)	108.7	114.6	119.7	119.7	-	-
All Commodities (1926=100)	77.7	80.8	93.6	P 95.7	95.7	96.2
<b>BLS COST OF LIVING INDEX</b>						
	(1935-39=100)					
All items	100.3	100.8	110.5	111.9		
Food	97.4	97.8	113.1	116.2		
Rent	* 104.6	105.0	108.2	108.4		
<b>TRANSPORTATION &amp; ELEC. POWER</b>						
Freight Cars						
Loadings (thous. per week)	706	684	762	772	784	783
Unloads for export (dly. av)						
Atlantic & Gulf ports (No.)	1,494	1,352	1,834	1,822	1,841	1,751
Pacific ports (No.)	112	130	159	212	309	325
Surplus, total, dly. av. (thous)	133	110	75	60	60	
Box cars	57	43	27	22	21	
Coal cars	47	42	32	22	23	
Bad orders cars, total, 1st of month (thous.)	153	109	68	62	(Feb. 1) 61	
Power prod. (Mil. kwh.)	12,094	13,641	15,635	P 15,730	3,475	3,422

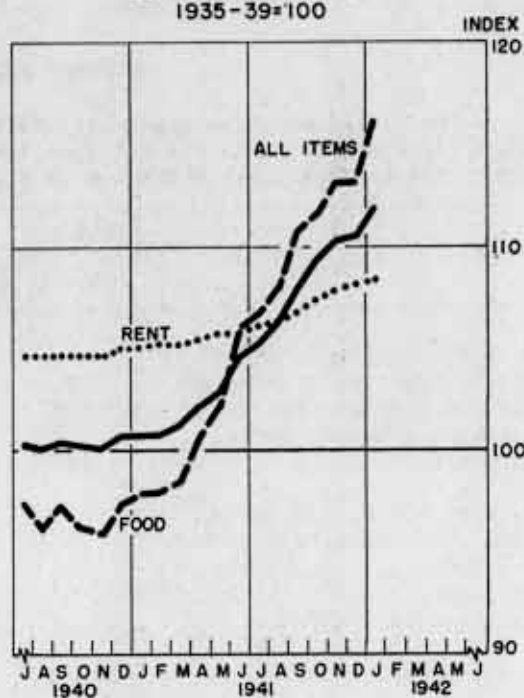
● Graph appears on following page.

P Preliminary data. r Revised data. \* June, 1940

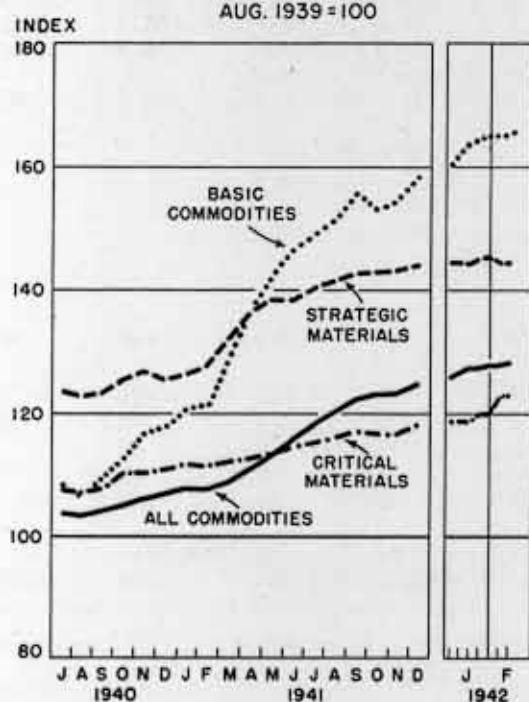
### INDUSTRIAL PRODUCTION



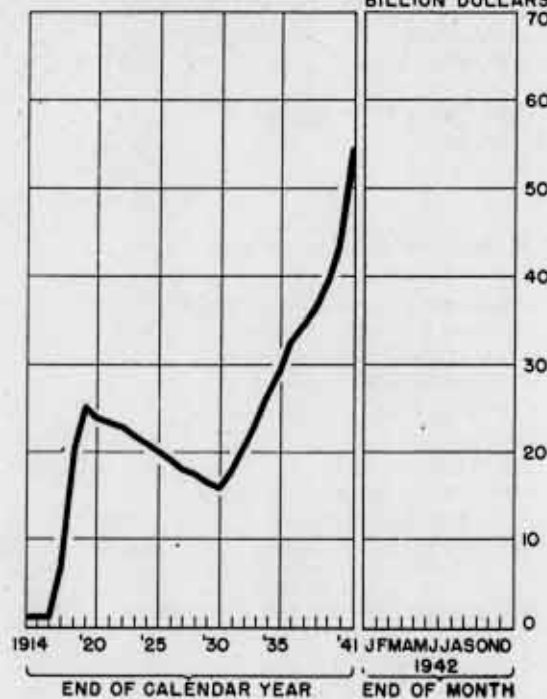
### COST OF LIVING 1935-39=100



### WHOLESALE PRICES AUG. 1939=100



### NET FEDERAL DEBT, 1914-1942 GROSS DEBT LESS BALANCE IN GENERAL FUND BILLION DOLLARS



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941		1942		
	July	January	December	January	Week ending Feb. 7	Feb. 14
NATIONAL INCOME		(Billion dollars, annual rate)				
Total income payments	75.2	81.7	P 99.9			
● FEDERAL DEBT		(Billion dollars, end of month)				
Net public debt	41.6	43.9	54.4	56.8		
DEFENSE BOND SALES	-	-	(Million dollars)			
			529	1,061	255	155
EMPLOYMENT		(Thousand workers)				
Total civil nonagricultural	35,904	37,142	P 40,940			
Total WPA employment	1,655	1,890	1,053	1,024	1,032	1,032
War industries		Confidential data. See page				
Deep-sea merchant vessels	51	49	49			
UNEMPLOYMENT (WPA ESTIMATE)		(Million workers)				
Number of unemployed	9.3	7.6	3.8	4.2		
DEFENSE HOUSING		(Number of dwelling units, cumulative to end of period)				
Fund allocations	1,460	56,528	184,867	256,743	273,605	274,831
Constr. contracts awarded	624	36,191	121,586	153,410	154,948	162,266
Construction completed	0	1,314	73,012	83,433	86,172	88,634

● Graph appears on opposite page.

P Preliminary data.



The President

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# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 8(E) and 8(D) on  
Commerce Dept. Letter, 11-18-72  
By RHP, Date MAR 29 1973

*Confidential*  
February 27, 1942  
No. 76



# WAR PROGRESS



CONFIDENTIAL

NUMBER 76

# WAR PROGRESS

FEBRUARY 27, 1942

## BRIEFS OF CONTENTS

WAR PROGRESS SERIES

I

FEBRUARY 27, 1942

CONFIDENTIAL

## WAR PROGRESS SERIES

### Employment in War Manufacturing Industries, January 1942

Employment in the shipbuilding and airplane industries continued to show the greatest gains among 18 war industries in December. Employment in these two industries increased by approximately 75 thousand wage earners from mid-December to mid-January while employment in all 18 war industries as a group increased by 101 thousand. The combined gain for blast furnaces, steel works, and rolling mills; foundries and machine shops; and electrical machinery--industries which account for more than half the total employment in the 18 industries--amounted to less than 10 thousand. Machine tools and machine tool accessories showed a gain of 7 thousand. Smaller gains were shown in the nonferrous metals and in firearms, ammunitions, and explosives industries.

In contrast to war employment, the number of wage earners in all manufacturing industries combined declined by 145 thousand from Decem-

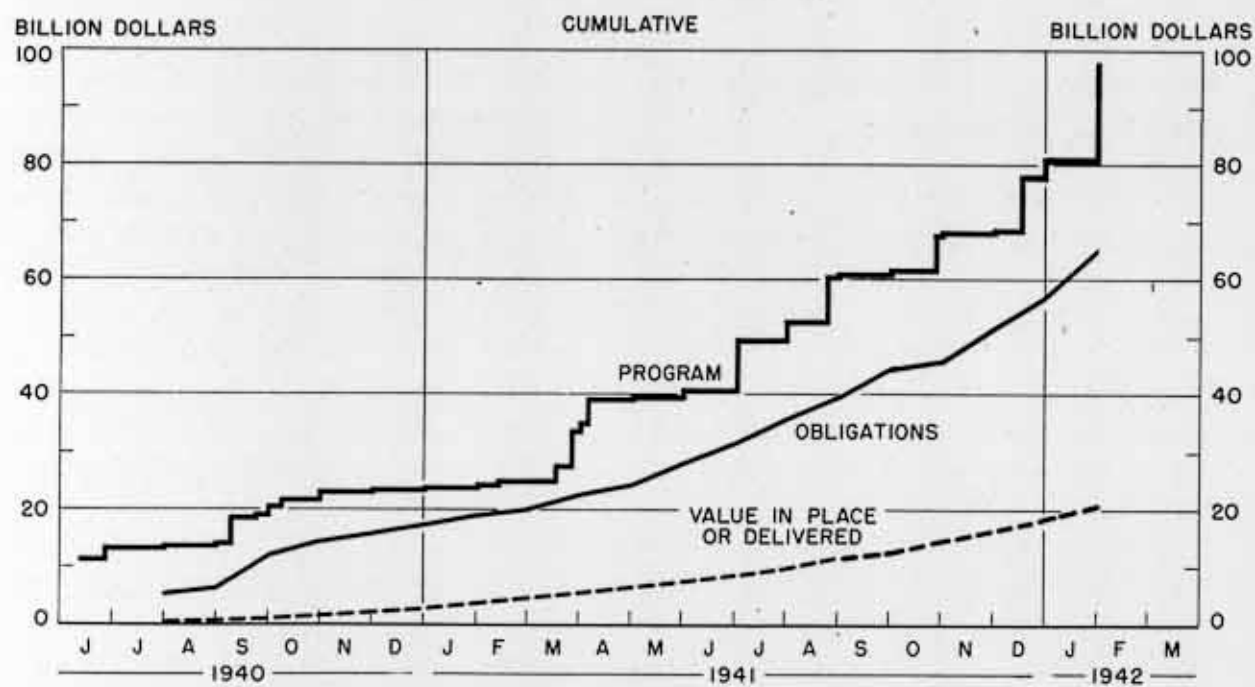
ber to January. Automobile plants accounted for 53 thousand of this decline. Raw materials shortages caused substantial declines in metal working industries, and in such nondurable goods industries as hosiery, rubber tires and tubes, woolen and worsted goods, carpets and rugs, and silks and rayons. Seasonal factors were responsible for declines in a number of other nondurable goods industries.

### Labor Disputes, January 1942

The number of strikes in all industries declined every month from 710 in October 1941 to 255 in January 1942. During the same period, the number of man days lost per month fell from 1,960 thousand to 390 thousand.

Strikes in plants with important war contracts rose to ten in January from nine in December. However, only 7 thousand man days were lost in these strikes in January, compared with 14 thousand in December.

## TOTAL WAR PROGRAM



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	November 1941	December 1941	January 1942
(Million dollars)						
<b>TOTAL WAR PROGRAM IN U.S. <sup>a</sup></b>						
Program	40,861	P 80,539	460	166	P 12,166	P 17,218
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	31,587	P 56,504	1,604	1,822	P 5,063	P 8,463
Value delivered and/or in place	8,547	18,573	778	1,795	2,158	P 2,465
Checks paid <sup>d</sup>	8,535	P 17,895	772	1,611	P 2,100	P 2,383
<b>U. S. FINANCED PROGRAM <sup>b</sup></b>						
Program	37,075	76,473	228	126	12,144	17,218
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	27,801	52,438	1,372	1,782	5,041	8,463
Checks paid <sup>d</sup>	6,431	P 15,251	589	1,532	P 1,997	P 2,230
<b>TREASURY GENERAL FUND <sup>c</sup></b>						
Program	34,452	71,343	-	131	11,057	16,464
Unobligated balance	7,802	22,479	-	-	-	-
Obligations	26,650	48,869	1,308	1,437	4,632	7,704
Checks paid by U. S. Treasury <sup>d</sup>	6,081	14,295	569	1,437	1,847	2,101
<b>MUNITIONS PROD. &amp; WAR CONSTRUCTION</b>						
Program	37,027	P 69,278	369	195	P 10,478	P 16,746
Unobligated balance	7,597	P 18,372	-	-	-	-
Obligations	29,430	P 50,906	1,452	1,421	P 4,385	P 7,487
Value delivered and/or in place <sup>e</sup>	6,795	14,750	640	1,435	1,755	P 2,055
Value not delivered nor in place	22,635	P 36,156	-	-	-	-
<b>NON-MUNITIONS ITEMS, TOTAL</b>						
Program	3,834	P 11,261	91	-29	P 1,688	P 472
Unobligated balance	1,677	P 5,663	-	-	-	-
Obligations	2,157	P 5,598	152	401	P 678	P 976
Checks issued by agencies <sup>e</sup>	1,752	P 3,823	138	360	P 403	P 410

Table continued on page V.  
Graph appears on opposite page.

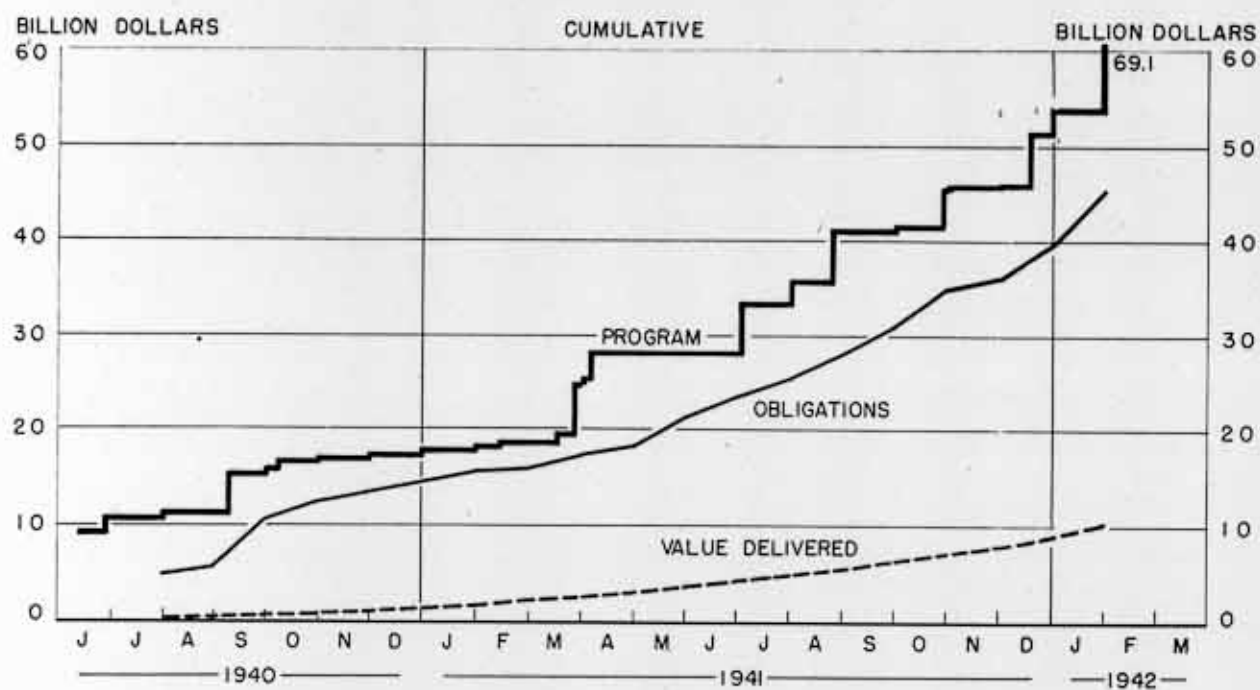
For footnotes see Page X.

# WAR PROGRESS





## MUNITIONS PRODUCTION



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

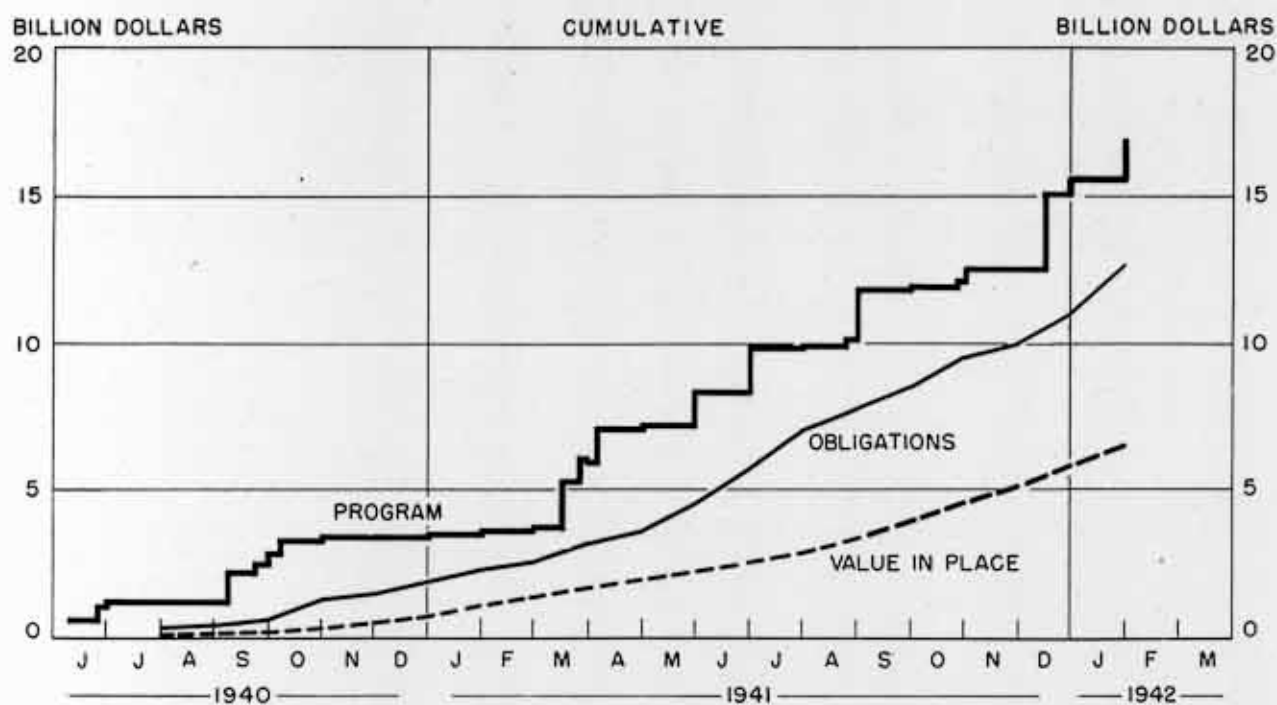
FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	November 1941	December 1941	January 1942
(Million dollars) BREAKDOWN OF MUNITIONS PRODUCTION						
MUNITIONS PRODUCTION, TOTAL						
Program	28,566	P 53,738	222	163	P 7,627	P 15,380
Unobligated balance	4,901	P 13,929	-	-	-	-
Obligations	23,665	P 39,809	1,003	1,009	P 3,327	P 5,846
Value delivered and/or in place <sup>a</sup>	4,290	8,940	360	870	1,075	P 1,315
Value not delivered nor in place	19,375	P 30,869	-	-	-	-
AIRPLANES, PARTS & ACCESSORIES						
Program	8,582	P 15,072	81	-9	P 1,788	p 9,011
Obligations	7,381	P 13,298	152	692	P 1,443	p 429
Value delivered	1,010	2,265	85	215	290	p 345
ORDNANCE						
Program	7,778	P 17,488	70	125	P 3,902	p 1,581
Obligations	5,418	P 10,354	200	-290	P 610	p 2,908
Value delivered	700	1,685	45	180	250	p 285
NAVAL SHIPS						
Program	6,796	9,605	-	498	872	25
Obligations	6,442	7,930	388	43	382	277
Value delivered and/or in place	810	1,665	65	160	200	p 235
MERCHANT SHIPS						
Program	1,442	P 3,288	7	-466	P -54	p 3,750
Obligations	1,484	P 2,381	29	78	P 52	p 1,606
Value delivered and/or in place	240	510	20	55	70	p 85
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	P 8,285	64	15	P 1,119	p 1,013
Obligations	2,940	P 5,846	234	486	P 840	p 626
Value delivered	1,530	2,815	145	260	265	p 365

Table continued on page VII.

For footnotes see Page X.

● Graph appears on opposite page.

# WAR CONSTRUCTION



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	November 1941	December 1941	January 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	P 15,540	147	32	P 2,851	P 1,366
Unobligated balance	2,696	P 4,443	-	-	-	-
Obligations	5,765	P 11,097	449	412	P 1,058	P 1,641
Value in place*	2,505	P 15,810	280	565	680	P 740
Value not in place	3,260	P 5,287	-	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	P 8,085	147	11	P 528	P 1,365
Obligations	2,865	P 6,291	335	213	P 810	P 1,211
Value in place	960	2,800	80	300	400	P 450
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	155	153	n.a.
Value in place	575	1,753	n.a.	202	209	n.a.
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	-	21	1,573	1
Obligations	2,625	4,381	88	185	246	425
Value in place	1,430	2,670	190	235	240	P 250
DEFENSE HOUSING						
Program	492	1,392	-	0	750	0
Obligations	275	425	26	14	2	P 5
Value in place	115	340	10	30	40	P 40
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	P 11,261	91	-29	P 1,688	P 472
Unobligated balance	1,677	P 5,663	-	-	-	-
Obligations	2,157	P 5,598	152	401	P 678	P 976
Checks issued by agencies*	1,752	P 3,823	138	360	P 403	P 410
STOCKPILE						
Program	983	2,399	85	0	768	310
Obligations	470	1,050	28	50	90	P 0
Checks issued by agencies	192	P 488	14	42	P 83	P 80
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	-	7	0	0
Obligations	66	561	-	61	108	99
Checks issued by agencies	1	211	-	45	40	P 45

Table continued on following page.

For footnotes see Page X.

● Graph appears on opposite page.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	November 1941	December 1941	January 1942
(Million dollars) NON-MUNITIONS (CONTINUED)						
PAY, SUBSISTENCE & TRAVEL <sup>f</sup>						
Army Military						
Program	944	3,013	0	0	450	0
Obligations	934	2,030	72	150	196	420
Checks issued	696	P 1,510	53	144	P 148	P 150
Navy Military						
Program	378	963	0	159	0	0
Obligations	334	610	34	62	58	62
Checks issued	388	P 640	33	43	P 43	P 45
Civilian Payroll						
Program	32	247	0	0	77	0
Obligations	32	140	5	10	13	20
Checks issued	356	P 684	30	60	P 60	P 60
MISCELLANEOUS NON-MUNITIONS						
Program	872	P 3,117	6	-195	P 393	P 162
Obligations	321	P 1,207	13	68	P 213	P 375
Checks issued by agencies	119	P 290	8	26	P 29	P 30
BREAKDOWN BY AGENCIES						
AGENCIES INCLUDED IN TREASURY GENERAL FUND						
U. S. ARMY						
Program	13,134	31,981	0	0	7,376	12,526
Obligations	11,404	23,334	695	404	2,332	4,015
Checks paid by U. S. Treasury	3,636	7,889	345	704	976	1,088
U. S. NAVY						
Program	12,308	20,024	0	64	2,333	58
Obligations	11,182	16,327	553	421	1,225	955
Checks paid by U. S. Treasury	2,217	4,726	217	441	494	518
LEND-LEASE						
Program	7,000	12,985	-	0	0	0
Allocations	5,177	11,148	-	2,415	1,949	892
Obligations	2,458	6,282	-	430	1,026	1,068
Checks Paid by U. S. Treasury	21	910	-	198	256	368

Table continued on following page.

For footnotes see Page X.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	November 1941	December 1941	January 1942
(Million dollars)						
AGENCIES INCLUDED IN TREASURY GENERAL FUND (CONT'D)						
U.S. MARITIME COMMISSION						
Program	784	2,734	-	67	-1	3,850 <sup>h</sup>
Obligations	886	1,724	22	86	3	1,566 <sup>h</sup>
Checks paid by U.S. Treasury (net) \$	44	156	-4	26	36	49
OTHER U.S. AGENCIES						
Program	1,226	3,619	-	0	1,349	30
Obligations	720	1,202	38	96	46	100
Checks paid by U.S. Treasury	163	614	11	68	85	77
ADDITIONAL AGENCIES INCLUDED IN U.S. FINANCED PROGRAM						
R. F. C. AND SUBSIDIARIES						
Program	2,623	5,130	228	-5	1,087	754
Obligations	1,151	3,569	64	345	409	759
Checks issued by R.F.C.	350	P 956	20	95	P 150	p 129
ADDITIONAL AGENCIES INCLUDED IN TOTAL WAR PROGRAM						
FOREIGN ORDERS						
Program (Orders)	3,786	P 4,066	232	40	P 22	p 0
Obligations	3,786	P 4,066	232	40	P 22	p 0
Checks issued by Purchasing Missions	2,104	P 2,644	183	79	P 103	p 153

For footnotes see page I.



## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

r Revised

P Preliminary

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>c</sup> United States Treasury General Fund includes the war activities of all United States Government agencies (including Lend-Lease). It does not include the activities of government owned corporations or foreign orders in the United States.
- <sup>d</sup> Checks paid include (1) all checks paid out of the Treasury General Fund (cf. footnote c); (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>e</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- <sup>h</sup> Funds included in Fifth Supplemental Appropriation Act now before Congress. Obligation of these funds has been initiated already.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941				1942
	July	January	October	November	December	January
<b>EMPLOYMENT IN 18 MAJOR PRIVATE WAR INDUSTRIES</b>						
	(Indexes 1939=100)					
All eighteen industries	123.3	151.4	r 203.3	r 207.2	213.0	P 220.5
Blst. furn., st. wks., etc.	116.7	128.7	145.0	144.9	145.7	P 145.9
Foundry & mach. shop prod.	114.8	137.5	173.1	174.2	176.1	P 178.3
Electr. mach., app. & supp.	115.3	143.8	187.6	188.2	189.2	P 189.9
Smelting and refining	112.7	124.0	128.2	127.0	128.3	P 129.2
Brass, bronze, copper prod.	114.5	151.5	170.8	r 169.2	169.4	P 171.9
Aluminum manufactures	121.2	146.5	r 158.6	r 159.7	166.9	P 165.1
Machine tools	155.6	189.4	239.6	243.1	249.0	P 259.8
Machine tool accessories	139.7	167.7	246.9	251.1	258.4	P 268.8
Abrasives	112.1	150.7	193.7	193.5	194.8	P 197.7
Screw-machine products	115.9	156.9	207.9	209.3	213.4	P 226.0
Airframes	222.2	355.7	r 647.4	r 684.5	719.5	P 772.5
Aero-engines	299.2	434.1	r 847.2	r 905.6	1005.6	P 1068.5
Shipbuilding	138.7	195.8	403.1	r 434.6	477.9	P 547.7
Firearms	164.0	241.4	421.2	432.1	451.7	P 478.3
Ammunition	144.6	245.8	413.0	450.9	505.1	P 519.1
Explosives	142.5	176.6	r 471.3	r 486.0	492.6	P 524.3
Optical goods	111.9	138.1	177.1	182.6	186.9	P 191.9
Instruments	115.7	147.9	218.1	222.3	232.2	P 238.3
<b>EMPLOYMENT</b>						
	(Thousand workers)					
War industries						
Private, 18 major industries	1,660	2,038	2,733	2,781	2,847	
Private contractors;						
public construction	13	448	501	617	633	
Public	117	171	248	263	286	
Total	1,790	2,657	3,482	3,661	3,766	
Deep sea merchant vessels	51	49	50	49	49	47
<b>LABOR DISPUTES IN PLANTS WITH IMPORTANT WAR CONTRACTS</b>						
Number strikes in progress	n.a.	13	P 26	P 24	P 9	P 10
Workers involved (thous.)	n.a.	26	P 32	P 20	P 4	P 3
Man days idle (thous.)	n.a.	146	P 192	P 108	P 14	P 7
Cumulative 6/11/40 through						
Monthly						
End 1st full year 6/30/41	End of November 1941	End of December 1941	October 1941	November 1941	December 1941	
<b>VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY</b>						
	(Million dollars)					
Total	1,424	P 2,640	P 3,285	340	P 256	P 645
Approved, private funds	829	1,153	P 1,326	52	107	P 173
Approved, public funds	201	245	n.a.	5	n.a.	n.a.
Disapproved	7	n.a.	n.a.	3	n.a.	n.a.
Pending	387	n.a.	n.a.	280	n.a.	n.a.

r Revised data.

P Preliminary data.

n.a. Data not available.

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## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

	1940	1941		1942		
	July	January	December	January	Week ending Feb. 14	Feb. 21
<b>FED. RES. BD. PROD. INDEXES</b>		(Unadjusted indexes 1935-39=100)				
Total industrial production	120	135	r 163	P 165		
Durable manufactures	131	166	r 211	P 214		
Nondurable manufactures	111	118	r 137	P 138		
Minerals	121	113	r 125	P 126		
<b>BUR. FOR. &amp; DOM. COM. MFRS. ORDERS, SHIPMENTS, INVENTORIES</b>		(Indexes)				
New orders, total (1/39=100)	127	176	P 228			
Shipments, total (1/39=100)	117	148	P 206			
Inventories, (1939av.mo.=100)	112.2	121.8	P 158.8			
Durable (1939av.mo.=100)	113.9	132.5	P 176.3			
Nondurable (1939av.mo.=100)	110.7	112.5	P 143.6			
<b>BLS PRICE INDEXES</b>		(Indexes)				
Strategic Materials (8/39=100)	123.6	126.1	143.9	P 144.9	143.5	143.5
Critical Materials (8/39=100)	107.5	111.7	118.2	P 120.2	122.9	122.9
Basic Commodities (8/39=100)	108.5	120.5	158.4	163.0	165.2	165.2
Machine Tools (8/39=100)	108.7	114.6	119.7	119.7	-	-
All Commodities (1926=100)	77.7	80.8	93.6	96.0	96.2	96.5
<b>BLS COST OF LIVING INDEX</b>		(1935-39=100)				
All items	100.3	100.8	110.5	111.9		
Food	97.4	97.8	113.1	116.2		
Rent	* 104.6	105.0	108.2	108.4		
<b>TRANSPORTATION &amp; ELEC. POWER</b>						
<b>Freight Cars</b>						
Loadings (thous. per week)	706	* 684	762	772	783	775
Unloads for export (dly. av.)						
Atlantic & Gulf ports (No.)	1,494	1,352	1,834	1,822	1,751	1,784
Pacific ports (No.)	112	130	159	212	325	278
Surplus, total dly. av. (thous.)	133	110	75	60	65	
Box cars	57	43	27	22	24	
Coal cars	47	42	32	22	24	
Bad orders cars, total, 1st of month (thous.)	153	109	r 68	62		
Power prod. (Mil. kwh.)	12,094	13,641	r 15,639	15,651	3,422	3,424

● Graph appears on following page. P Preliminary data. r Revised data. \* June, 1940

**BRIEFS OF CONTENTS**Page

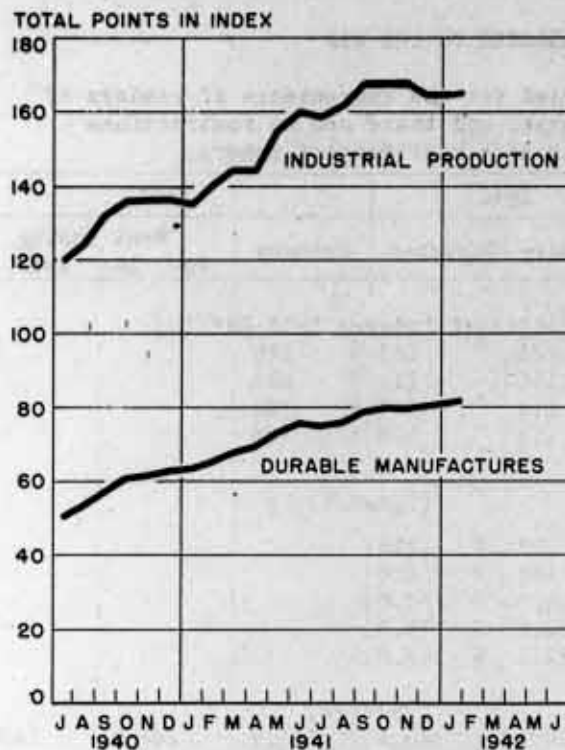
- SHORTAGES OF STEEL AND FERRO-ALLOYS are threatened for the munitions program of 1942. Most effective in reducing these threats will be measures of conservation, the development and use of substitutes, severe restrictions of civilian consumption, revisions of processing specifications and alloying formulas, and the acquisition of all possible new supplies.

1

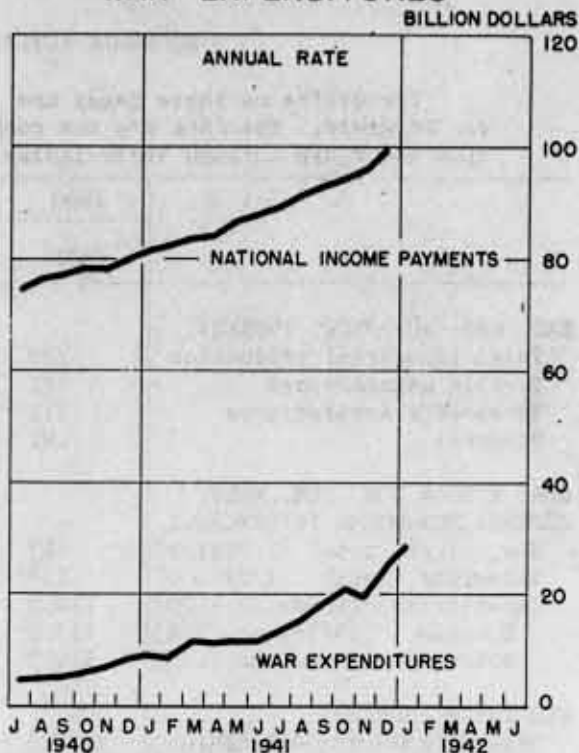
- WAR PROGRESS SERIES.

I

### INDUSTRIAL PRODUCTION

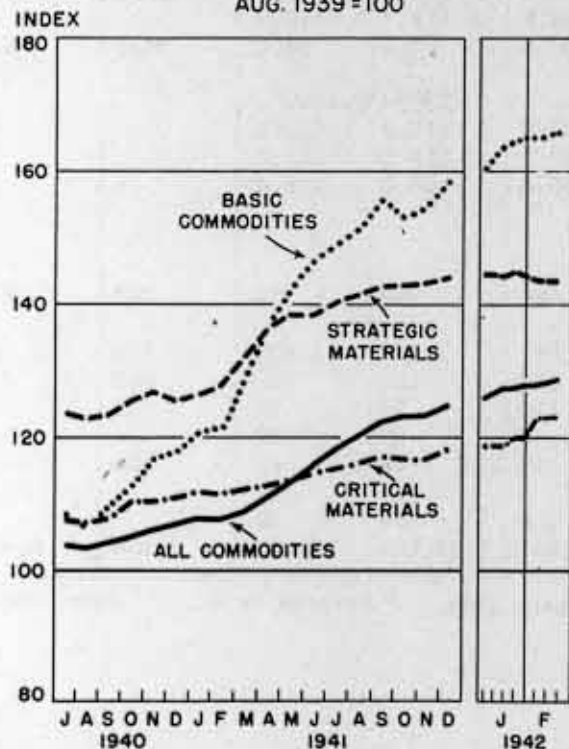


### NATIONAL INCOME & WAR EXPENDITURES



### WHOLESALE PRICES

AUG. 1939=100



### NET FEDERAL DEBT, 1914-1942

GROSS DEBT LESS BALANCE IN GENERAL FUND





## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941			1942	
	July	January	December	January	Week ending Feb. 14	Feb. 21
<b>NATIONAL INCOME</b>		(Billion dollars, annual rate)				
Total income payments	75.2	81.7	P 99.9			
<b>FEDERAL DEBT</b>		(Billion dollars, end of month)				
Net public debt	41.6	43.9	54.4	56.8		
<b>DEFENSE BOND SALES</b>		(Million dollars)				
	-	-	529	1,061	155	139
<b>EMPLOYMENT</b>		(Thousand workers)				
Total civil nonagricultural	35,904	37,142	P 40,940			
Total WPA employment	1,655	1,890	1,053	1,024	1,032	1,028
War industries						
Deep sea merchant vessels						
<b>UNEMPLOYMENT (WPA ESTIMATE)</b>		(Million workers)				
Number of unemployed	9.3	7.6	3.8	4.2		
<b>LABOR DISPUTES</b>						
<b>PLANTS WITH IMPORTANT WAR CONTRACTS</b>		Confidential data. See page XI.				
<b>ALL INDUSTRIES</b>						
Number strikes in progress	390	341	P 350	P 255		
Workers involved (thous.)	83	110	P 65	P 49		
Man days idle (thous.)	586	661	P 500	P 390		
<b>DEFENSE HOUSING</b>		(Number of dwelling units, cumulative to end of period)				
Fund allocations	1,460	56,528	184,867	256,743	274,831	275,716
Constr. contracts awarded	624	36,191	121,586	153,410	162,266	164,362
Construction completed	0	1,314	73,012	83,433	88,634	90,943

● Graph appears on opposite page.

P Preliminary data.

The President

1

# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 8(E) and 8(D) or (S)  
Commerce Dept. Letter, 11-15-72  
By RHP, Date MAR 29 1973

*Confidential*

March 6, 1942

Number 77

# WAR PROGRESS



**BRIEFS OF CONTENTS**Page

- FEBRUARY PRODUCTION OF FOUR MAJOR TYPES OF MUNITIONS—planes, tanks, antiaircraft guns, and merchant ships—were in general well ahead of January. Airplanes was the only one of these four whose output, according to weighted production indexes, was sufficient to meet tentative monthly quotas designed to achieve the President's goals.

1

- IMPENDING SHORTAGES OF ESSENTIAL NONFERROUS METALS can only be averted during 1942 by expanded production, increased imports, and restricted civilian consumption. Reserve stocks of aluminum, tin, and antimony will have to be drawn upon to meet essential requirements. Expanded smelting, refining, processing, and fabricating facilities will have to be provided to obtain the expected increased supplies of aluminum, copper, magnesium, tin, and zinc. Expected imports of bauxite, copper, and tin will be contingent upon ocean shipping facilities.

3

- WAR PROGRESS SERIES

I

## PLANES, TANKS, GUNS, SHIPS - PRODUCTION IN FEBRUARY

**O**n January 6, 1942 the President established 1942 production goals for four major types of munitions--60 thousand airplanes, 45 thousand tanks, 20 thousand anti-aircraft guns and 8 million dead-weight tons of merchant ships.

February production<sup>a</sup> of the four types was generally well ahead of January but only in the case of airplanes was output sufficient to meet tentative monthly quotas designed to achieve the President's goals. The detailed report on February is as follows:

Airplanes. February production as measured by weighted indexes was 22 percent greater than January and was 45 percent above December 1941 output. Airplane production exceeded the tentative February airplane quota by about 9 percent; the only one of these four items to meet its tentative quota. January production was behind the January quota by the same amount.

Tanks. February output of tanks according to weighted indexes dropped slightly (3 percent) below January and was 15 percent behind the quota for the month. January production was 10 percent ahead of the quota. Total output for 1942 to date is behind the quota for the two months.

Antiaircraft Guns. In February weighted indexes of antiaircraft gun output increased 20 percent from January and were 70 percent above those of December 1941, but are far behind the tentative quota for the month.

Merchant Ships. Twenty-five merchant ships were delivered during February compared with 16 during January and 10 during December 1941. The tentative quota for February was 29 ships. The entire merchant ship program continues to lag badly and probably presents the most serious aspect of the munitions program.

<sup>a</sup> Based on early reports and subject to revision.

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## NONFERROUS METALS: MILITARY REQUIREMENTS AND SUPPLIES - 1942 \*

IMPENDING SHORTAGES OF ESSENTIAL NONFERROUS METALS CAN ONLY BE AVERTED DURING 1942 BY EXPANDED PRODUCTION, INCREASED IMPORTS, AND RESTRICTED CIVILIAN CONSUMPTION. RESERVE STOCKS OF ALUMINUM, TIN, AND ANTIMONY WILL HAVE TO BE DRAWN UPON TO MEET ESSENTIAL REQUIREMENTS. EXPANDED SMELTING, REFINING, PROCESSING, AND FABRICATING FACILITIES WILL HAVE TO BE PROVIDED TO OBTAIN THE EXPECTED INCREASED SUPPLIES OF ALUMINUM, COPPER, MAGNESIUM, TIN, AND ZINC. EXPECTED IMPORTS OF BAUXITE, COPPER, AND TIN WILL BE CONTINGENT UPON OCEAN SHIPPING FACILITIES.

In order to avert impending shortages of essential nonferrous metals during 1942, production will have to be expanded, imports increased, and civilian consumption curtailed. Reserve stocks of aluminum, tin, and antimony will have to be drawn upon to satisfy essential requirements for 1942. Expected new supplies, including both domestic production and imports, of magnesium, copper and lead are only slightly greater than essential requirements. The expected supplies of zinc and mercury indicate possibilities of some carry-over to 1943.

Aluminum. The estimated domestic production plus imports of aluminum metal will not meet essential requirements for 1942. Bottlenecks in the production of aluminum are likely to occur at any or all of the major production stages; bauxite supply, production of alumina, re-

duction of alumina to metal and aluminum metal fabrication.

An industry reserve of bauxite has been built up in the United States sufficient to last about four months at current rates of consumption. Our dependence for more than half of our bauxite requirements upon Surinam and on other sources on the north coast of South America creates a serious burden of water transportation. Expanded facilities for refining bauxite into alumina and for making alumina into metal are necessary. These are planned and are expected to come into use before the end of 1942, provided high preference ratings for construction materials are obtained.

A major problem is that of providing sufficient facilities for making aluminum parts for munitions, especially airplanes. Fabricating

capacity is being expanded as rapidly as possible but the projected expansion will probably be insufficient to meet essential requirements in 1942.

Magnesium. Preliminary estimates indicate that new supplies of magnesium, which depend entirely upon domestic production, will be sufficient to meet essential requirements in 1942. Rich deposits of magnesium chloride have recently been discovered in the United States. Major difficulties will be faced, however, in the provision of sufficient new processing facilities and adequate electric power for their operation. Present estimates assume the scheduled completion of the facilities and the provision of necessary power. Highest preference ratings must be assigned to this construction if the schedules are to be met.

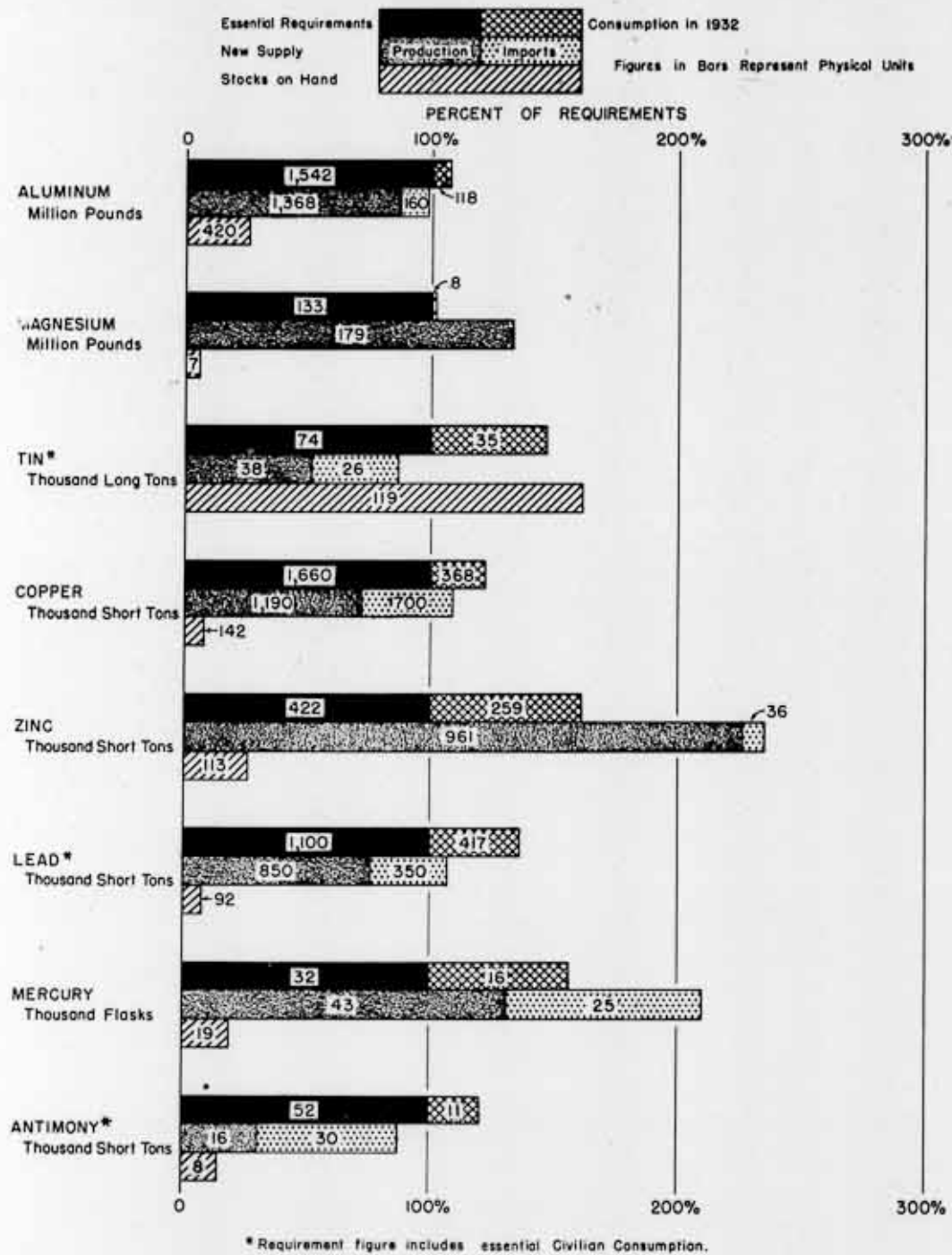
Magnesium is used in place of aluminum in the production of very light airplane parts, is alloyed with aluminum for similar purposes and is essential in making certain kinds of ammunition. At the present time there is scarcely a limit to the amount of magnesium which could be used if it were available. The essential requirements shown in the chart include only the minimum quantity essential for munitions production.

Tin. Tin presents the most difficult procurement problem among the imported nonferrous metals because the world's major tin resources are in British Malaya and the Dutch East Indies which formerly supplied some 90 percent of tin in refined form. Part of existing reserve stocks must be used this year to meet the essential requirements, as shown by the chart.

The United States is now dependent mainly upon Bolivia for new supplies of tin ore and must rely largely upon its own new facilities for smelting. Furthermore, the United States must now plan to provide part of the requirements of refined tin for the other United Nations in addition to meeting its own domestic requirements. Tin ore has been coming from Bolivia to the United States for some months; the continuation of this flow of ore will depend entirely upon the maintenance of ocean shipping facilities. The new smelter at Texas City, Texas which is expected to produce about 15 thousand long tons this year, more than one-fifth of the United States' new supply in 1942, has sufficient ore on hand to provide more than a year's continuous operation.

The direct military requirements of refined tin account for about one-fifth of the total essen-

## SUPPLIES AND REQUIREMENTS OF NON-FERROUS METALS 1942



## SUPPLIES AND REQUIREMENTS OF STEEL AND FERRO-ALLOYS, 1942 \*

SHORTAGES OF STEEL AND FERRO-ALLOYS ARE THREATENED FOR THE MUNITIONS PROGRAM OF 1942. MOST EFFECTIVE IN REDUCING THESE THREATS WILL BE MEASURES OF CONSERVATION, THE DEVELOPMENT AND USE OF SUBSTITUTES, SEVERE RESTRICTIONS OF CIVILIAN CONSUMPTION, REVISIONS OF PROCESSING SPECIFICATIONS AND ALLOYING FORMULAS, AND THE ACQUISITION OF ALL POSSIBLE NEW SUPPLIES.

Shortages of steel and ferro-alloys are threatened for the 1942 munitions program. Deficiencies in the supplies of these metals are imminent in spite of planned increases in production, expected imports, substitutions, and severe restrictions on civilian consumption. The estimates of military requirements do not include allowances for a division of our raw materials with other of the United Nations whose supplies of raw materials have been or may be curtailed.

The chart on the next page is designed to show present estimates of direct military requirements, new supplies (anticipated United States production plus imports), and stocks now on hand. In addition, the chart shows the 1932 consumption of these minerals as a rough measure of minimum civilian requirements. Although 1932 consumption of these metals was undoubtedly a minimum for recent years, it is clear that in the cases of nickel, and vanadium new supplies are insufficient even for military requirements and that in the cases

of chromite and ferrosilicon there will be little possibility of civilian consumption without dipping into reserve stocks.

### Steel

The rated capacity of the steel industry is estimated at about twice the direct military requirements of some 42 million short tons, including estimated exports, thus indicating sufficient productive capacity to meet 1942 munitions ingot requirements. The industry, however, is faced with several major problems.

The steel industry did not have enough iron and steel scrap for capacity production during 1941; and the scrap situation is still retarding capacity production. A national campaign for scrap collection and a higher ceiling on scrap prices may alleviate this tight situation. Increased production of pig iron planned for 1942 will also tend to relieve the scrap shortage.

Another major problem involves the conversion of existing fabrication facilities and the construction



tial requirements for 1942. The remaining four-fifths represents the minimum which it is estimated can be allowed for essential civilian uses. These essential civilian requirements include provision for containers necessary for the military services under various conditions of activity, as well as minimum requirements for containers and machinery essential to civilian activity. Restrictions on civilian uses and sharply increased use of substitutes are necessary to conserve existing supplies.

Copper, lead, and zinc. The United States ordinarily produces a surplus of copper, lead, and zinc. The demands of the munitions program for these metals are so great, however, that large imports are now required. These will have to be obtained chiefly from other areas of the Western Hemisphere. Efforts to increase domestic production have been made by subsidizing producers.

About a third of the expected new supply of copper ore, concentrates, and blister is scheduled to come from Latin America, primarily from the West Coast. Its delivery is contingent upon ocean shipping facilities. Existing ore smelting and refining facilities in the United States are also being expanded to meet the anticipated increases in both domestic and imported crude

copper. To conserve copper for munitions production, civilian consumption has already been cut by 40 percent in some lines and further cuts will be necessary.

New production of zinc is expected to be more than double the minimum essential requirements. Estimated increases in new production depend upon the completion of planned expansion of smelting and refining capacity as well as upon increased production of ore. Premium prices are being paid for output of zinc metal in excess of 1941 figures to stimulate production.

An increase in the usual proportion of zinc to copper in brass for making shell cases will conserve copper. Savings of both copper and zinc may be made if experiments now being conducted with steel alloys for larger calibre shell cases are successful.

Essential requirements for lead of which more than two-thirds represent a restricted civilian consumption, can be met if the expected domestic production and imports from Mexico and Canada materialize. Efforts to restrict civilian use of lead have been successful but savings of this sort are likely to be offset by advanced schedules and increased demands for ammunition.

Mercury. The estimated domestic production of mercury during 1942 exceeds the essential requirements. The expected imports from Mexico, together with the small stocks on hand, constitute some safety margin for the present, but proved deposits of cinnabar (from which mercury is extracted) in the United States are inadequate as security for the future.

Antimony. The chart indicates that existing reserve stocks of antimony will have to be drawn upon to satisfy part of the essential requirements during 1942. About 85 percent of the essential requirements figure represents restricted civilian consumption. The expected new supplies of antimony during the present year include enlarged domestic production and increased im-

ports from Latin America. In some uses antimony is a substitute for tin and every effort should be made to increase the new supplies.

---

This is the third in a series of articles dealing with supplies and requirements of raw materials. The term "essential requirements" as used in the present article includes direct and indirect military requirements, and as already indicated, in the case of antimony, lead, and tin a restricted civilian consumption. Foreign requirements, however, are not generally included.

The estimates are preliminary and should be so considered until more adequate figures are available. Recent proposed production objectives, if adopted, would have the effect of materially increasing the requirements shown in the chart.



## WAR PROGRESS SERIES

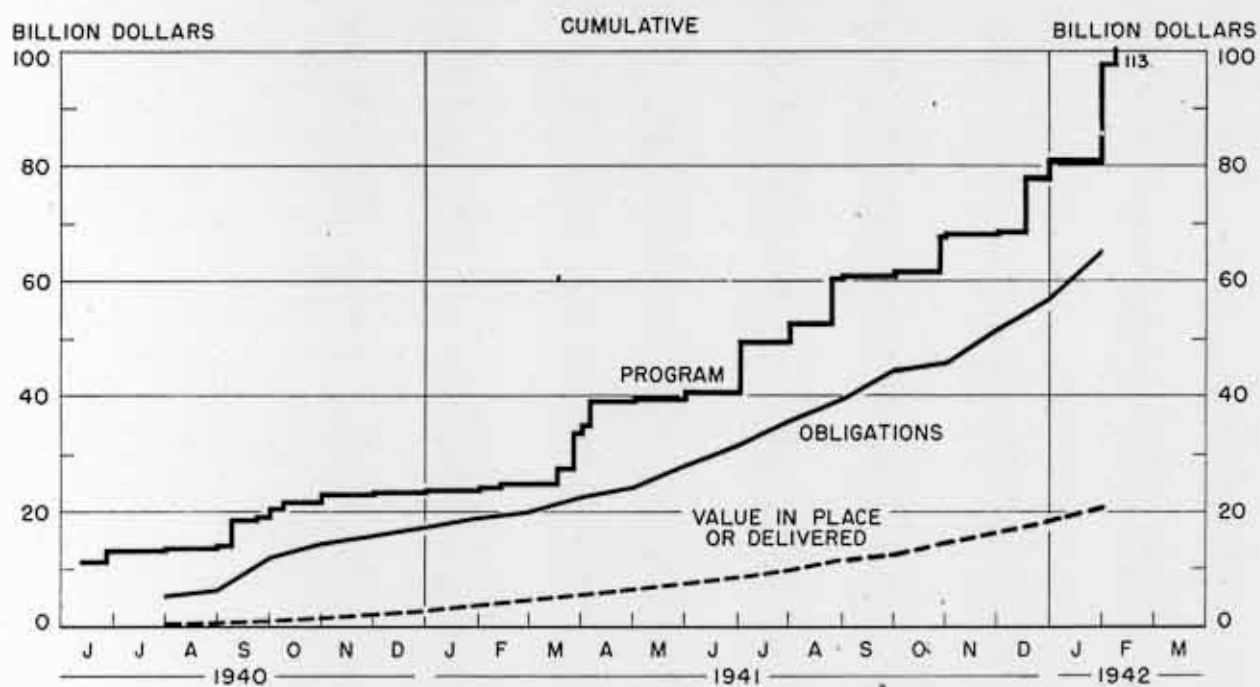
### National Income

Total income payments reached an estimated annual rate of \$101 billion in January 1942, \$1 billion more than in December 1941, and about \$19 billion more than in January 1941. Payments in January 1942 were 23 percent above the 1929 peak of \$82.4 billion.

### Federal Debt

The net Federal debt has increased steadily since the beginning of 1931. The World War I period peak debt, \$25.7 billion, was exceeded by November 1934, and more than doubled by the end of February 1942 when the net Federal debt stood at \$58.5 billion. The average net debt per person was about 80 percent higher in February 1942 than in August 1919.

# TOTAL WAR PROGRAM



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

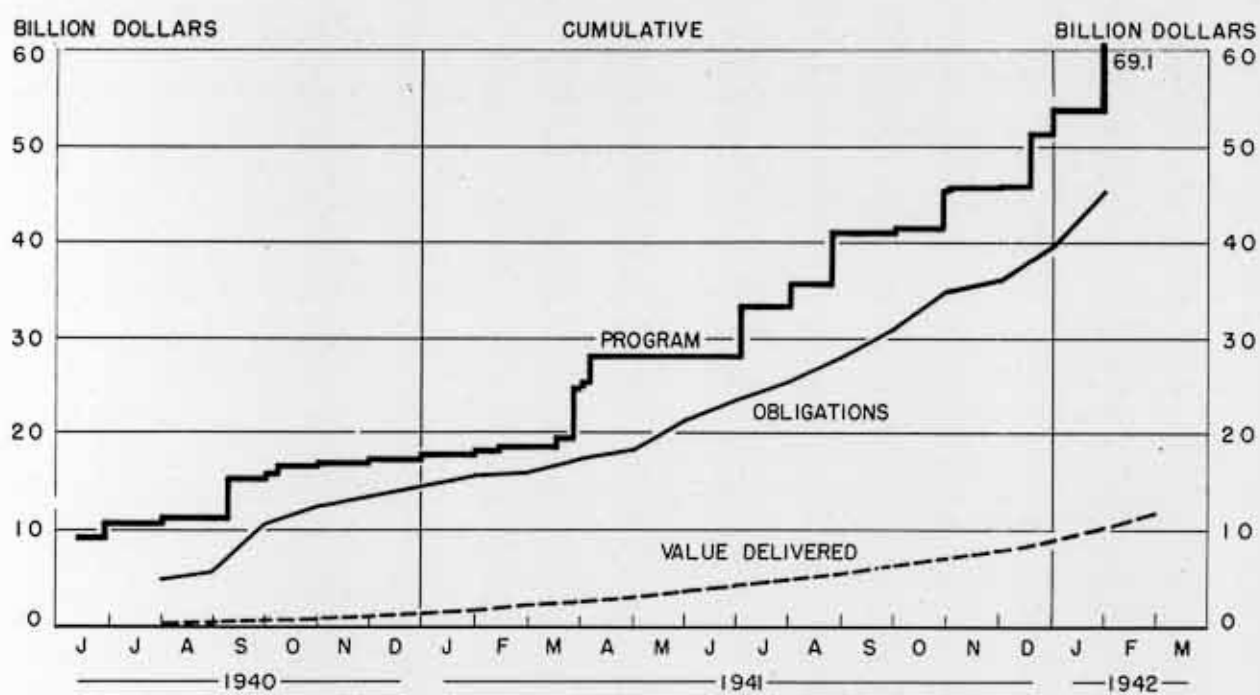
FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
● TOTAL WAR PROGRAM IN U.S. <sup>a</sup>						
Program	40,861	P 80,539	460	P 12,166	P 17,218	P 15,285
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	31,587	P 56,504	1,604	P 5,063	P 8,463	n.a.
Value delivered and/or in place	8,547	18,573	778	2,158	P 2,465	n.a.
Checks paid <sup>d</sup>	8,535	P 17,895	772	P 2,100	P 2,383	n.a.
U. S. FINANCED PROGRAM <sup>b</sup>						
Program	37,075	76,473	228	12,144	17,218	P 15,285
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	27,801	52,438	1,372	5,041	8,463	n.a.
Checks paid <sup>d</sup>	6,431	P 15,251	589	P 1,997	P 2,230	P 2,331
TREASURY GENERAL FUND <sup>c</sup>						
Program	34,452	71,343	-	11,057	16,464	P 15,285
Unobligated balance	7,802	22,479	-	-	-	-
Obligations	26,650	48,869	1,308	4,632	7,704	n.a.
Checks paid by U. S. Treasury <sup>d</sup>	6,081	14,295	569	1,847	2,101	2,201
MUNITIONS PROD. & WAR CONSTRUCTION						
Program	37,027	P 69,278	369	P 10,478	P 16,746	P 14,834
Unobligated balance	7,597	P 18,372	-	-	-	-
Obligations	29,430	P 50,906	1,452	P 4,385	P 7,487	n.a.
Value delivered and/or in place <sup>e</sup>	6,795	14,750	640	1,755	P 2,055	n.a.
Value not delivered nor in place	22,635	P 36,156	-	-	-	n.a.
NON-MUNITIONS ITEMS, TOTAL						
Program	3,834	P 11,261	91	P 1,688	P 472	P 451
Unobligated balance	1,677	P 5,663	-	-	-	-
Obligations	2,157	P 5,598	152	P 678	P 976	n.a.
Checks issued by agencies <sup>e</sup>	1,752	P 3,823	138	P 403	P 410	P 425

Table continued on page V.

For footnotes see Page X.

● Graph appears on opposite page.

## MUNITIONS PRODUCTION



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

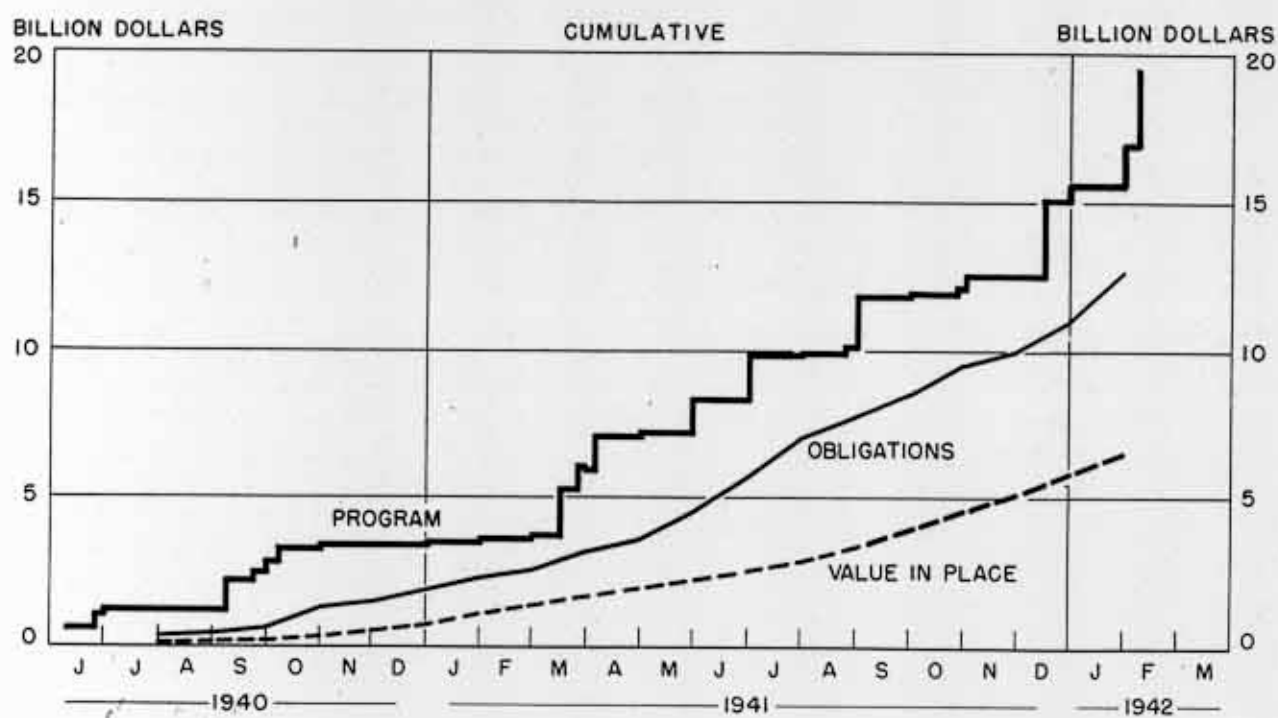
FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
BREAKDOWN OF MUNITIONS PRODUCTION						
● MUNITIONS PRODUCTION, TOTAL						
Program	28,566	P 53,738	222	P 7,627	P 15,380	P 12,244
Unobligated balance	4,901	P 13,929	-	-	-	-
Obligations	23,665	P 39,809	1,003	P 3,327	P 5,846	n.a.
Value delivered and/or in place *	4,290	8,940	360	1,075	P 1,315	P 1,490
Value not delivered nor in place	19,375	P 30,869	-	-	-	n.a.
AIRPLANES, PARTS & ACCESORIES						
Program	8,582	P 15,072	81	P 1,788	P 9,011	P 4,377
Obligations	7,381	P 13,298	152	P 1,443	P 429	n.a.
Value delivered	1,010	2,265	85	290	P 345	P 420
ORDNANCE						
Program	7,778	P 17,488	70	P 3,902	P 1,581	P 1,876
Obligations	5,418	P 10,354	200	P 610	P 2,908	n.a.
Value delivered	700	1,685	45	250	P 285	P 315
NAVAL SHIPS						
Program	6,796	9,605	-	872	25	P 5,497
Obligations	6,442	7,930	388	382	277	n.a.
Value delivered and/or in place	810	1,665	65	200	P 235	P 270
MERCHANT SHIPS						
Program	1,442	P 3,288	7	P -54	P 3,750	P 47
Obligations	1,484	P 2,381	29	P 52	P 1,606	n.a.
Value delivered and/or in place	240	510	20	70	P 85	P 100
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	P 8,285	64	P 1,119	P 1,013	P 447
Obligations	2,940	P 5,846	234	P 840	P 626	n.a.
Value delivered	1,530	2,815	145	265	P 365	P 385

Table continued on page VI.

For footnotes see Page X.

● Graph appears on opposite page.

# WAR CONSTRUCTION





WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
● WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	P 15,540	147	P 2,851	P 1,366	P 2,590
Unobligated balance	2,696	P 4,443	-	-	-	-
Obligations	5,765	P 11,097	449	P 1,058	P 1,641	n.a.
Value in place <sup>e</sup>	2,505	15,810	280	680	P 740	n.a.
Value not in place	3,260	P 5,287	-	-	-	n.a.
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	P 8,085	147	P 528	P 1,365	P 1,612
Obligations	2,865	P 6,291	335	P 810	P 1,211	n.a.
Value in place	960	2,800	80	400	P 450	n.a.
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	153	n.a.	n.a.
Value in place	575	1,753	n.a.	209	n.a.	n.a.
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	-	1,573	1	P 978
Obligations	2,625	4,381	88	246	425	n.a.
Value in place	1,430	2,670	190	240	P 250	n.a.
DEFENSE HOUSING						
Program	492	1,392	-	750	0	0
Obligations	275	425	26	2	P 5	n.a.
Value in place	115	340	10	40	P 40	n.a.
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	P 11,261	91	P 1,688	P 472	P 451
Unobligated balance	1,677	P 5,663	-	-	-	-
Obligations	2,157	P 5,598	152	P 678	P 976	n.a.
Checks issued by agencies <sup>e</sup>	1,752	P 3,823	138	P 403	P 410	P 425
STOCKPILE						
Program	983	2,399	85	768	310	P 0
Obligations	470	1,050	28	90	P 0	n.a.
Checks issued by agencies	192	P 488	14	P 83	P 80	P 85
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	-	0	0	P 111
Obligations	66	561	-	108	99	n.a.
Checks issued by agencies	1	211	-	40	P 45	P 50

Table continued on following page.

For footnotes see Page X.

● Graph appears on opposite page.

## WAR PROGRESS SERIES

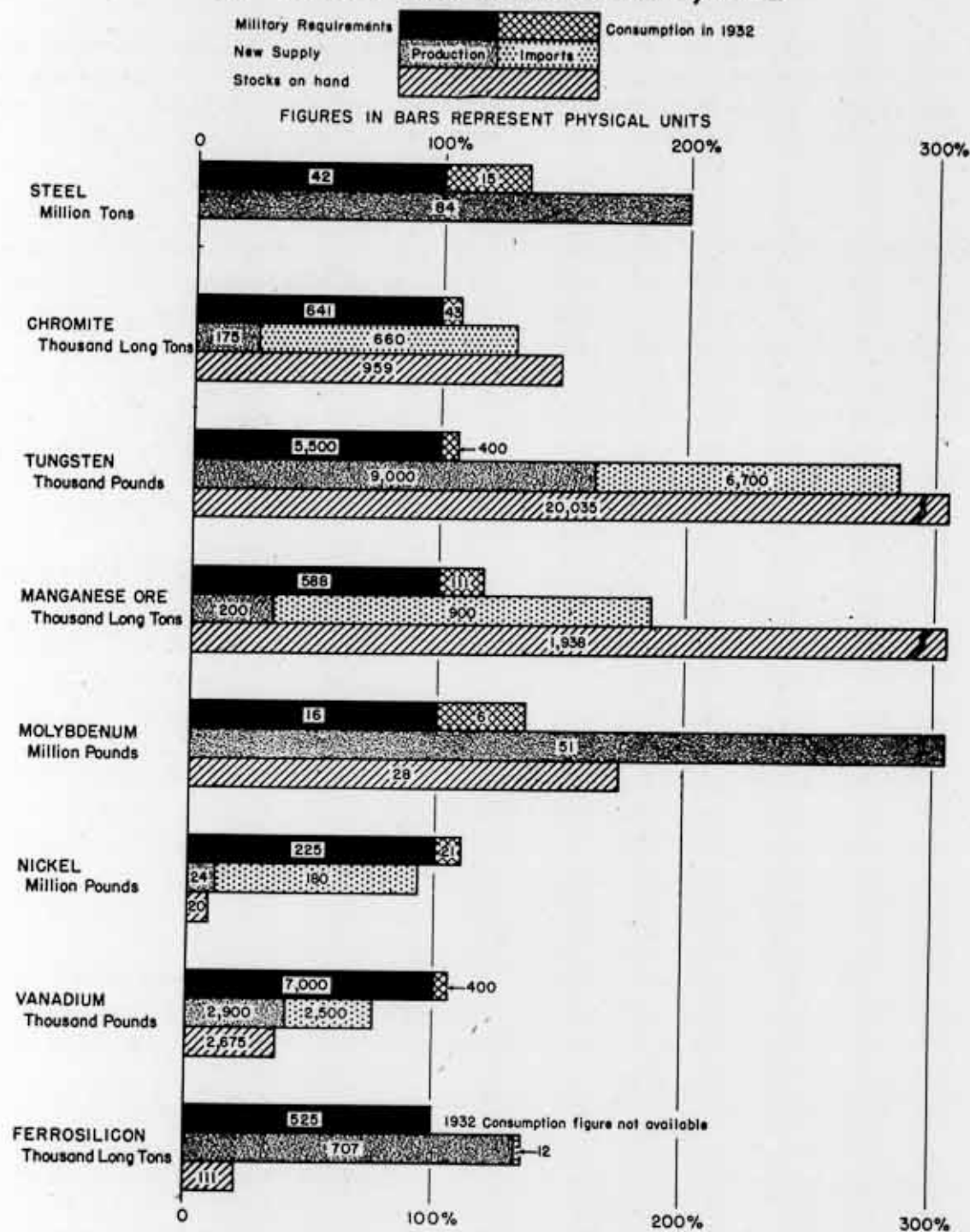
## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
NON-MUNITIONS (CONTINUED)						
PAY, SUBSISTENCE & TRAVEL <sup>f</sup>						
Army Military						
Program	944	3,013	0	450	0	0
Obligations	934	2,030	72	196	420	n.a.
Checks issued	696	P 1,510	53	P 148	P 150	P 155
Navy Military						
Program	378	963	0	0	0	10
Obligations	334	610	34	58	62	n.a.
Checks issued	388	P 640	33	P 43	P 45	P 45
Civilian Payroll						
Program	32	247	0	77	0	101
Obligations	32	140	5	13	20	n.a.
Checks issued	356	P 684	30	P 60	P 60	P 60
MISCELLANEOUS NON-MUNITIONS						
Program	872	P 3,117	6	P 393	P 162	P 229
Obligations	321	P 1,207	13	P 213	P 375	n.a.
Checks issued by agencies	119	P 290	8	P 29	P 30	P 30
BREAKDOWN BY AGENCIES						
AGENCIES INCLUDED IN TREASURY GENERAL FUND						
U. S. ARMY						
Program	13,134	31,981	0	7,376	12,526	0
Obligations	11,404	23,334	695	2,332	4,015	n.a.
Checks paid by U. S.						
Treasury	3,636	7,889	345	976	1,088	1,099
U. S. NAVY						
Program	12,308	20,024	0	2,333	58	15,168
Obligations	11,182	16,327	553	1,225	955	3,461 <sup>1</sup>
Checks paid by U. S.						
Treasury	2,217	4,726	217	494	518	531
LEND-LEASE						
Program	7,000	12,985	-	0	0	0
Allocations	5,177	11,148	-	1,949	892	232
Obligations	2,458	6,282	-	1,026	1,068	1,146
Checks paid by U. S.						
Treasury	21	910	-	256	368	432

Table continued on following page.

For footnotes see Page X.

# MILITARY REQUIREMENTS AND SUPPLIES OF STEEL AND FERRO-ALLOYS, 1942



WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
			(Million dollars)			
AGENCIES INCLUDED IN TREASURY GENERAL FUND (CONT'D)						
U.S. MARITIME COMMISSION						
Program	784	2,734	-	-1	3,850 h	p 0
Obligations	886	1,724	22	3	1,566 h	n.a.
Checks paid by U.S. Treasury (net) \$	44	156	-4	36	49	62
OTHER U.S. AGENCIES						
Program	1,226	3,619	-	1,349	30	117
Obligations	720	1,202	38	46	100	n.a.
Checks paid by U.S. Treasury	163	614	11	85	77	77
ADDITIONAL AGENCIES INCLUDED IN U.S. FINANCED PROGRAM						
R. F. C. AND SUBSIDIARIES						
Program	2,623	5,130	228	1,087	754	n.a.
Obligations	1,151	3,569	64	409	759	n.a.
Checks issued by R.F.C.	350	p 956	20	p 150	p 129	p 130
ADDITIONAL AGENCIES INCLUDED IN TOTAL WAR PROGRAM						
FOREIGN ORDERS						
Program (Orders)	3,786	p 4,066	232	p 22	p 0	p 0
Obligations	3,786	p 4,066	232	p 22	p 0	n.a.
Checks issued by Purchasing Missions	2,104	p 2,644	183	p 103	p 153	n.a.

For footnotes see page X.

## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

R Revised

P Preliminary

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>c</sup> United States Treasury General Fund includes the war activities of all United States Government agencies (including Lend-Lease). It does not include the activities of government owned corporations or foreign orders in the United States.
- <sup>d</sup> Checks paid include (1) all checks paid out of the Treasury General Fund (cf. footnote c); (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>e</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- <sup>h</sup> Funds included in Fifth Supplemental Appropriation Act now before Congress. Obligation of these funds has been initiated already.
- <sup>i</sup> February 1-15 only.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941				
	July	January	September	October	November	December
UNITED STATES FOREIGN TRADE						
Exports			(Million dollars)			
Total exports	317	325	417	666	492	652
Exports by destination						
United Kingdom	108	117	143	249	161	187
Canada	65	62	89	103	92	130
British Asia	24	28	40	43	46	60
China	10	8	8	17	12	9
Latin America	58	59	82	135	98	140
Russia	6	3	11	19	14	27
Other pro-democratic areas	11	21	28	75	49	79
Portugal and Spain	4	2	2	2	1	2
Axis & Axis dominated areas	21	18	6	7	7	9
All other	8	8	8	16	12	9
Exports licensed	9.7	37.0	80.8	81.7	83.0	P 83.0
Imports			(Million dollars)			
Imports for consumption	218	224	265	292	276	338
Imports by origin						
United Kingdom	16	10	14	9	10	12
Canada	37	35	52	56	51	59
British Asia	55	63	75	75	91	87
China	10	5	8	10	6	7
Latin America	52	67	77	104	83	123
Russia	1	2	3	1	5	3
Other pro-democratic areas	13	10	11	8	12	22
Portugal and Spain	2	2	3	3	1	4
Axis & Axis dominated areas	23	20	10	8	7	7
All other	9	9	12	18	10	14
Strategic and critical materials	31.1	40.9	39.0	33.4	P 35.8	P 32.9
U. S. WATER-BORNE FOREIGN COMMERCE						
Exports			(Million long tons)			
American flag	1.1	.6	1.2	1.3	P 1.3	P 1.4
Foreign flag	4.5	2.3	4.7	4.7	P 4.7	P 4.8
Imports						
American flag	1.6	1.0	2.3	2.4	P 2.4	P 2.5
Foreign flag	2.4	1.8	2.0	2.0	P 1.7	P 2.1

P Preliminary data.



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941				1942
	July	January	October	November	December	January
EMPLOYMENT			(Thousand workers)			
War industries						
Private, 18 major industries	1,660	2,038	2,733	2,781	2,847	
Private contractors; public construction	13	448	501	617	633	
Public	117	171	248	263	286	
Total	1,790	2,657	3,482	3,661	3,766	
Deep sea merchant vessels	51	49	50	49	49	47
	Cumulative 6/11/40 through			Monthly		
	End 1st full year 6/30/41	End of November 1941	End of December 1941	October 1941	November 1941	December 1941
VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY			(Million dollars)			
Total	1,424	P 2,640	P 3,285	340	P 256	P 645
Approved, private funds	829	1,153	P 1,326	52	107	P 173
Approved, public funds	201	245	n.a.	5	n.a.	n.a.
Disapproved	7	n.a.	n.a.	3	n.a.	n.a.
Pending	387	n.a.	n.a.	280	n.a.	n.a.

P Preliminary data.

n.a. Data not available.

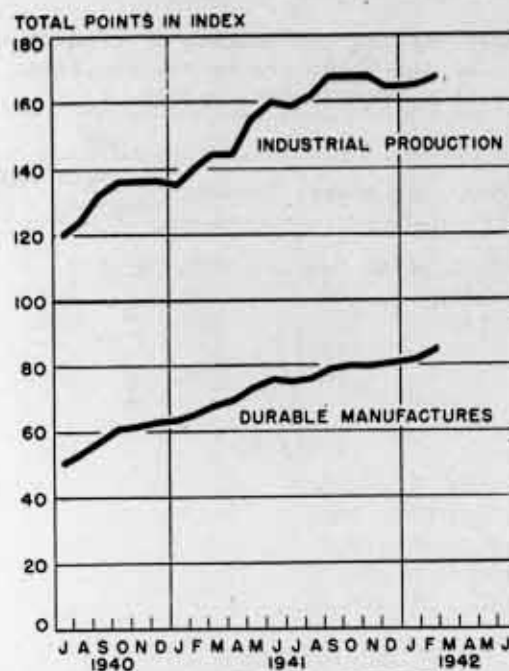
## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

	1940	1941		1942		
	July	January	December	January	Week ending Feb. 21	Feb. 28
<b>FED. RES. BD. PROD. INDEXES</b>						
		(Unadjusted indexes 1935-39=100)				
Total industrial production	120	135	163	P 165	Feb. 21: 168	
Durable manufactures	131	166	211	P 216	Feb. 21: 224	
Nondurable manufactures	111	118	137	P 137	Feb. 21: 137	
Minerals	121	113	125	P 125	Feb. 21: 126	
<b>BUR. FOR. &amp; DOM. COM. MFRS. ORDERS, SHIPMENTS, INVENTORIES</b>						
		(Indexes)				
New orders, total (1/39=100)	127	176	P 228			
Shipments, total (1/39=100)	117	148	P 206			
Inventories, (1939av.mo.=100)	112.2	121.8	P 158.8			
Durable (1939av.mo.=100)	113.9	132.5	P 176.3			
Nondurable (1939av.mo.=100)	110.7	112.5	P 143.6			
<b>BLS PRICE INDEXES</b>						
		(Indexes)				
Strategic Materials (8/39=100)	123.6	126.1	143.9	144.6	r 143.5	143.5
Critical Materials (8/39=100)	107.5	111.7	118.2	120.2	r 123.0	123.0
Basic Commodities (8/39=100)	108.5	120.5	158.4	163.0	165.2	165.1
Machine Tools (8/39=100)	108.7	114.6	119.7	119.7	-	-
All Commodities (1926=100)	77.7	80.8	93.6	96.0	96.5	96.8
<b>BLS COST OF LIVING INDEX</b>						
		(1935-39=100)				
All items	100.3	100.8	110.5	111.9		
Food	97.4	97.8	113.1	116.2		
Rent	104.6	105.0	108.2	108.4		
<b>TRANSPORTATION &amp; ELEC. POWER</b>						
Freight Cars						
Loadings (thous. per week)	706	684	762	772	775	781
Unloads for export (dly. av.)						
Atlantic & Gulf ports (No.)	1,494	1,352	1,834	1,822	1,784	1,871
Pacific ports (No.)	112	130	159	212	278	311
Surplus, total, dly. av. (thous.)	133	110	75	60	65	
Box cars	57	43	27	22	24	
Coal cars	47	42	32	22	25	
Bad orders cars, total,						
1st of month (thous.)	153	109	68	62 (Feb. 1)	61	
Power prod. (Mil. kwh.)	12,094	13,641	15,639	15,651	3,424	3,410

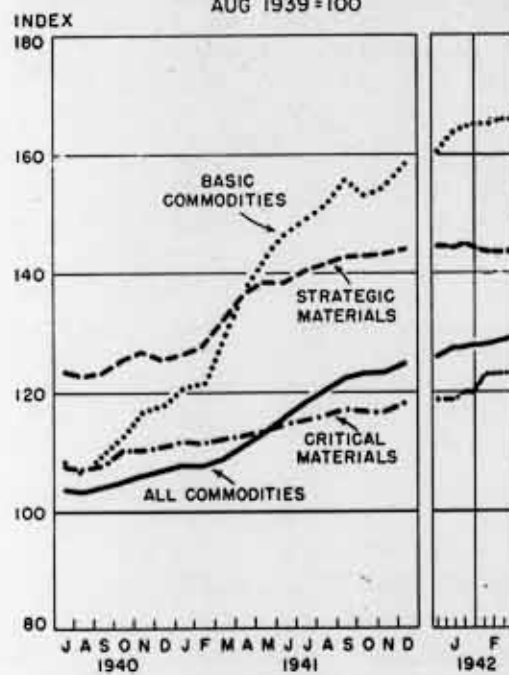
● Graph appears on following page. P Preliminary data. r Revised data. \* June 1940

### INDUSTRIAL PRODUCTION

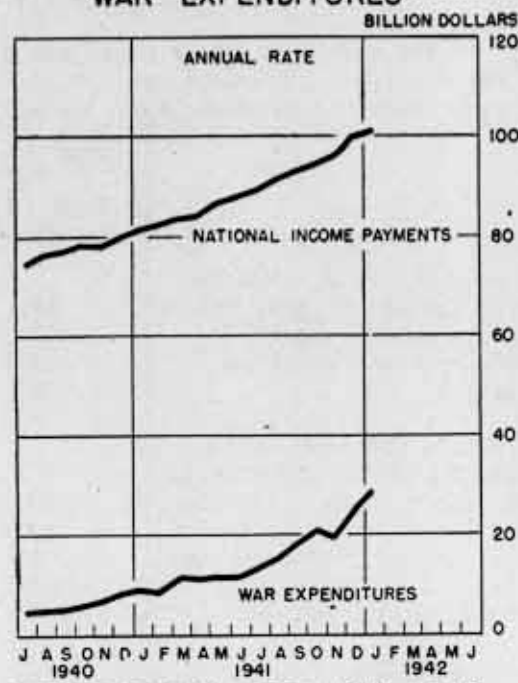


### WHOLESALE PRICES

AUG 1939 = 100

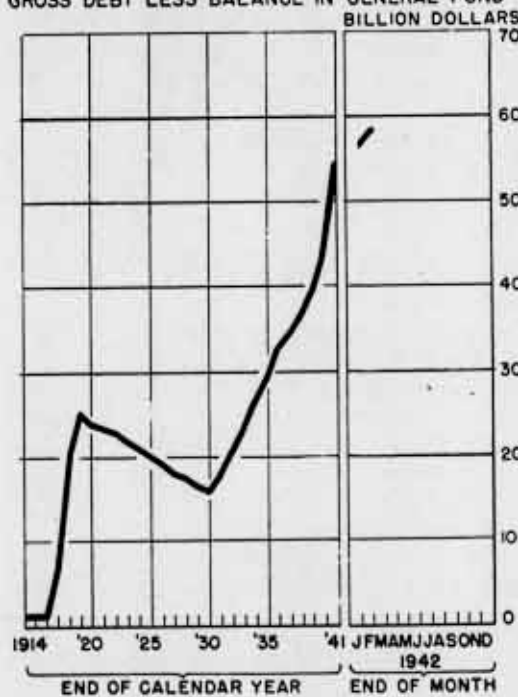


### NATIONAL INCOME & WAR EXPENDITURES



### NET FEDERAL DEBT, 1914-1942

GROSS DEBT LESS BALANCE IN GENERAL FUND



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941		1942	
	July	January	December	January	Week ending Feb. 21 Feb. 28
● NATIONAL INCOME					
Total income payments	75.2	(Billion dollars, annual rate)			
		81.7	100.2	P 101.2	
● FEDERAL DEBT					
Net public debt	41.6	(Billion dollars, end of month)			
		43.9	54.4	56.8 (Feb)	58.5
DEFENSE BOND SALES	-	-	(Million dollars)		
			529	1,051	139 124
EMPLOYMENT					
Total civil nonagricultural	35,904	(Thousand workers)			
Total WPA employment	1,655	37,142	41,073	P 39,838	
War industries		1,890	1,053	1,024	1,028 1,023
Deep sea merchant vessels		Confidential data. See page XI.			
UNEMPLOYMENT (WPA ESTIMATE)					
Number of unemployed	9.3	(Million workers)			
		7.6	3.8	4.2	
DEFENSE HOUSING					
		(Number of dwelling units, cumulative to end of period)			
Fund allocations	1,460	56,528	184,867	256,743	275,716 279,048
Constr. contracts awarded	624	36,191	121,586	153,410	164,362 169,586
Construction completed	0	1,314	73,012	83,433	90,943 92,670

● Graph appears on opposite page.

P Preliminary data.



*file*

The President

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# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (S)  
Commerce Dept. Letter, 11-16-72  
By RHP, Date **MAR 29 1973**

~~Confidential~~

March 13, 1942

Number 78

# WAR PROGRESS





**BRIEFS OF CONTENTS**Page

WAR PLANT UTILIZATION continued to increase in most lines during February. Striking changes were the increase from 76.5 hours per man in January to 83.5 hours per man in plants producing tanks and the decrease from 109.7 hours per man in January to 105.8 hours per man in February in the aircraft engine industry.

3

INCOME TAXES IN THE UNITED STATES are currently much higher and are collected from a greater proportion of the population than in the period of World War I. They are low however as compared with Canada or Great Britain.

5

WAR PROGRESS SERIES. The total war program in the United States now amounts to more than \$145 billion; only little more than half this program has as yet been translated into commitments for production and construction. Hiring in the war industries continued at a rapid rate during January. Among industries converting facilities to war production, lay-offs remained high. Car unloads for export during February were the highest on record.

I

of new facilities to meet specifications of kind and size peculiar to munitions production. To aid in the solution of this problem dimensional specifications are being revised in order to utilize existing facilities most efficiently. A further problem is presented by the dependence of certain branches of the industry on a constant supply of ferro-alloys, shortages of which are indicated in the following description.

#### Ferro-alloys

Chromium. Chrome ore, one of the most essential alloy metals for steel-making, is also used in furnace linings and in the chemical industry. Estimated supplies of chrome ore for 1942 indicate that military requirements may be met but there is a threatened shortage of metallurgical chrome, which is not shown separately in the chart. About 85 percent of the metallurgical grade formerly came from Africa and the East Indies. At present, however, Africa is practically the only remaining source for this ore and the hazards of shipping from that area make estimates of supplies from this source especially uncertain. The use of low grade ores produced in the United States and changes in alloy formulas may reduce the effects of the impending shortage of foreign ore.

Tungsten. The estimated production of tungsten, based on the working of deposits newly discovered in the United States, will more than supply direct military needs during 1942. Tungsten for cutting-tools essential in the machine tool industries, but classified as indirect military requirements, is not included in these estimates. It is essential that sufficient tungsten be provided for this purpose if the munitions program is to be met. The addition of this requirement to that for direct military purposes may necessitate the use of reserves. Ordinarily about two-thirds of the tungsten consumed in the United States is imported from China and Latin American countries. Little tungsten came from China during 1941.

Manganese. The present statistical balance between supplies and requirements of manganese is comparatively favorable. Manganese is used both as a ferro-alloy and as a deoxidizing element in steel production. It is estimated that the domestic production will supply about a third of the military requirements for 1942. The other new supply is expected to come from Latin America, Africa, and India and depends upon transportation facilities from those areas. The stocks on hand provide a substantial safety margin for military needs in case imports should be interrupted. Projects calling for

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WARTIME

# WAR PROGRESS

NUMBER VII

## BRIEF OF CONTENTS

The following is a brief summary of the contents of this issue. It is intended to give the reader a general idea of the scope and content of the material presented. The full details of each article are given in the table of contents on the following page.

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## WAR PLANT UTILIZATION IN FEBRUARY

WAR PLANT UTILIZATION CONTINUED TO INCREASE IN MOST LINES DURING FEBRUARY. STRIKING CHANGES WERE THE INCREASE FROM 76.5 HOURS PER MAN IN JANUARY TO 83.5 HOURS PER MAN IN PLANTS PRODUCING TANKS AND THE DECREASE FROM 109.7 HOURS PER MAN IN JANUARY TO 105.8 HOURS PER MAN IN FEBRUARY IN THE AIRCRAFT ENGINE INDUSTRY.

The utilization of industrial plants for war production continued to increase in most lines

during February. Indexes of plant utilization for a number of selected industries are shown for January and February in the following table.

PLANT UTILIZATION IN SELECTED WAR INDUSTRIES  
JANUARY AND FEBRUARY 1942

Industry	Number of Plants	Utilized Plant Hours	
		January	February
		(Hours per man)	
Aircraft			
Airframes	38	86.4	86.8
Engines	17	109.7	105.8
Propellers	16	96.2	98.8
Tanks	5	76.5	83.5
Machine Tools	101	83.8	85.3
Shipbuilding - Private	7	63.4	63.5

The most striking changes in these indexes was the increase in plants producing tanks from 76.5 hours per man in January to 83.5 hours per man in February, and the decline in the aircraft engine industry from 109.7 hours per man in January to 105.8 hours per man in February. The other industries listed in the table show small increases from January to February. Preliminary reports from plants producing firearms, guns, ammunition, and explosives showed an increase in the index in February of nearly 10 percent for the group.

The data in the foregoing table, together with preliminary figures

for certain other industries indicate that a number of lines have failed to show improvement in February and that a number of others have actually shown declines. In airframes and private shipbuilding, for instance, the index shows little change.

Reasons for these declines and failures to show improvement must be determined at once. Steps should be taken immediately to see that maximum utilization of facilities is obtained in every plant in every industry.

## INDIVIDUAL INCOME TAXATION IN WARTIME

INCOME TAXES IN THE UNITED STATES ARE CURRENTLY MUCH HIGHER AND MORE WIDESPREAD THAN THEY WERE DURING WORLD WAR I, BUT ARE STILL VERY LOW IN COMPARISON WITH CANADA OR GREAT BRITAIN.

**M**arch 15, traditional income tax payment day, focuses attention on the new income tax rates introduced by the Revenue Act of 1941, passed last September. Secretary Morgenthau proposed to the House Ways and Means Committee last week a new schedule of even higher rates for next year as well as a number of measures to plug loopholes in the existing income tax system. Comparisons of existing and proposed United States income taxes with those in effect here during World War I and with present day individual income taxes in Great Britain and Canada have, therefore, unusual interest at this time.

The heaviest individual income tax imposed in the United States during the World War period was on 1918 incomes. Exemptions were \$2,000 and \$1,000 for married and single persons, respectively, and \$200 for each dependent; there was no earned income credit. The initial statutory rate was 6%, rising to 77% on

income in excess of \$1.5 million. This tax yielded somewhat over a billion dollars on a 1918 national income of approximately \$60 billion, and 3.4 million persons paid the tax—about three percent of the population.

The exemptions in effect this March are \$1,500 and \$750 for married and single persons, respectively, and \$400 for each dependent; there is a 10 percent earned income credit. Statutory normal and surtax rates (combined) rise from 10% on the lowest bracket of taxable income to 81% above the \$5 million income level. It is estimated that this rate and exemption schedule will yield from \$3.5 to \$4 billion on 1941 national income of approximately \$95 billion. Approximately 13 million persons will pay the tax—10 percent of the population. The rates on 1942 income proposed by Secretary Morgenthau last week, while retaining the same personal exemptions, would remove the 10 percent earned income

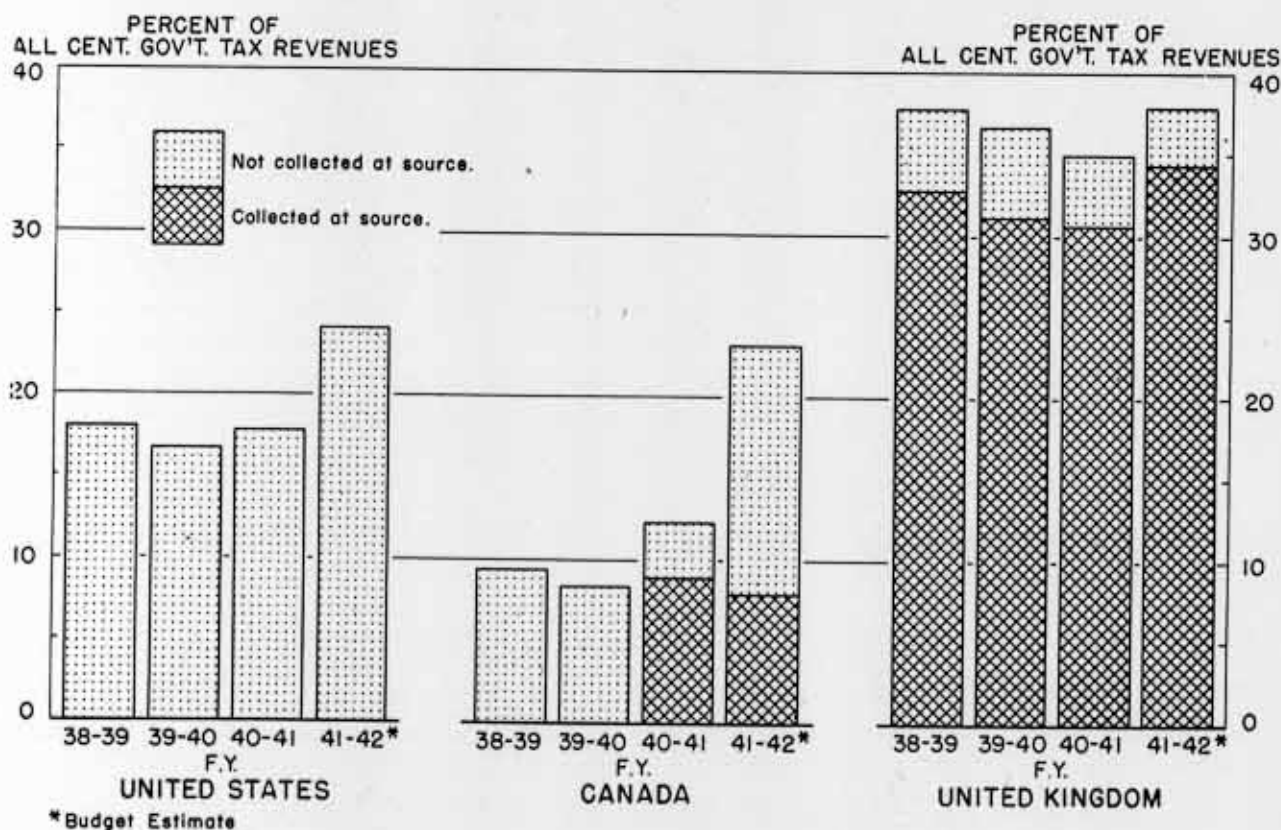


credit and increase the initial rate of combined normal and surtax to 16%, rising to 90% on income in excess of \$100 thousand. These rates would have yielded some \$6 billion if applied on the 1941 national income.

In spite of great increases in recent years in the United States, the level of Federal individual income taxation remains substantially lower than in Canada and the United Kingdom. Even the Treasury proposals for 1942 would fall considerably short of the level of present British individual income taxes.

Each of these three great democracies obtains a substantial proportion of total central government tax receipts from the individual income tax, and under the exigencies of large scale armament programs both Canada and the United States are making greater proportionate use of this method of taxation. See Chart 1. In the United States the individual income tax yielded roughly 17-18 percent of total Federal tax receipts in the three fiscal years 1938-39 to 1940-41. Under the President's January Budget estimates for the fiscal year ending June

CHART 1- PROPORTION OF TOTAL CENTRAL GOVERNMENT TAX REVENUES RAISED BY INDIVIDUAL INCOME TAX



1942, the individual income tax will account for nearly one quarter of all Federal tax receipts. This proportion would be considerably increased in fiscal 1943 if last week's Treasury proposals should become law.

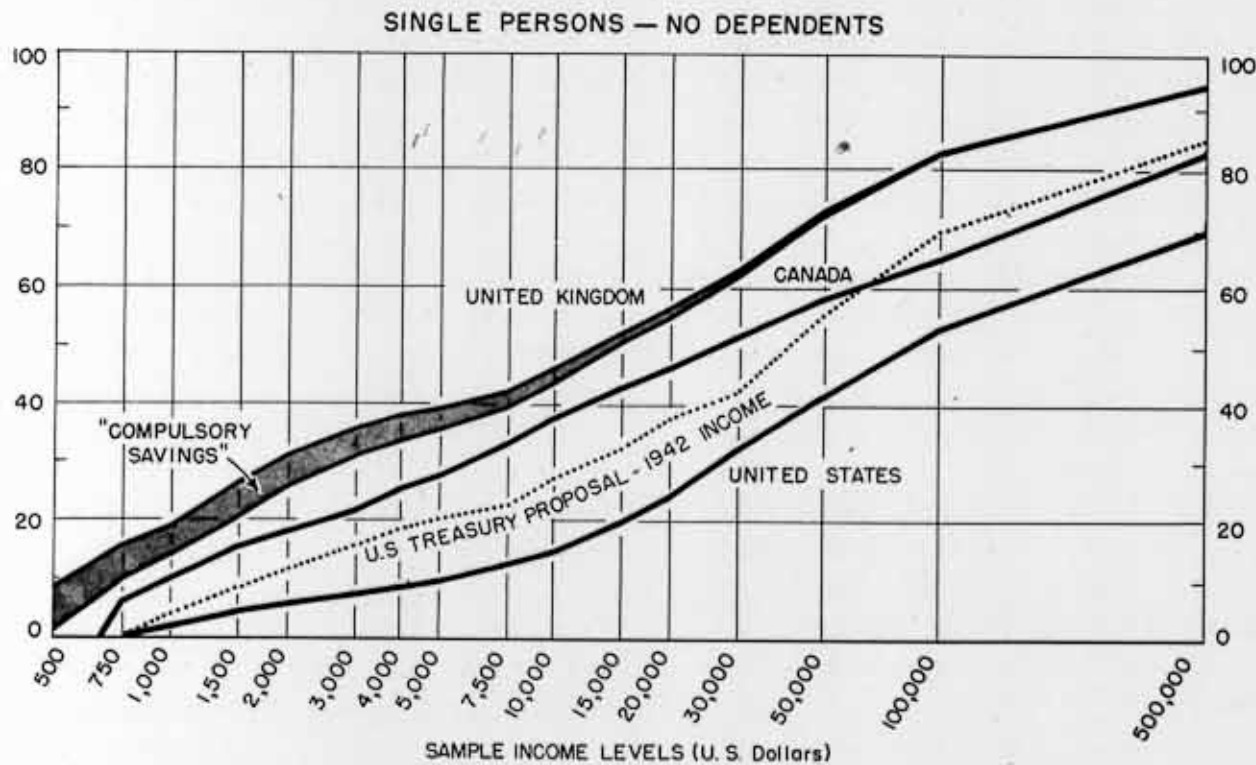
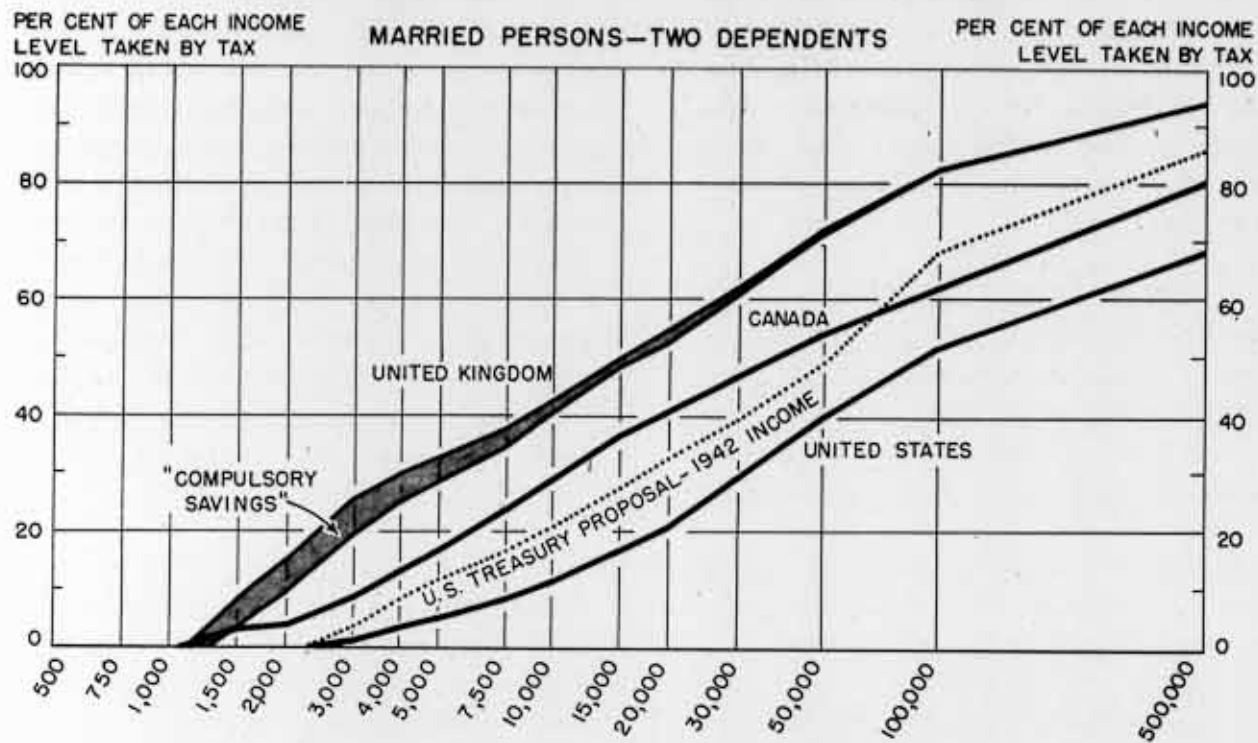
The Canadian income tax also now yields about one-quarter of the total Dominion Government tax revenues. However, the relative increase in Canada in the last few years has been much steeper, since in the immediate prewar years the individual income tax raised less than 10 percent of total central government revenues.

Even before the war the individual income tax in the United Kingdom was a source of nearly 40 percent of total central government revenues and this proportion has not significantly altered in the last four years. While the yield of the individual income tax has been approximately doubled by higher rates, lower exemptions, and greater national income, the total tax revenue from all sources has also approximately doubled. The relatively greater importance of the individual income tax in the United Kingdom is in part explained by the fact that the British Government does not impose a corporate normal income tax comparable with that in effect in the United States and Canada.

Secretary Morgenthau last week emphasized the desirability of instituting a system of collecting a certain portion of the individual income tax at the source. Canada introduced a method of collection at source for the first time in the 1940-41 fiscal year and now collects a considerable portion of her total individual income tax receipts in this manner. The bulk of United Kingdom individual income tax payments has long been collected at the source. See Chart 1.

In the United Kingdom where the individual income tax was first introduced in 1798 as a means of financing the heavy burdens of the Napoleonic Wars, the level of individual income taxation has long been substantially higher than in the United States. The most recent schedule of rates and exemptions was that adopted under the terms of the Budget of April 1941. The average effective rates under this schedule for married persons with two dependents and for single persons with no dependents are shown in Chart 2 for sample income levels, with a comparison of the most recent Canadian and American income tax schedules. These comparisons are for central government individual income taxes only and make no allowance for the fact that varying levels of State and Provincial income taxes are imposed in the United States and Cana-

**CHART 2—INDIVIDUAL INCOME TAXES**  
 AVERAGE EFFECTIVE NORMAL AND SURTAX RATES  
 UNDER VARIOUS RATE SCHEDULES FOR 1941 INCOME



da, and the fact that the United Kingdom does not have a normal corporate income tax of the sort used in the United States and Canada.

United Kingdom and Canadian exemptions are considerably lower than in the United States. In the United Kingdom the average effective rate rises steeply, reaching a level of 25% for married persons with two dependents on incomes as low as \$3,000. At this point a similar American family under the new higher 1941 rates, effective March 15, will pay only 2%. The Canadian rates are roughly midway between the United Kingdom and United States rates. At a few sample income levels for a single person with no dependents the actual income tax assessments in the three countries would be as indicated in the accompanying table.

The United Kingdom introduced a novel feature in her individual in-

come tax of April 1941--so-called "compulsory savings." A certain portion of the income tax collected is to be set aside in Post Office savings accounts in the name of individual taxpayers, not available for withdrawal, however, until the end of the war. The amount of this "deferred payment," as it is called in England, is equal to the additional tax which came due as a result of a reduction of the personal exemptions and a lowering of the earned income credit between the Budgets of April 1940 and April 1941. Accordingly, the entire portion of tax collected at the low income levels made subject to tax for the first time in 1941 comprises such "savings"; the portion of tax which is "savings" declines as incomes rise until the "compulsory savings" reach a maximum of \$260 for married persons and \$240 for single persons. This interesting experiment represents one practical application of the major features of the so-called

Annual Income	United Kingdom 1941 Budget		Canada 1941 Budget	United States Revenue Act 1941	United States Treasury Proposal for 1942
	Total	"Compulsory Savings"			
\$ 2,000	\$ 624	\$ 106	\$ 359	\$ 117	\$ 230
5,000	1,974	206	1,397	483	1,023
100,000	83,700	240	65,662	53,214	69,625



"Keynes Plan." The amount of the compulsory savings is indicated on Chart 2.

One measure of the relative burden of income tax rates and exemption schedules in these three countries which overcomes some of the difficulties of different per capita national incomes and non-comparable tax systems, is a calculation of the amount of revenue which would be raised in the United States if the actual schedules of rates and

exemptions now in effect in the United Kingdom and Canada were put into effect in this country. The individual income tax imposed by the United States Revenue Act of 1941 would yield some \$6 billion at \$100 income. The Canadian rates and exemptions if applied in this country at that level of national income would yield Federal revenue of roughly twice this amount, and United Kingdom exemptions and rates would yield approximately four times this amount.

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NOTE: For an analysis of the relative revenues raised by all taxes in the United States, Canada, and Great Britain see, Defense Progress, Issue 67, pp. 5-8.

## WAR PROGRESS SERIES

### The Current Status of the War Program

On March 5, 1942, the Fifth Supplemental National Defense Appropriation Act was approved. The \$32 billion of additional funds and authorizations included in this Bill increased the total war program in the United States (including foreign

orders) to \$146.6 billion. <sup>a</sup> The \$32 billion includes \$3.8 billion for the Maritime Commission legally authorized on March 5, but informally committed during January 1942. In addition to the \$147 now authorized, a net appropriation for the Army of \$15-\$20 billion is being considered. The table below shows the total pro

### TOTAL WAR PROGRAM IN THE UNITED STATES

(INCLUDING FOREIGN ORDERS)  
(PRELIMINARY)

OBJECTS	TOTAL <sup>Δ</sup> PROGRAM 2/28/42	FIFTH <sup>Δ</sup> SUPP. APPROP. 3/5/42	NAVAL SUPPLY BILL AVAILABLE FY 1943	TOTAL PROGRAM 3/5/42	TOTAL OBLIGATIONS 1/31/42	TOTAL VALUE OF PRODUCED OR IN PLACE 2/28/42
(MILLION DOLLARS)						
TOTAL	113,037	27,991	5,573	146,601	64,997	23,613
MUNITIONS AND CONSTR., TOTAL	100,853	25,178	4,516	130,547	58,420	18,955
MUNITIONS, TOTAL	81,356	22,022	3,997	107,375	45,655	11,745
AIRPLANES	28,460	167	445	29,072	13,727	3,030
ORDNANCE	20,951	12,461	2,119	35,531	13,262	2,285
NAVAL SHIPS	15,113	-	588	15,701	8,207	2,170
MERCHANT SHIPS	7,058	734	-	7,819	3,987	695
OTHER MUNITIONS	9,747	8,660	845	19,252	6,472	3,565
CONSTRUCTION, TOTAL	19,497	3,156	519	23,172	12,765	7,210
INDUSTRIAL FACILITIES	11,063	3,124	-	14,187	7,529	3,655
POSTS, DEPOTS, ETC.	7,042	32	519	7,593	4,806	3,150
HOUSING	1,392	-	-	1,392	430	405
NON-MUNITIONS, TOTAL	12,184	2,813	1,057	16,054	6,574	4,658
STOCKPILE	2,709	-	-	2,709	1,050	653
AGRICULTURE EXPORTS	1,633	1,784	-	3,417	660	306
PAY, SUBSISTENCE, TRAVEL	4,333	146	1,057	5,536	3,282	3,349
MISC. NON-MUNITIONS	3,509	883	-	4,392	1,582	350

<sup>Δ</sup> \$3,852 MILLION FOR THE MARITIME COMMISSION IN THE FIFTH SUPPLEMENTAL APPROPRIATION ACT WAS INFORMALLY COMMITTED PRIOR TO MARCH 5 AND IS INCLUDED IN THE TOTAL PROGRAM AS OF FEBRUARY 28, 1942.

MARCH 13, 1942

CONFIDENTIAL ... I



the expenditure of \$38 million for utilizing low grade domestic ores have recently been proposed; even if feasible such improvements will probably take several years for completion.

Molybdenum. The expected production of molybdenum, an important domestic alloy metal, is about three times the indicated military requirements for 1942, although expected production is less than total United States requirements. Proposed new specifications calling for substantially greater use of molybdenum in alloy substitutes depend upon greater domestic production, which does not seem practical during 1942.

Vanadium. Reserve stocks of vanadium will have to be drawn upon during 1942, since domestic production and imports constitute only about three-fourths of the estimated military requirements. Imports of vanadium come primarily from Latin America and no special difficulties,

outside of shipping, are anticipated in obtaining that supply.

Ferrosilicon. The United States supply of ferrosilicon comes almost wholly from domestic production. Although there is not enough ferrosilicon produced to satisfy all estimated demands the expected supplies will more than meet the military requirements during 1942. Ferrosilicon may take the place of other more scarce alloying materials, but additional production depends upon availability of power.

The American Iron and Steel Institute and the War Production Board have worked out "National Emergency Specifications" which offer substitutes for some half of the present alloy steels. These specifications, if generally adopted, will sharply reduce the nickel, chromium, and vanadium and only slightly increase the manganese and molybdenum in some alloying specifications, and give a measure of relief in the future from ferro-alloy shortages.

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\* This is the second of a series of articles dealing with military supplies and requirements of raw materials.

gram, commitments, and value of production by principal objects.

Total commitments under the war program amounted to \$65.0 billion at the end of January; preliminary data indicate that new commitments between February 1 and March 5, 1942, were at least \$10 billion, so that total commitments on March 5 amounted to at least \$75 billion. Thus, the net program available for commitment on that date was about \$70 billion.

The procurement task now confronting the purchasing arms is therefore nearly as large as that performed in the 20 months between July 1940 and February 1942. It is imperative that the rate of procurement be markedly increased immediately. Unless a substantial portion of the currently available funds are translated into industrial orders calling for 1942 delivery within the next few weeks, it will be impossible to attain the production goals established for 1942.

#### Labor Turn-over in War Industries, January 1942

Labor turn-over reports for January reflected the continued sharp expansion in the hiring of wage earners in war industries. The average accession rate for seven selected war industries was 9.38 per 100 employees as compared with a rate of 6.87 for all manufacturing

industries combined.<sup>a</sup> Private shipbuilding and aircraft plants continued to lead war industries in the rate of expansion of working forces, with January accession rates of 20.81 and 11.95 per 100 employees, respectively. Machine tools were third, with an all time high accession rate of 8.12 per 100 employees.

The average lay-offs rate for the seven war industries was 0.76 while that for all manufacturing industries combined<sup>b</sup> was 1.61. The shipbuilding industry, which usually has the highest lay-offs owing to the nature of its operations, reported a lay-off rate less than one-third the size of that for January a year ago. On the other hand, increases in lay-offs over the year occurred in brass, bronze and copper products; foundries and machine shops; electrical machinery; and iron and steel. Among industries converting facilities to war production, lay-offs remained high in the rubber tire industry, and the rubber boot and shoe industry.

The highest quit rates among the selected war industries in January were reported by the shipbuilding (3.25) and aircraft (2.82) industries. The quit rate for seven selected war industries combined was 2.29, as compared with 2.36 for all manufacturing industries. In each of the war industries the rate at which workers left their jobs vol-

untarily in January was higher than the corresponding rates for both December 1941 and January 1941.

Military separations reached substantial proportions in January 1942. The rate for all manufacturing reached a new peak of 0.67 per 100 employees while the average for seven selected war industries amounted to 0.82. Among the selected war industries the highest rate was reported by aircraft plants (1.04), while the lowest was in the machine tool industry (0.63).

#### Car Unloads for Export

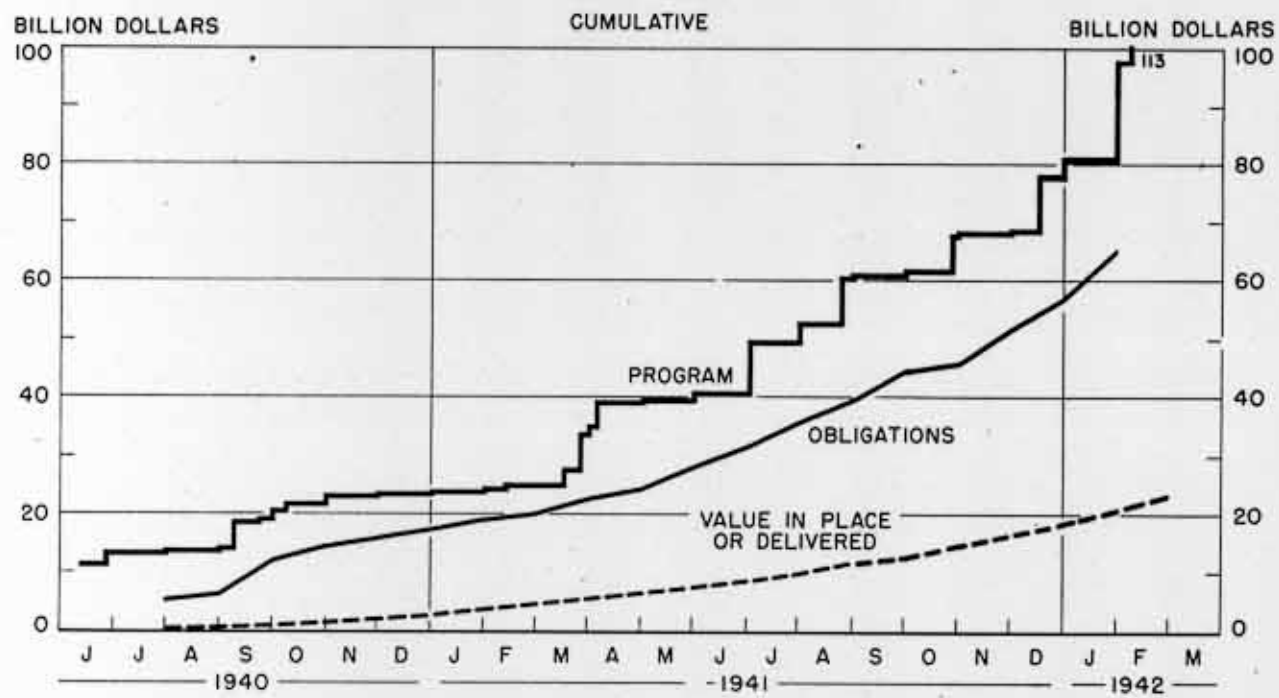
Average of 327 cars unloaded for export per day at Pacific Coast ports during the first week of March was the highest on record and more

than twice the December 1941 daily average. This increase is indicative of the extent of expanded shipments of war materials to the Far East. Unloads at Atlantic and Gulf ports at 2,014 per day during the first week of March was also a new high, indicative of current heavy shipments under Lend-Lease and other exports.

a This total includes \$5.6 billion for the Navy which legally will not be available for commitment until July 1, 1942.

b Automobiles and bodies excluded in January 1942.

## TOTAL WAR PROGRAM



## WAR PROGRESS SERIES

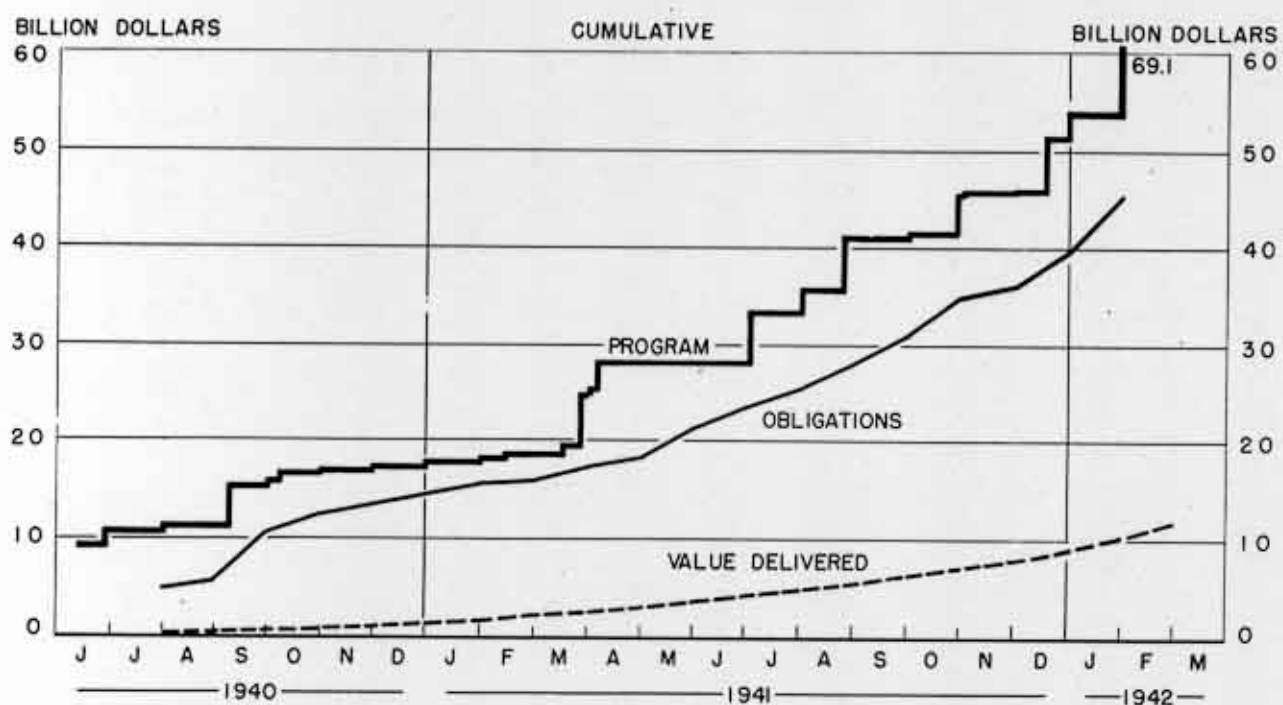
## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM SUMMARY	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
TOTAL WAR PROGRAM IN U.S. <sup>a</sup>						
Program	40,861	80,569	460	12,196	P 17,218	P 15,250
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	31,587	56,534	1,604	5,093	P 8,463	n.a.
Value delivered and/or in place	8,547	18,573	778	2,158	P 2,465	P 2,615
Checks paid <sup>d</sup>	8,535	17,965	772	2,170	P 2,383	n.a.
U. S. FINANCED PROGRAM <sup>b</sup>						
Program	37,075	76,473	228	12,144	17,218	P 15,250
Unobligated balance	9,274	24,035	-	-	-	-
Obligations	27,801	52,438	1,372	5,041	8,463	n.a.
Checks paid <sup>d</sup>	6,431	15,251	589	1,997	P 2,230	P 2,331
TREASURY GENERAL FUND <sup>c</sup>						
Program	34,452	71,343	-	11,057	16,464	P 15,250
Unobligated balance	7,802	22,479	-	-	-	-
Obligations	26,650	48,869	1,308	4,632	7,704	n.a.
Checks paid by U. S. Treasury <sup>d</sup>	6,081	14,295	569	1,847	2,101	2,201
MUNITIONS PROD. & WAR CONSTRUCTION						
Program	37,027	69,305	369	10,505	P 16,746	P 14,802
Unobligated balance	7,597	18,372	-	-	-	-
Obligations	29,430	50,933	1,452	4,412	P 7,487	n.a.
Value delivered and/or in place <sup>e</sup>	6,795	14,750	640	1,755	P 2,055	P 2,190
Value not delivered nor in place	22,635	36,183	-	-	-	-
NON-MUNITIONS ITEMS, TOTAL						
Program	3,834	11,264	91	1,691	P 472	P 448
Unobligated balance	1,677	5,663	-	-	-	-
Obligations	2,157	5,601	152	681	P 976	n.a.
Checks issued by agencies <sup>e</sup>	1,752	3,823	138	403	P 410	P 425

Table continued on page VII.  
Graph appears on opposite page.

For footnotes see Page XII.

# MUNITIONS PRODUCTION





## WAR PROGRESS SERIES

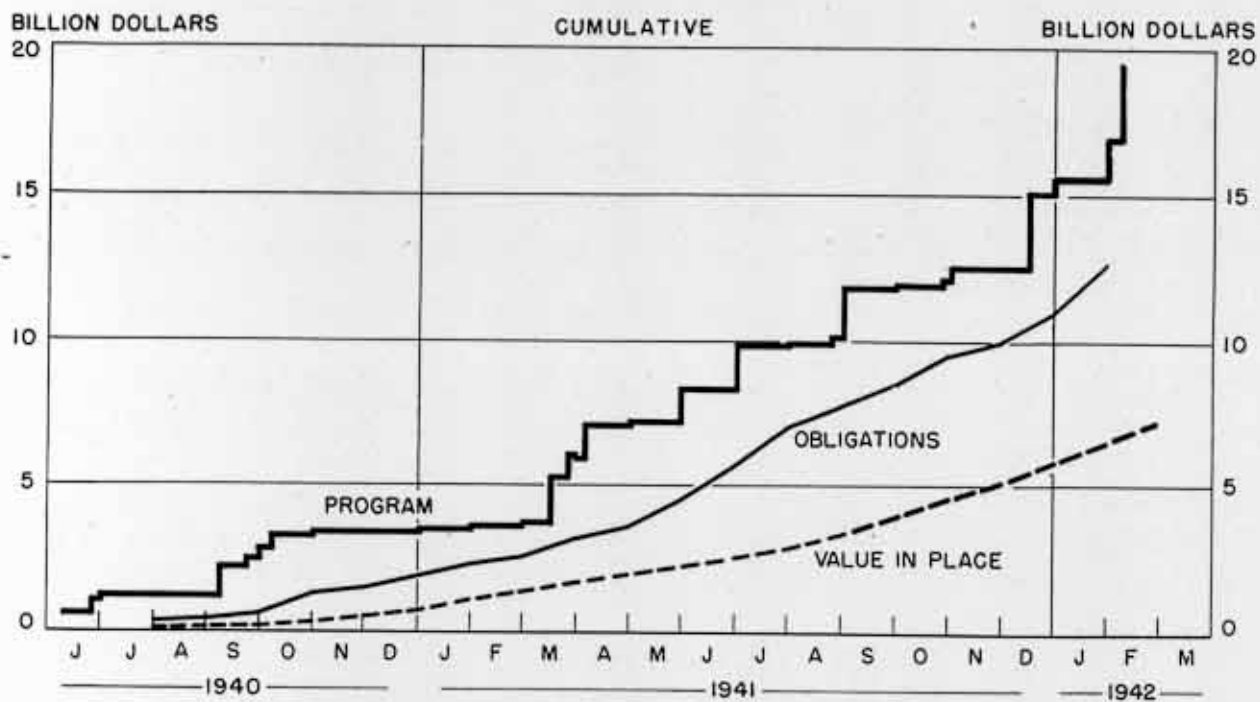
## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars) BREAKDOWN OF MUNITIONS PRODUCTION						
MUNITIONS PRODUCTION, TOTAL						
Program	28,566	51,738	222	7,627	P 15,380	P 12,238
Unobligated balance	4,901	13,929	-	-	-	-
Obligations	23,665	39,809	1,003	3,327	P 5,846	n.a.
Value delivered and/or in place *	4,290	8,940	360	1,075	P 1,315	P 1,490
Value not delivered nor in place	19,375	30,869	-	-	-	-
AIRPLANES, PARTS & ACCESORIES						
Program	8,582	15,072	81	1,788	P 9,011	P 4,377
Obligations	7,381	13,298	152	1,443	P 429	n.a.
Value delivered	1,010	2,265	85	290	P 345	P 420
ORDNANCE						
Program	7,778	17,488	70	3,902	P 1,581	P 1,882
Obligations	5,418	10,354	200	610	P 2,908	n.a.
Value delivered	700	1,685	45	250	P 285	P 315
NAVAL SHIPS						
Program	6,796	9,605	-	872	25	P 5,483
Obligations	6,442	7,930	388	382	277	n.a.
Value delivered and/or in place	810	1,665	65	200	P 235	P 270
MERCHANT SHIPS						
Program	1,442	3,288	7	-54	P 3,750	P 47
Obligations	1,484	2,381	29	52	P 1,606	n.a.
Value delivered and/or in place	240	510	20	70	P 85	P 100
OTHER MUNITIONS AND SUPPLIES						
Program	3,968	8,285	64	1,119	P 1,013	P 449
Obligations	2,940	5,846	234	840	P 626	n.a.
Value delivered	1,530	2,815	145	265	P 365	P 385

Table continued on page IX.  
Graph appears on opposite page.

For footnotes see Page XII.

# WAR CONSTRUCTION



## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
BREAKDOWN OF WAR CONSTRUCTION						
WAR CONSTRUCTION, TOTAL (LAND, BLDGS., EQUIP.)						
Program	8,461	15,567	147	2,878	P 1,366	P 2,564
Unobligated balance	2,696	4,443	-	-	-	-
Obligations	5,765	11,124	449	1,085	P 1,641	n.a.
Value in place *	2,505	5,810	280	680	P 700	P 700
Value not in place	3,260	5,314	-	-	-	-
INDUSTRIAL FACILITIES (LAND, BLDGS., EQUIP.)						
Program	5,120	8,112	147	555	P 1,365	P 1,586
Obligations	2,865	6,318	335	837	P 1,211	n.a.
Value in place	960	2,800	80	400	P 430	P 425
INDUSTRIAL FACILITIES, BUILDINGS ONLY						
Program	1,607	3,137	n.a.	153	774	n.a.
Value in place	575	1,753	n.a.	209	230	P 222
POSTS, DEPOTS, STATIONS						
Program	2,849	6,063	-	1,573	1	P 978
Obligations	2,625	4,381	88	246	425	n.a.
Value in place	1,430	2,670	190	240	P 240	P 240
DEFENSE HOUSING						
Program	492	1,392	-	750	0	0
Obligations	275	425	26	2	P 5	n.a.
Value in place	115	340	10	40	30	35
BREAKDOWN OF NON-MUNITIONS						
NON-MUNITIONS, TOTAL						
Program	3,834	11,264	91	1,691	P 472	P 448
Unobligated balance	1,677	5,663	-	-	-	-
Obligations	2,157	5,601	152	681	P 976	n.a.
Checks issued by agencies *	1,752	3,823	138	403	P 410	P 425
STOCKPILE						
Program	983	2,399	85	768	310	P 0
Obligations	470	1,050	28	90	P 0	n.a.
Checks issued by agencies	192	488	14	83	P 80	P 85
AGRICULTURAL EXPORTS (LEND-LEASE)						
Program	625	1,522	-	0	0	P 111
Obligations	66	561	-	108	99	n.a.
Checks issued by agencies	1	211	-	40	P 45	P 50

Table continued on following page.  
Graph appears on opposite page.

For footnotes see Page XII.

## WAR PROGRESS SERIES

## TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Com. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
NON-MUNITIONS (CONTINUED)						
PAY, SUBSISTENCE & TRAVEL f						
Army Military						
Program	944	3,013	0	450	0	0
Obligations	934	2,030	72	196	420	n.a.
Checks issued	696	1,510	53	148 P	150 P	155
Navy Military						
Program	378	963	0	0	0	r 9
Obligations	334	610	34	58	62	n.a.
Checks issued	388	640	33	43 P	45 P	45
Civilian Payroll						
Program	32	247	0	77	0	101
Obligations	32	140	5	13	20	n.a.
Checks issued	356	684	30	60 P	60 P	60
MISCELLANEOUS NON-MUNITIONS						
Program	872	3,120	6	396 P	162 P	227
Obligations	321	1,210	13	216 P	375	n.a.
Checks issued by agencies	119	290	8	29 P	30 P	30
BREAKDOWN BY AGENCIES						
AGENCIES INCLUDED IN TREASURY GENERAL FUND						
U. S. ARMY						
Program	13,134	31,981	0	7,376	12,526	0
Obligations	11,404	23,334	695	2,332	4,015	n.a.
Checks paid by U. S. Treasury	3,636	7,889	345	976	1,088	1,099
U. S. NAVY						
Program	12,308	20,024	0	2,333	58	r 15,133 1
Obligations	11,182	16,327	553	1,225	955	5,566
Checks paid by U. S. Treasury	2,217	4,726	217	494	518	531
LEND-LEASE						
Program	7,000	12,985	-	0	0	0
Allocations	5,177	11,148	-	1,949	892	232
Obligations	2,458	6,282	-	1,026	1,068	1,146
Checks paid by U. S. Treasury	21	910	-	256	368	432

Table continued on following page.

For footnotes see Page XII.

WAR PROGRESS SERIES  
TOTAL UNITED STATES WAR PROGRAM

FINANCIAL PROGRAM	Cum. 6/11/40 to		Monthly			
	End 1st full year 6/30/41	End of December 12/31/41	January 1941	December 1941	January 1942	February 1942
(Million dollars)						
AGENCIES INCLUDED IN TREASURY GENERAL FUND (CONT'D)						
U.S. MARITIME COMMISSION						
Program	784	2,734	-	-1	3,850 h	p 0
Obligations	886	1,724	22	3	1,566 h	n.a.
Checks paid by U.S.						
Treasury (net) &	44	156	-4	36	49	62
OTHER U.S. AGENCIES						
Program	1,226	3,619	-	1,349	30	117
Obligations	720	1,202	38	46	100	n.a.
Checks paid by U.S.						
Treasury	163	614	11	85	77	77
ADDITIONAL AGENCIES INCLUDED IN U.S. FINANCED PROGRAM						
R. F. C. AND SUBSIDIARIES						
Program	2,623	5,130	228	1,087	754	n.a.
Obligations	1,151	3,569	64	409	759	n.a.
Checks issued by R.F.C.	350	956	20	150 P	129	P 130
ADDITIONAL AGENCIES INCLUDED IN TOTAL WAR PROGRAM						
FOREIGN ORDERS						
Program (Orders)	3,786	4,096	232	52 P	0	P 0
Obligations	3,786	4,096	232	52 P	0	n.a.
Checks issued by						
Purchasing Missions	2,104	2,714	183	173 P	153	n.a.

For footnotes see page XII.

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## WAR PROGRESS SERIES

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FEBRUARY 20, 1942

CONFIDENTIAL ... I



## FOOTNOTES

## WAR PROGRESS SERIES

n.a. Not available

\* Revised

P Preliminary

- <sup>a</sup> Total war program includes all funds and authorizations made available for war purposes by the United States Government plus foreign orders placed in this country since November 1939. The major portion of the existing program has been approved since June 11, 1940, but some authorizations (particularly portions of the naval expansion program, the merchant shipbuilding program, and the stockpile program) were made available even earlier. All funds are shown during the fiscal year in which they are available for obligation.
- <sup>b</sup> United States financed program includes the war activities of all United States Government agencies (including Lend-Lease) plus the war activities of government owned corporations, but does not include foreign orders.
- <sup>c</sup> United States Treasury General Fund includes the war activities of all United States Government agencies (including Lend-Lease). It does not include the activities of government owned corporations or foreign orders in the United States.
- <sup>d</sup> Checks paid include (1) all checks paid out of the Treasury General Fund (cf. footnote c); (2) checks issued by the Reconstruction Finance Corporation and subsidiary Government corporations; (3) checks issued by foreign purchasing commissions.
- <sup>e</sup> Value delivered and/or in place includes (1) value delivered and/or in place for ships and value of production for other munitions, (2) value in place for war construction, and (3) checks issued by finance officers for non-munitions items.
- <sup>f</sup> Program and obligations for pay for civilians and for the Navy include only that specifically mentioned in appropriation bills, while the cash disbursement figures include, in addition, executive war pay which cannot be separately distinguished in the appropriation bills.
- <sup>g</sup> Report on checks paid by the Treasury for the account of the Maritime Commission makes allowance for receipts credited to the Construction Loan Fund.
- <sup>h</sup> Funds included in Fifth Supplemental Appropriation Act approved March 5, 1942. Obligation of these funds was initiated in January.
- <sup>i</sup> Does not include \$5.5 billion, Title I, FY 1943, approved February 7, 1942, but not available for obligation prior to July 1, 1942.

## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941				1942
	July	January	October	November	December	January
<b>EMPLOYMENT</b>			(Thousand workers)			
War industries						
Private, 18 major industries	1,660	2,038	r 2,737	r 2,789	r 2,868	2,969
Private contractors; public construction	13	448	501	617	633	
Public	117	171	248	263	286	
Total	1,790	2,657	3,482	3,661	3,766	
Deep sea merchant vessels	51	49	50	49	49	47
	Cumulative 6/11/40 through			Monthly		
	End 1st full year 6/30/41	End of November 1941	End of December 1941	October 1941	November 1941	December 1941
<b>VALUE OF FACIL. ON APPLIC. FOR CERT. OF NECESSITY</b>			(Million dollars)			
Total	1,424	2,933	P 3,215	340	549	P 282
Approved, private funds	829	1,153	P 1,326	52	107	P 173
Approved, public funds	201	245	n.a.	5	11	n.a.
Disapproved	7	14	n.a.	3	0	n.a.
Pending	387	1,521	n.a.	280	431	n.a.

P Preliminary data.

r Revised data.

n.a. Data not available.

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## ECONOMIC ACTIVITY RELATED TO THE WAR

The series on these pages are included for the convenience of readers of War Progress. The data are not confidential and there are no restrictions upon their use through their inclusion in this confidential report.

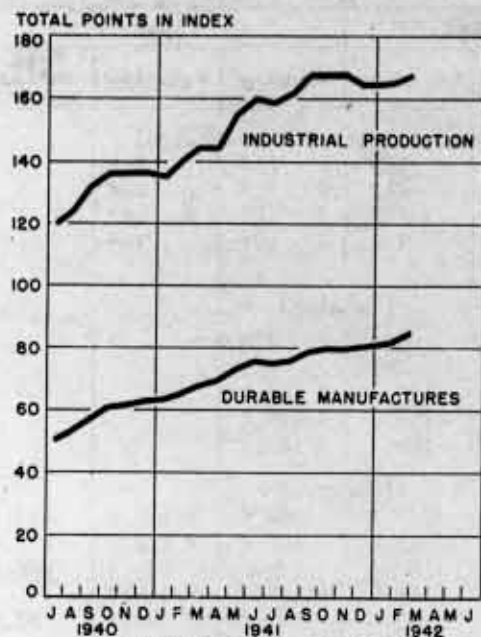
	1940	1941		1942		Week ending March 7
	July	January	December	January	February	
FED. RES. BD. PROD. INDEXES		(Unadjusted indexes 1935-39=100)				
Total industrial production	120	135	163	P 165	168	
Durable manufactures	131	166	211	P 216	224	
Nondurable manufactures	111	118	137	P 137	137	
Minerals	121	113	125	P 125	126	
BUR. FOR. & DOM. COM. MFRS.		(Indexes)				
ORDERS, SHIPMENTS, INVENTORIES						
New orders, total (1/39=100)	127	176	232	P 246		
Shipments, total (1/39=100)	117	148	207	P 205		
Inventories (1939av.mo.=100)	112.2	121.8	158.5	P 162.0		
Durable (1939av.mo.=100)	113.9	132.5	175.8	P 178.4		
Nondurable (1939av.mo.=100)	110.7	112.5	143.4	P 147.8		
BLS PRICE INDEXES		(Indexes)				
Strategic Materials (8/39=100)	123.6	126.1	143.9	144.6	P 143.8	143.5
Critical Materials (8/39=100)	107.5	111.7	118.2	120.2	P 122.9	123.0
Basic Commodities (8/39=100)	108.5	120.5	158.4	163.0	165.1	165.6
Machine Tools (8/39=100)	108.7	114.6	119.7	119.7	P 119.7	—
All Commodities (1926=100)	77.7	80.8	93.6	95.0	P 98.7	98.9
BLS COST OF LIVING INDEX		(1935-39=100)				
All items	100.3	100.8	110.5	111.9		
Food	97.4	97.8	113.1	116.2		
Rent	104.6	105.0	108.2	108.4		
TRANSPORTATION & ELEC. POWER						
Freight Cars						
Loadings (thous. per week)	706	684	762	772	781	771
Unloads for export (dly. av.)						
Atlantic & Gulf ports (No.)	1,494	1,352	1,834	1,822	1,759	2,014
Pacific ports (No.)	112	130	159	212	308	327
Surplus, total dly. av. (thous.)	133	110	75	60	59	
Box cars	57	43	27	22	22	
Coal cars	47	42	32	22	20	
Bad order cars, total, 1st of month (thous.)	153	109	68	62	61	
Power prod. (Mil. kwh.)	12,094	13,641	15,639	15,651	P 14,137	3,392
NATIONAL INCOME		(Billion dollars, annual rate)				
Total income payments	75.2	81.7	100.2	P 101.2		
FEDERAL DEBT						
Net public debt	41.6	43.9	54.4	56.8	58.5	
DEFENSE BOND SALES		(Million dollars)				
	-	-	529	1,061	703	160

Graph appears on following page.

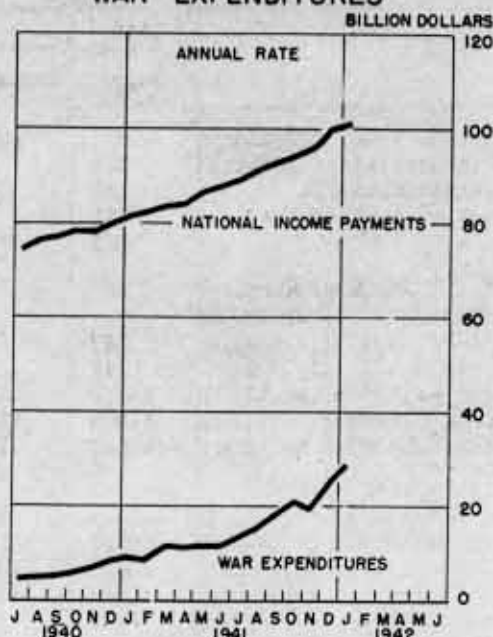
P Preliminary data.

\* June 1940.

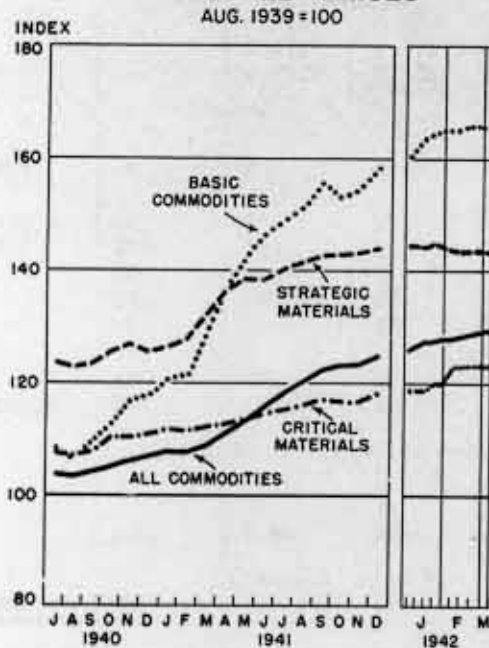
### INDUSTRIAL PRODUCTION



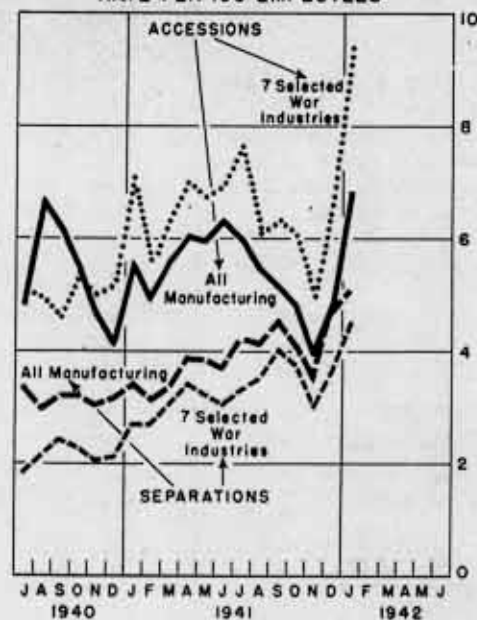
### NATIONAL INCOME & WAR EXPENDITURES



### WHOLESALE PRICES



### LABOR TURNOVER



## ECONOMIC ACTIVITY RELATED TO THE WAR

	1940	1941		1942		Week ending March 7
	July	January	December	January	February	
<b>EMPLOYMENT</b>						
			(Thousand workers)			
Total civil nonagricultural	35,904	37,142	41,073	P 39,838		
Total WPA employment	1,655	1,890	1,053	1,024	1,029	1,007
War industries		Confidential data. See page XI.				
Deep sea merchant vessels						
<b>UNEMPLOYMENT (WPA ESTIMATE)</b>						
			(Million workers)			
Number of unemployed	9.3	7.6	3.8	4.2	4.0	
<b>LABOR TURN OVER <sup>h</sup></b>						
		(Rate per 100 employees)				
<b>ALL MANUFACTURING <sup>1</sup></b>						
Total accession	4.77	5.54	4.76	6.87		
Total separation	3.35	3.41	4.71	5.10		
Quit	0.85	1.31	1.75	2.36		
Layoff	2.25	1.61	2.15	1.61		
Discharge	0.14	0.18	0.29	0.30		
Military separation	n.a.	0.19	0.39	0.67		
<b>7 MAJOR WAR INDUSTRIES</b>						
Total accession	5.09	7.10	6.67	9.38		
Total separation	1.85	2.70	3.68	4.52		
Quit	0.84	1.24	1.76	2.29		
Layoff	0.73	0.79	0.91	0.76		
Discharge	0.15	0.22	0.36	0.42		
Military separation	n.a.	0.23	0.50	0.82		
<b>AIRCRAFT</b>						
Total accession	12.40	12.17	10.79	11.95		
Total separation	3.57	3.65	3.90	4.84		
Quit	2.96	2.44	2.28	2.82		
Layoff	0.15	0.33	0.06	0.12		
<b>SHIPBUILDING</b>						
Total accession	13.00	18.21	15.26	20.81		
Total separation	5.40	7.91	6.25	6.45		
Quit	1.14	1.93	2.93	3.25		
Layoff	3.71	4.78	2.02	1.41		
<b>MACHINE TOOLS</b>						
Total accession	3.05	6.68	4.96	8.12		
Total separation	2.09	2.44	2.72	3.74		
Quit	1.28	1.77	1.58	2.46		
Layoff	0.21	0.09	0.13	0.10		
<b>DEFENSE HOUSING</b>						
	(Number of dwelling units, cumulative to end of period)					
Fund allocations	1,460	56,528	184,867	256,743	279,048	290,008
Constr. contracts awarded	624	36,191	121,586	153,410	169,586	171,446
Construction completed	0	1,314	73,012	83,433	92,670	93,334

● Graph appears on opposite page.  
P Preliminary data.

<sup>h</sup> Bureau of Labor Statistics.  
<sup>1</sup> Not including automobiles & bodies.



The President

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# WAR PROGRESS

DECLASSIFIED  
E.O. 11652, Sec. 2(C) and 2(D) or (E)  
Commanco Dept. Letter, 11-15-72  
By RHP, Date MAR 29 1973

~~Confidential~~

March 20, 1942

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# WAR PROGRESS



## BRIEFS OF CONTENTS

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● PRODUCTION OF PLANES, TANKS, ANTIAIRCRAFT GUNS, AND MERCHANT SHIPS must be increased greatly in the last half of March if schedules are to be met. Even if production is stepped up to meet March 1 schedules, the schedules for March and the rest of 1942 are not high enough to meet the President's objectives. It is urgent that contractual arrangements be worked out immediately which will schedule the full objectives set by the President.

1

● DOMESTIC EXPORTS TO LATIN AMERICA DURING 1941 totaled \$1,020 million, the highest since 1920. Exports of direct and indirect war materials during 1941 increased 20 percent over 1940, but represented a smaller share of total shipments; exports of consumer goods increased by 50 percent during the same period. It will be difficult, however, to maintain exports beyond the limit of the shipping tonnage required for essential imports from Latin America.

3

● WAR PROGRESS SERIES. The Sixth Supplemental Appropriation Act for \$17.6 billion was sent to Congress on March 18. If this estimate and other pending legislation is approved, the total program will amount to \$159.6 billion. Working hours and average hourly earnings rose substantially in January in most industries closely related to the war effort. Explosives is the only key war industry which reported a material decrease in average weekly hours.

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## PROGRESS ON THE PRESIDENTIAL OBJECTIVES

Production of airplanes, tanks, antiaircraft guns, and merchant ships this month will not equal schedules in effect on March 1 unless output increases greatly in the last 15 days of the month.

During the first half of March:

Airplanes - \$139 million was produced - \$331 million is scheduled<sup>a</sup> for the month.

Tanks - \$25 million was produced - \$75 million is scheduled<sup>a</sup> for the month.

Antiaircraft Guns - \$1.7 million was produced - \$13 million is scheduled<sup>a</sup> for the month.

Merchant Ships - 7 were delivered - 30 are scheduled<sup>a</sup> for the month.

In these four cases the rate of production so far in March is not meeting schedules. Even if production is stepped up for the rest of the month to meet the schedules

in effect on March 1 the schedules for March and the rest of 1942 are not high enough to meet the objectives established by the President on January 6. As of March 1, 1942 the total value of scheduled deliveries for the year (including actual deliveries during January and February) accounted for the following percentages of the value of the President's production goals:

Military Airplanes	77 percent
Tanks	87 percent
Antiaircraft Guns	58 percent
Merchant Ships	82 percent

If the President's goals are to be met, it is urgent that contractual arrangements be worked out immediately which will schedule the full objectives for planes, tanks, and antiaircraft guns. Each week of delay makes the production problem for the remainder of the year more difficult. Any failure of actual deliveries to meet schedules for March will further add to the problem.

<sup>a</sup> Production schedules as of March 1, including fill-ins.