

Report 49

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

October 31, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

DECLASSIFIED
E.O. 11652, Sec. 302 and 501 and (E)
OMB letter, 11-27-72
By SLR, NARS Date JAN 22 1973

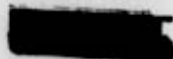
EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, 25, D. C.

Nov 23
1944

For the personal attention of the
President.

H. D. S.

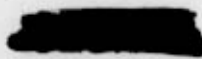
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I. SUMMARY

Active Military Strengths

	<u>Total All Classes</u>	<u>Date</u>
Army	8,095,000	Oct. 30
Navy, Marine Corps, and Coast Guard	3,761,187	Oct. 1
The Army reported 4,500,000 overseas		Oct. 30

(Pages 10-11, 24-25)

Aeronautical Program

October airframe acceptances, 87.5 million lbs. vs 90 million in September
(Pages 2, 3)

Combat planes on hand:

Army: On Nov. 1	33,344
Navy: On Oct. 1	23,995

(Pages 4, 6)

Strength on Oct. 1:

Army Air Forces (estimated)	2,391,281
Navy and Marine Corps	380,657
Total	2,771,938

(Pages 5, 7)

Navy Ship Construction

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

Battleships	2
Aircraft carriers	5
Aircraft carriers, escort	36
Large cruisers	2
Heavy cruisers	1
Light cruisers	8
Destroyers	63
Destroyer escorts	185
Submarines	61
Total	363

(Pages 14-20)

Contract Termination

Cancellations of prime war supply contracts: \$21.9 billion thru September 30, 1944
(Page 29)

II. AERONAUTICAL PROGRAM

October Aircraft Production

Preliminary reports indicate that 87.5 million pounds of airframes (spares included, gliders excluded) were accepted in October, a decrease of 3 percent from the weight of September acceptances.

The number of military aircraft accepted in October was 7,429, as compared with 7,598 in September. There were 1,199 four-engine bombers accepted, including 125 B-29's.

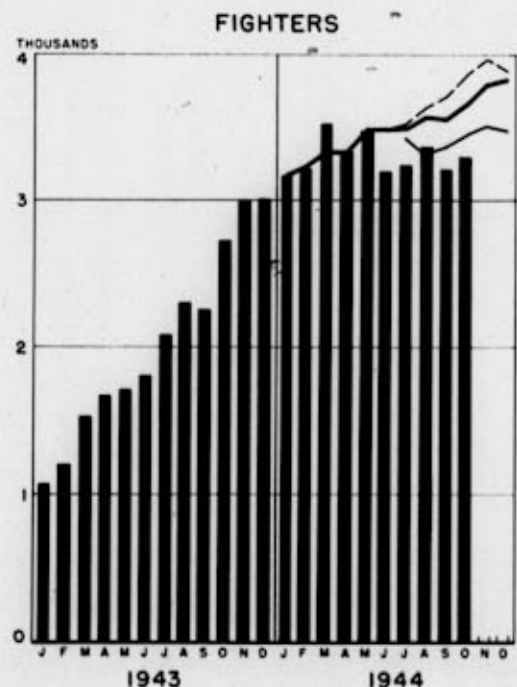
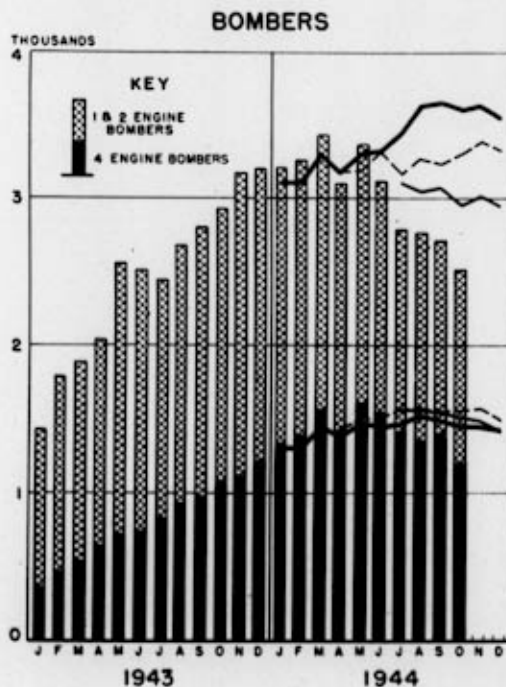
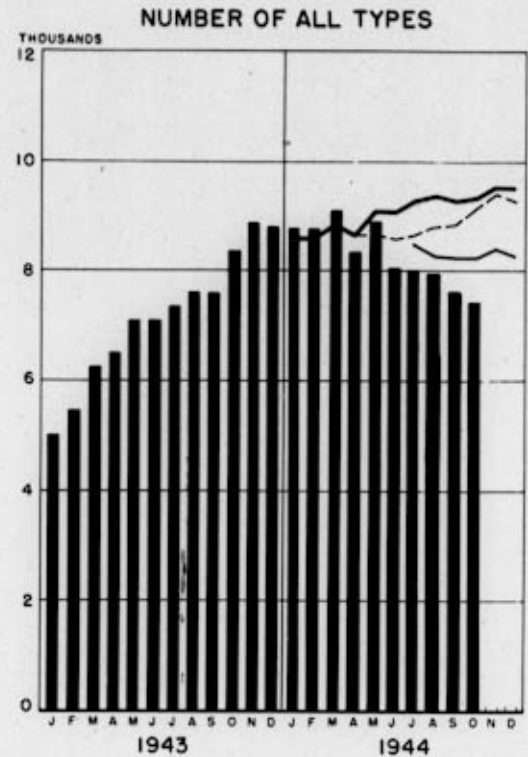
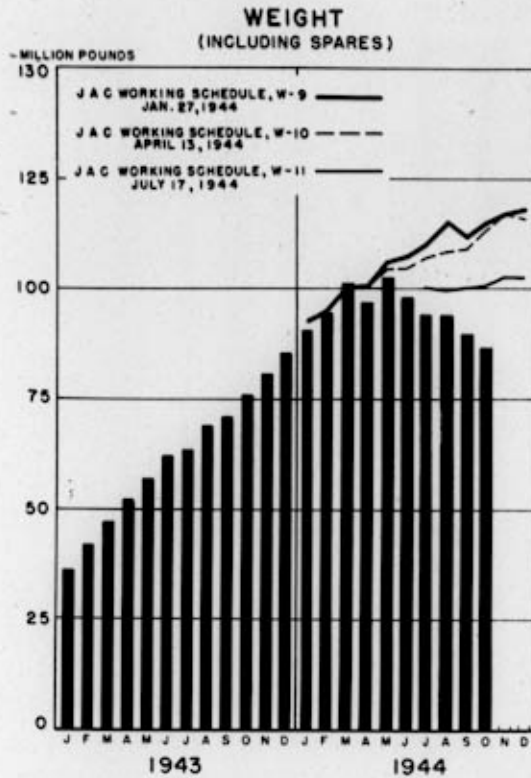
Aircraft Acceptances and Schedule, 1944

Type	Actual Acceptances			Total Scheduled 1944*
	Sept.	Oct.	Jan. Thru October	
Bomber, 4-engine, long-range	123	125	811	1,200
Bomber, 4-engine, other	1,249	1,074	13,392	15,054
Bomber, 2-engine	669	618	8,779	10,322
Bomber, 1-engine	670	696	7,324	8,617
Fighter	3,219	3,305	33,069	39,001
Reconnaissance	10	21	86	230
Total combat	5,940	5,839	63,461	74,424
Transport, 4-engine	46	39	449	615
Transport, 2- and 1-engine	688	696	7,986	9,287
Total tactical	6,674	6,574	71,896	84,326
Trainer	473	430	6,967	7,629
Liaison	300	296	3,109	3,775
Rotary wing	18	19	93	143
Target and drone	133	110	861	1,087
Grand total	7,598	7,429	82,926	96,960

*Actual acceptances, Jan. thru Sept.; Joint Aircraft Committee Working Schedule W-12, Oct. thru Dec.

On October 31, there was a pool of 1,123 accepted but undelivered aircraft, of which 82 percent were tactical types.

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Airplanes of the Army Air Forces

A. Airplanes. On October 31 the Army Air Forces had on hand 33,344 first-line combat airplanes. Of these, 11,085 were four-engine bombers—a decrease of 157 heavy bombers during October. Of the total combat planes, 20,333 or 61 percent were overseas on October 31.

Airplanes of the Army Air Forces on Hand, Oct. 31 and Gains and Losses in October

	On Hand Oct. 31 1944	Oct. Gains and Losses				Net Change
		Gains		Losses		
		Produc- tion	Other*	Opera- tional etc.	Other*	
<u>Combat</u>						
Bomber, very heavy	743	127	2	19	14	96
Bomber, heavy	10,342	792	88	622	511	-253
Bomber, medium	3,552	150	95	144	339	-238
Bomber, light	2,027	109	12	87	45	- 11
Fighter	14,980	1,725	103	951	676	201
Reconnaissance	1,700	41	150	56	27	108
Total combat	33,344	2,944	450	1,879	1,612	- 97
<u>Transport</u>						
Heavy	1,602	189	112	53	3	245
Medium	5,117	183	77	112	26	122
Light	654	44	166	12	4	194
Amphibian	23	0	0	0	0	0
Utility	2,988	0	13	34	543	-564
Total transport	10,384	416	368	211	576	-3
Total tactical	43,728	3,360	818	2,090	2,188	-100
<u>Trainers</u>						
	19,786	269	39	104	3,672	-3,468
<u>Communications</u>						
	3,141	96	74	88	674	-592
Grand total	66,655	3,725	931	2,282	6,534	-4,160

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

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

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,615	991	933	5,961	4,836	21,376	38,712
Overseas	6,470	2,561	1,094	9,019	5,548	3,251	27,943
Total	11,085	3,552	2,027	14,980	10,384	24,627	66,655

B. Personnel of the Army Air Forces. The estimated active-duty strength of the Army Air Forces totaled 2,391,281 on October 1 — a decrease of 11,775 during September. Actual strength exceeded the planned strength by 72,803 on October 1.

AAF personnel overseas decreased 3,938 during the month to a total of 1,078,138 on October 1.

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

	Troop Basis		Estimated Oct. 1 1944
	For Dec. 31 1944	For Oct. 1 1944	
Continental U.S.	1,172,514	1,264,080	1,313,143
Overseas	1,143,228	1,054,398	1,078,138
Total	2,315,742	2,318,478	2,391,281

Bureau of Aeronautics

A. Airplanes. On October 1, the estimated total of useful airplanes on hand in the Navy, Marine Corps, and Coast Guard was 35,600, excluding experimental and miscellaneous airplanes. Of these, 23,995 were tactical combat types — an increase of 467 tactical combat planes during September.

Navy Airplanes on Hand — Sept. 1, Oct. 1
and Net Gains in September

Type	On Hand Sept. 1*	Estimated September Net Gains	Estimated On Hand Oct. 1
<u>Tactical Combat</u>			
Fighter	10,442	335	10,777
Scout bomber (dive)	5,611	40	5,651
Torpedo bomber	3,336	101	3,437
Patrol bomber—sea	1,568	-20	1,548
Bomber—land:			
4-engine	495	35	530
2-engine	979	32	1,011
Observation scout	1,097	-56	1,041
Subtotal	23,528	467	23,995
<u>Tactical Non-Combat</u>			
Utility	1,331	37	1,368
Transport	752	61	813
Subtotal	2,083	98	2,181
<u>Training</u>	9,584	-160	9,424
Grand total	35,195	405	35,600

*Revised.

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 5,868 during September to a total of 380,657 on October 1. This is 93 percent of the required strength by December 31, 1944. Pilots totaled 51,038 or 106 percent of requirements by December 31.

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

	Navy		Marine Corps		Total	
	Require- ments 12-31-44	Actual Oct. 1	Require- ments 12-31-44	Actual Oct. 1	Require- ments 12-31-44	Actual Oct. 1
Pilots**	38,265	40,769	9,916	10,269	48,181	51,038
Other:						
Officers	24,070	26,856	5,175	4,930	29,245	31,786
Enlisted	235,880	201,557	95,683	96,276	331,563	297,833
Total	298,215	269,182	110,774	111,475	408,989	380,657

*Excludes personnel missing, prisoners of war, etc.

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

C. Pilot Training. Student pilots in training for heavier-than-air planes on September 28 totaled 18,791, and 9,059 of these were in the last stage of training prior to commissioning. The total is a decrease of 2,661 during the four weeks from September 1. It is estimated that 14,408 student pilots will be in training on December 31, 1944.

III. ARMY

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

Item	Sept. Deliv- eries	1944 Army Supply Program (Revised)	1944 Deliveries January 1 to October 1					
			Cumula- tive	Percent of 1944 A.S.P.				
				0	25	50	75	100
Combat Vehicles								
Light armored car	232	3,383	2,700					
Light tank, M24	246	2,050	647					
Medium tank, with 75mm and 76mm guns and 105mm Howitzer	1,129	12,131	7,566					
Heavy tank, M26, with 90mm gun	0	115	10					
Motor Vehicles								
1/4 ton, 4 x 4 command	15,474	180,833	138,113					
3/4 ton, 4 x 4 weapons carrier	5,412	57,726	42,468					
2 1/2 ton, 6 x 6 cargo	10,354	138,039	90,016					
2 1/2 ton, 6 x 6 dump	2,112	25,560	14,034					
2 1/2 ton, 6 x 4 cargo	2,602	30,986	23,406					
10 ton, 6 x 4 GSIC	580	8,266	4,805					
13 ton tractor, H.S.	200	3,503	2,903					
18 ton tractor, H.S.	122	1,248	1,046					
Artillery								
155mm gun 1/	74	521	311					
155mm gun 2/	101	1,244	884					
8 inch gun 1/	6	49	34					
8 inch Howitzer 1/	69	546	367					
155mm Howitzer 1/	146	1,889	1,472					
155mm Howitzer 2/	139	1,378	1,040					
240mm Howitzer 1/	11	153	110					
240mm Howitzer 2/	17	101	75					
Small Arms								
.30 cal. U.S. rifle, M1	80,645	1,106,752	888,020					
.30 cal. carbine M1	87,701	2,021,109	1,717,877					
.30 cal. machine gun	9,150	120,308	92,958					
.50 cal. machine gun	54,033	673,561	511,017					

1/ On carriage

2/ Spare cannon only

9 mo. = 75% of year

Note: In this issue a revision of the types of materiel making up certain items has been made.

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

Item	Sept. Deliv- eries	1944 Army Supply Program (Revised)	1944 Deliveries January 1 to October 1					
			Cumu- lative	Percent of 1944 A.S.P.				
				0	25	50	75	100
<u>Small Arms Ammunition</u> (Million rounds)								
All .30 cal.	155	3,582	3,110					
All .50 cal.	178	2,066	1,627					
<u>Antiaircraft Ammunition</u> (Thousand rounds)								
For 40mm gun	1,463	22,339	18,925					
<u>Artillery Ammunition</u> (Thousand rounds)								
For 60 and 81mm mortar	2,915	30,819	17,979					
For 57mm gun	306	6,084	5,206					
For 75mm gun	497	10,108	9,094					
For 76mm gun	1,036	8,139	6,585					
For 75mm Howitzer	24	5,721	5,500					
For 90mm gun	220	3,899	3,682					
For 105mm Howitzer	2,564	37,256	25,000					
For 155mm gun	235	2,189	1,342					
For 155mm Howitzer	420	4,433	2,844					
<u>Bombs (thousands)</u>								
100 lb. gen'l purpose	26	309	91					
500 lb. gen'l purpose	229	2,597	1,717					
260 lb. fragmentation	106	963	642					
100 lb. cluster-frag- mentation	257	2,867	1,836					
<u>Mines (thousands)</u>								
Antitank	299	4,500	1,087					

9 mo. = 75% of year

Note: In this issue a revision of the types of materiel making up certain items has been made.

Military Personnel

A. Strength. During October the active-duty strength of the Army decreased 13,129 to an estimated total of 8,095,000.

Distribution of the Army Active-Duty Strength, by Class

Class of Personnel	Oct. 1 Actual	Oct. 30 Estimated	Decrease
Commissioned officers	720,001	715,100	-4,901
Warrant and flight officers	46,576	43,100	-3,476
Enlisted men and selectees	7,213,079	7,205,400	-7,679
WAC	86,351	88,400	2,049
Subtotal	8,066,007	8,052,000	-14,007
Army Nurse Corps	42,122	43,000	878
Grand total	8,108,129	8,095,000	-13,129

The Army active-duty strength overseas increased 180,626 to a total of 4,500,000 or 56 percent of the total Army strength.

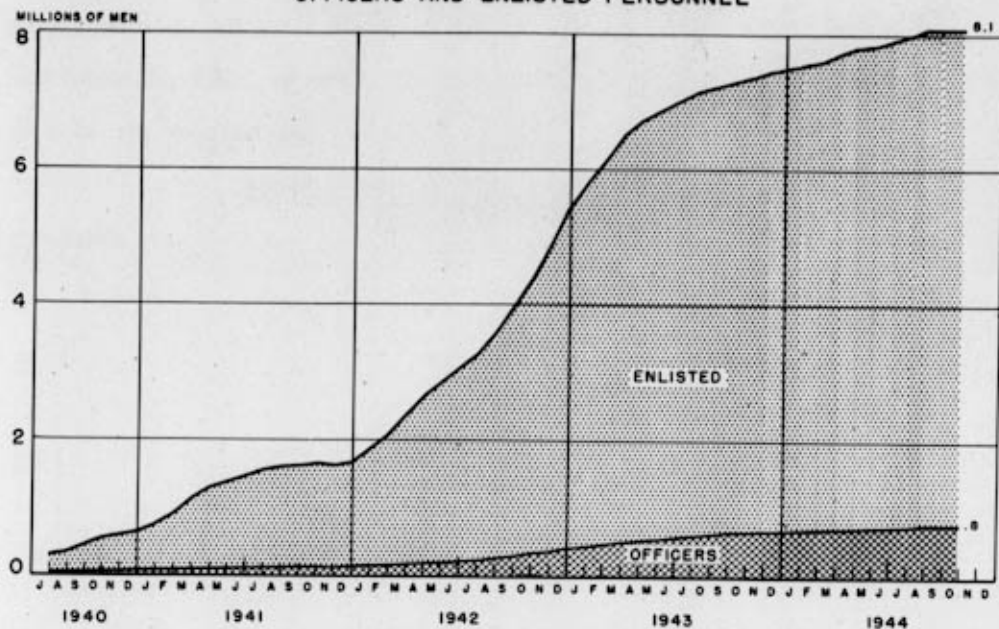
Assignment of Army Active-Duty Military Personnel

Assignment of Personnel	Oct. 1 Actual	Oct. 30 Estimated	Decrease
Army Ground Forces in U.S.	1,201,430	1,229,450	28,020
Army Air Forces in U.S.	1,334,792	1,206,220	-128,572
Army Service Forces in U.S.	1,058,595	974,730	-83,865
In defense commands in U.S.	30,100	29,600	-500
In staging areas	54,313	80,000	25,687
In ships	109,525	75,000	-34,525
Outside continental U.S.	4,319,374	4,500,000	180,626
Total	8,108,129	8,095,000	-13,129

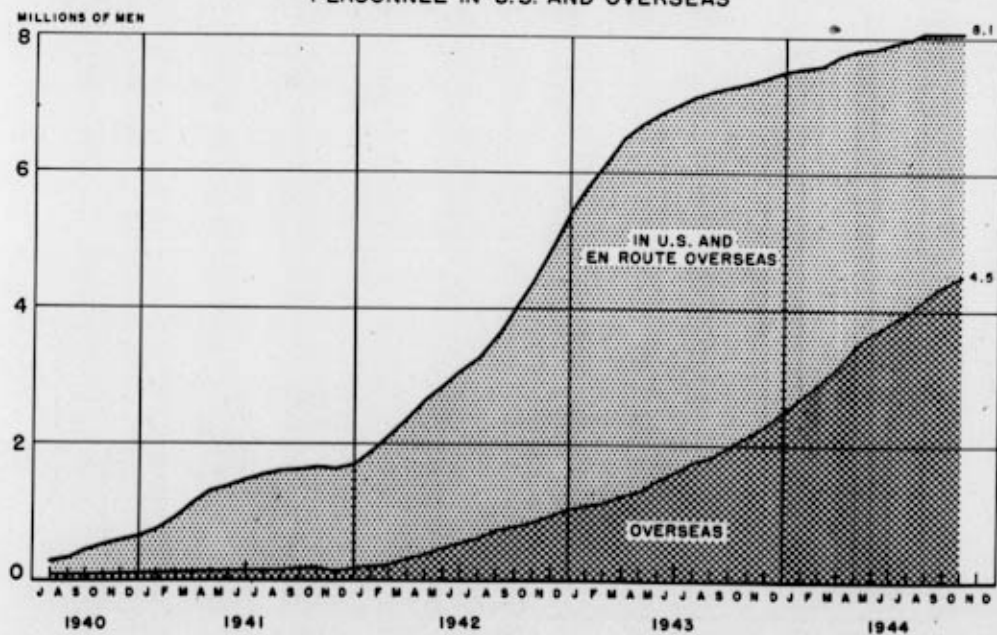
On October 30, the total active-duty military personnel was distributed as follows: Ground Forces, 3,408,865 or 42 percent; Air Forces, 2,392,085 or 30 percent; and Service Forces, 2,294,050 or 28 percent.

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL

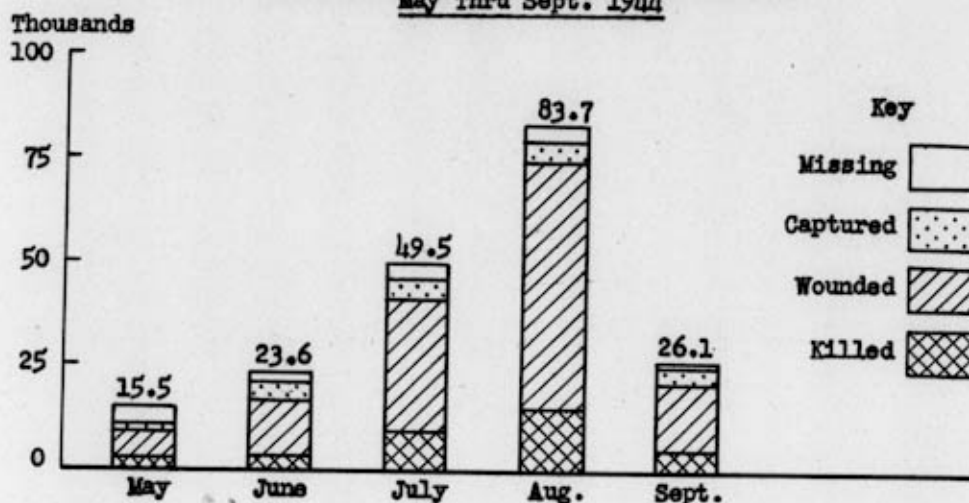


PERSONNEL IN U.S. AND OVERSEAS



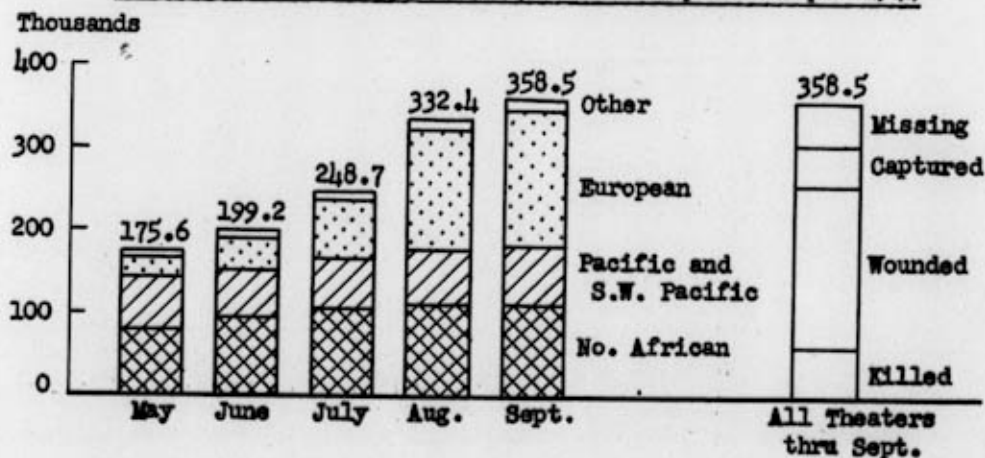
B. Army Casualties. During September 26,086 Army battle casualties were reported, making a total of 358,503 between December 7, 1941 and September 30, 1944, of which 14 percent were officers. Forty-four percent of the wounded have returned to duty.

Monthly Army Battle Casualties Reported
May Thru Sept. 1944



The European Theater reported the largest number of casualties of any theater, with 166,873 or 47 percent of the total thru September 30.

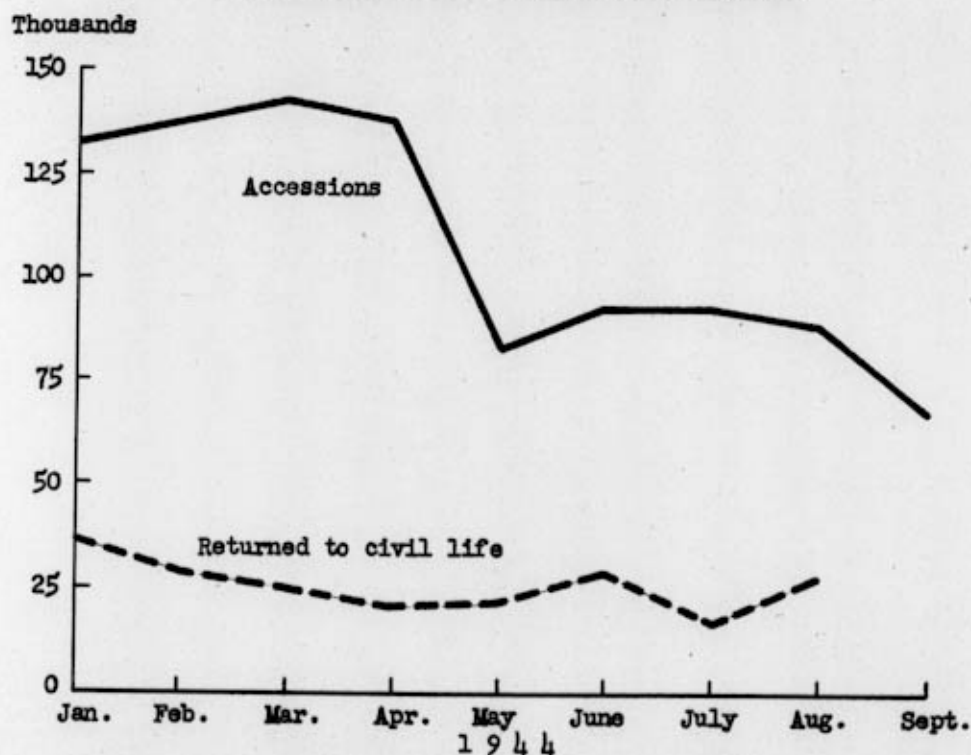
Army Battle Casualties Reported, by Theater
Cumulative Totals from Dec. 7, 1941 — May Thru Sept. 1944



Enlisted Personnel Accessions and Separations

During 1944, Army accessions of enlisted personnel have fluctuated between a high of 143,000 in March and a low of 68,000 in September, while enlisted personnel returned to civil life reached a high of 37,000 in January and a low of 17,000 in July. The total number of accessions of enlisted men from November 1941 through September 1944 was 7,651,000. Through August 1944, 1,238,000 had been returned to civil life.

Army Enlisted Personnel Accessions Compared with Enlisted Personnel Returned to Civil Life



IV. NAVY

Completions of Naval Vessels

Two aircraft carriers of 27,100 tons each and one heavy cruiser were among the 33 combatant vessels delivered from September 1 to October 20. A total of 363 combatant vessels have been completed in 1944 to October 20, and there are 57 additional combatant vessels scheduled for completion this year.

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

Type	1944				1943 Actual
	Sept.	Oct. Thru 20th	Jan. 1 Thru Oct. 20	Scheduled Oct. 21 to Dec. 31	
Combatant Vessels:					
Battleship	0	0	2	0	2
Aircraft carrier	1	1	5	2	15
Aircraft carrier, escort	0	0	36	3	50
Large cruiser	1	0	2	0	0
Heavy cruiser	0	1	1	0	4
Light cruiser	2	0	8	3	7
Destroyer	3	1	63	18	128
Destroyer escort	9	4	185	13	306
Submarine	8	2	61	18	56
Total combatant	24	9	363	57	568
Patrol craft	10	5	376	98	718
Mine vessels	20	7	142	48	389
Auxiliaries	63	44	387	290	352
Landing force vessels*	137	89	1,155	265	649

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

Status of Construction of Selected Naval Vessels

Twenty-eight percent of the 347 combatant vessels on order on October 20 had been launched, 35 percent were on the ways, and 37 percent had not been placed on the ways.

Contracts were canceled in September for four 10,000-ton light cruisers.

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

Type	New Construction on Order				Con- vert- ing
	Not Yet on Ways	On Ways	Launch- ed	Total	
Combatant Vessels:					
Battleship	2	0	0	2	0
Aircraft carrier	1	15	3	19	0
Aircraft carrier, escort	11	5	7	23	0
Large cruiser	0	1	0	1	0
Heavy cruiser	14	7	6	27	0
Light cruiser	7	13	8	28	0
Destroyer	77	47	23	147	0
Destroyer escort	0	0	18	18	0
Submarine	15	34	33	82	0
Total combatant	127	122	98	347	0
Patrol craft	103	84	78	265	2
Mine craft	13	4	77	94	0
Auxiliaries	89	56	125	270	378
Landing force vessels*	435	146	94	675	0

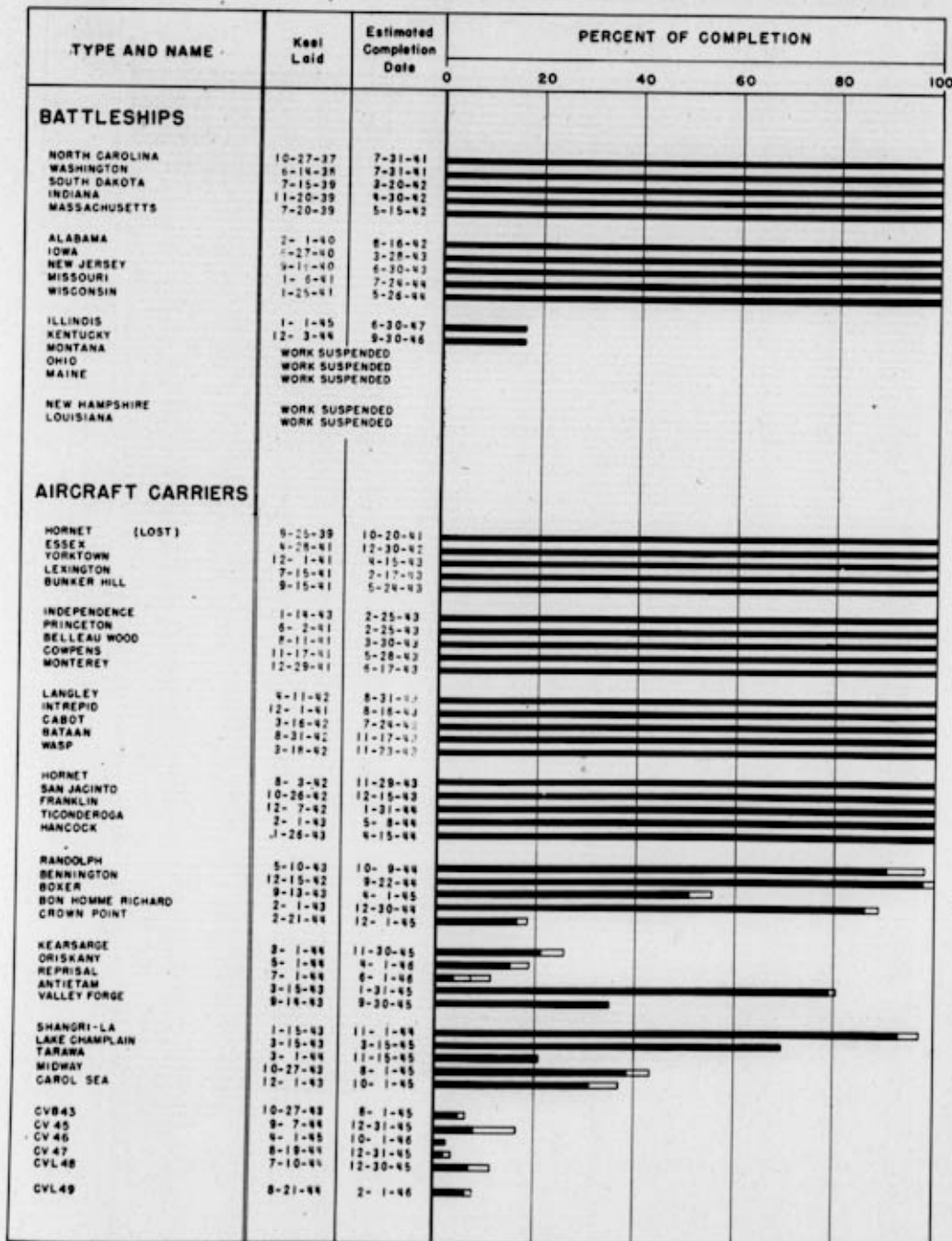
*IST, LSM, LSD, LSV, LCI(L), and LCS(L)(3)

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

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

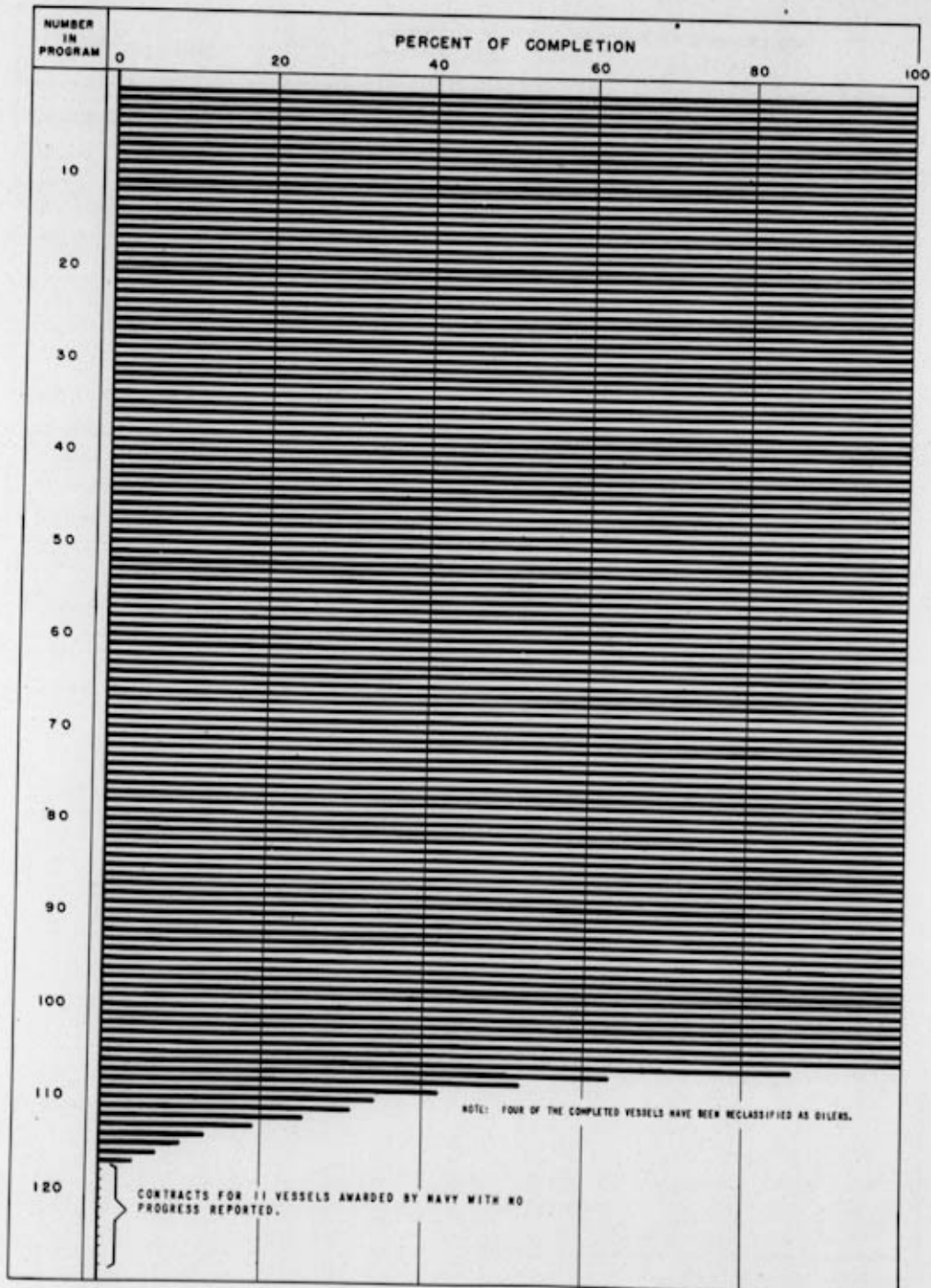
PROGRESS JULY 1, 1940 TO SEPTEMBER 1, 1944

PROGRESS FOR SEPTEMBER 1944



CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

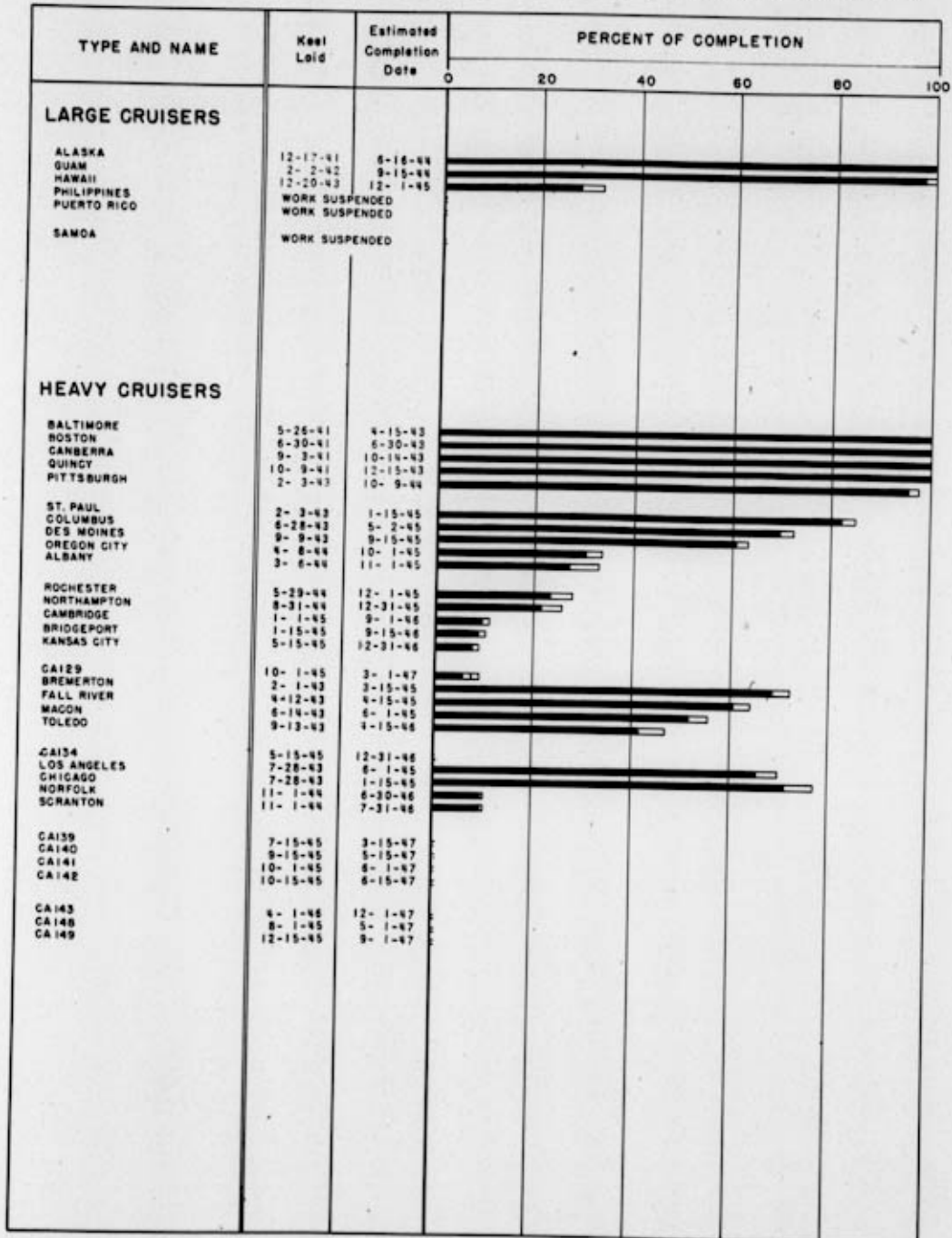
■ PROGRESS JULY 1, 1940 TO OCTOBER 1, 1944



CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

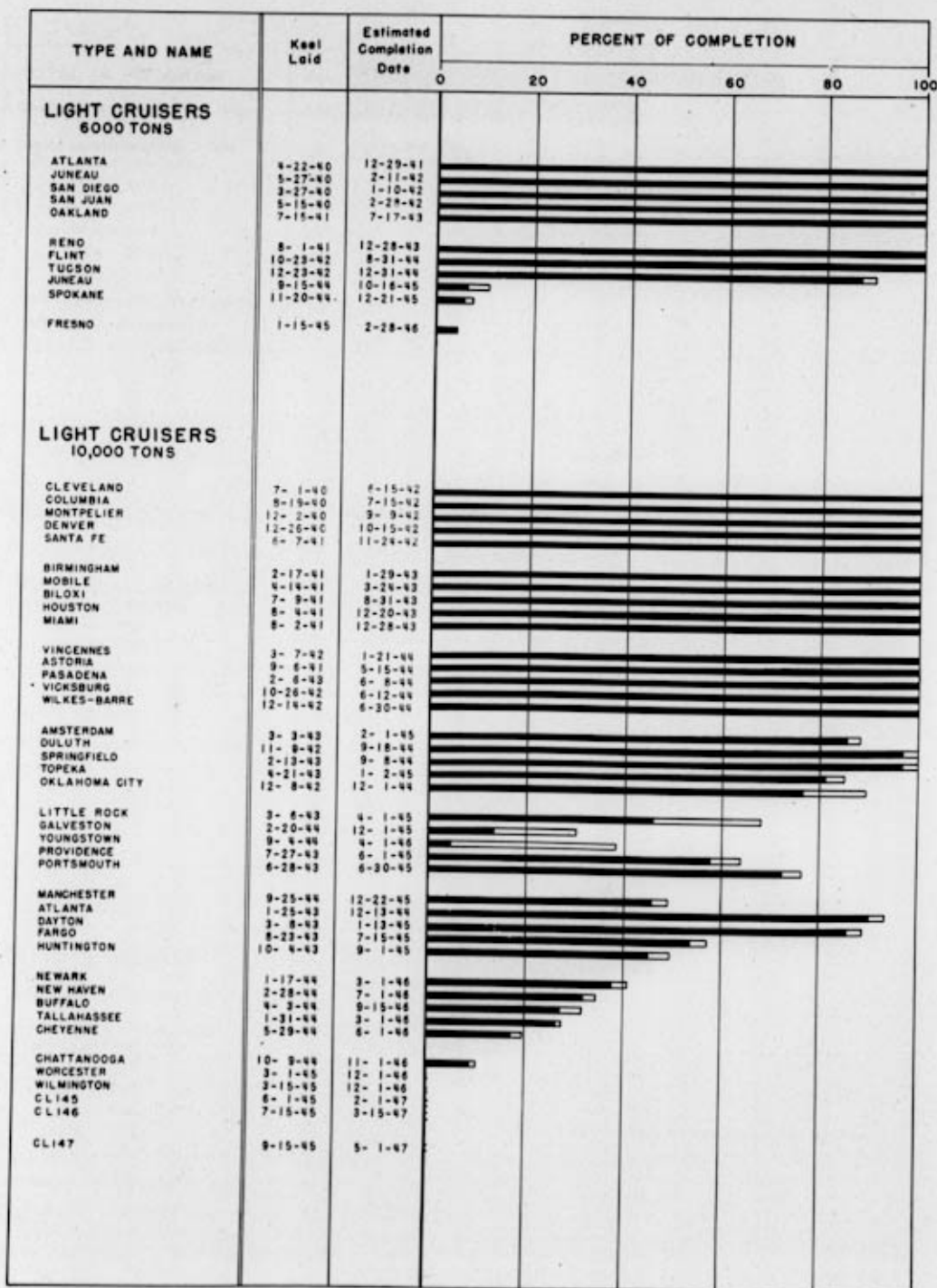
■ PROGRESS JULY 1, 1940 TO SEPTEMBER 1, 1944

□ PROGRESS FOR SEPTEMBER 1944



CONSTRUCTION PROGRESS ON LIGHT CRUISERS

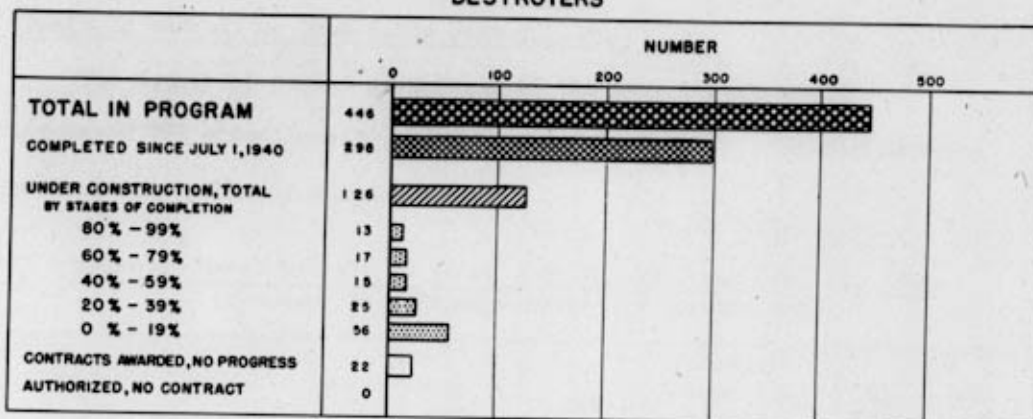
 PROGRESS JULY 1, 1940 TO SEPTEMBER 1, 1944

 PROGRESS FOR SEPTEMBER 1944


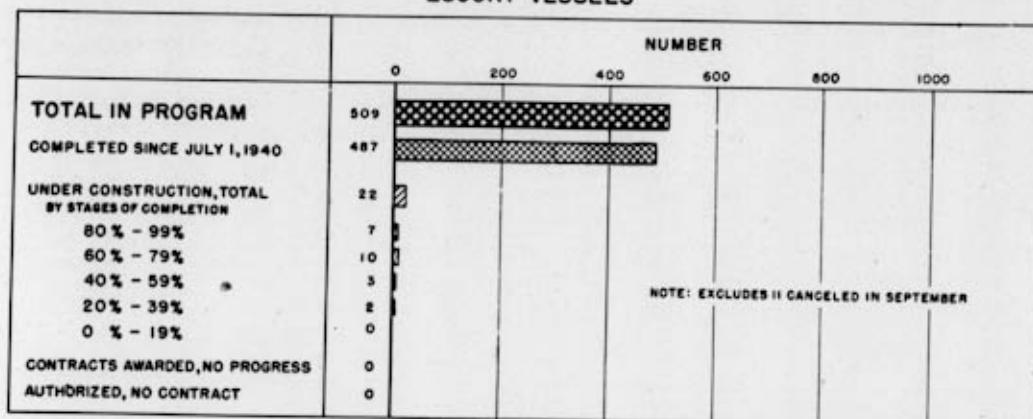
CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

OCTOBER 1, 1944

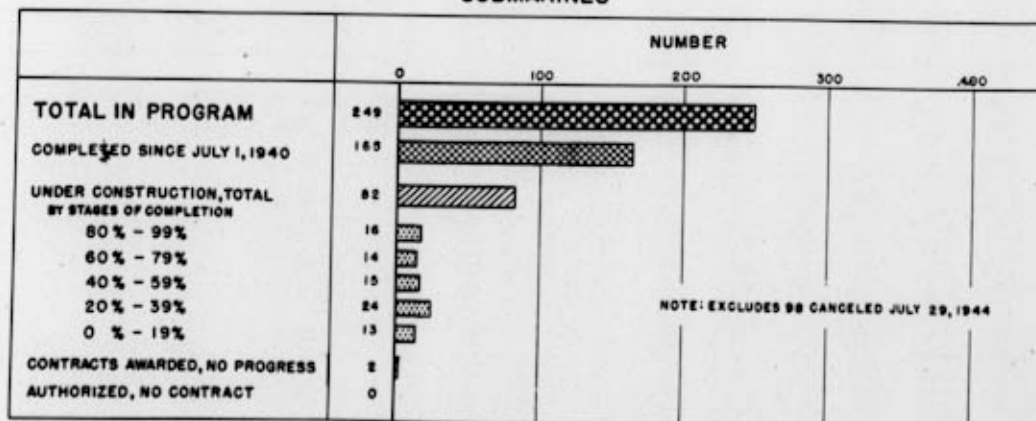
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on October 20 had increased 781 since June 30, 1940 to a total of 1,164. These figures reflect only publicly announced losses.

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

Type	On Hand June 30 1940	New Comple- tions	Publicly Announced Losses Transfers & Reclassi- fications	On Hand Oct. 20 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	10	1	24	9
Aircraft carrier	6	22	4	24	18
Aircraft carrier, escort	0	101	36	65	65
Large cruiser	0	2	0	2	2
Heavy cruiser	18	5	6	17	-1
Light cruiser	19	24	3	40	21
Destroyer	225	299	145	379	154
Destroyer escort	0	491	107	384	384
Submarine	100	167	38	229	129
Total combatant	383	1,121	340	1,164	781
Patrol craft	33	1,656	416	1,273	1,240
Mine craft	35	896	316	615	580
Auxiliaries	134	974	1/-3	1,111	977
Landing force vessels ^{2/}	0	2,019	396	1,623	1,623

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

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

^{1/} Two aircraft carriers, escorts, 2 destroyers, and 1 destroyer escort, recently announced in the press to be lost during the second battle of the Philippine Sea, are not included.

^{2/} Includes certain vessels sold or returned to owners.

^{3/} Vessels added to the total on hand.

^{4/} LST, LSD, and LCI(L).

Analysis of Losses, Leases, Transfers, and Reclassifications

In October the following vessels were publicly announced by the Navy as lost: 1 aircraft carrier, 2 submarines, 1 patrol vessel, 2 mine vessels, and 5 large landing craft.^{1/}

A total of 102 combatant vessels have been announced as lost, 132 leased, 50 transferred, and 66 reclassified through October 31, 1944.

Publicly Announced Losses, Leases, Transfers
and Reclassifications — July 1, 1940 thru Oct. 1944

Type	Lost ^{1/}	Leased or Trans- ferred ^{2/}	Reclassi- fied	Total Decrease
Combatant Vessels:				
Battleship	1	0	0	1
Aircraft carrier	5	0	0	5
Aircraft carrier, escort	2	38	3/ -4	36
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	47	50	51	148
Destroyer escort	5	88	18	111
Submarine	33	6	1	40
Total combatant	102	182	66	350
Other Vessels:				
Patrol craft	82	402	3	487
Mine craft	29	242	76	347
Auxiliaries	44	135	55	234
Landing craft ^{4/}	36	274	115	425
Total other	191	1,053	249	1,493
Grand total	293	1,235	315	1,843

^{1/} Two aircraft carriers, escort; 2 destroyers, and 1 destroyer escort, recently announced in the press as lost during the second battle of the Philippine Sea, are not included.

^{2/} Includes certain vessels sold or returned to owners.

^{3/} Vessels added to the total on hand.

^{4/} IST, LSD, and LCI(L).

Production of Naval Ordnance Materiel

From Jan. 1 to Oct. 1, cumulative deliveries of 5 of the 18 items of naval ordnance materiel listed below were less than 70 percent of the total scheduled for 1944. The time covered represents 75 percent of the year.

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

Item	Sept. Deliv- eries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to October 1				
			Cumula- tive	0	25	50	75 100
<u>Torpedoes 1/</u>							
Surface craft	543	6,131	4,801				
Submarine 2/	896	11,203	8,349				
Aircraft 2/	375	6,854	5,704				
<u>Surface Fire Guns</u>							
Heavy, 12" and 16" turrets	0	12	10				
Medium, 8" and 6" turrets	9	109	85				
Light, 4" and 5"	16	203	145				
<u>Antiaircraft Guns</u>							
Heavy, 3" and 5" mounted barrels	481	8,431	7,076				
Light, 40mm and 20mm mounted barrels 3/	4,143	53,399	40,558				
<u>Fire Control Equipment</u>							
Gun directors	602	7,790	4,978				
Radar fire control	219	1,808	1,067				
Gun sights, Mk. 14	3,917	43,885	29,785				
<u>Ammunition</u>							
Heavy surface fire	11,344	120,400	78,525				
Medium surface fire	68,829	619,324	427,824				
Light surface fire	542M	7,242M	5,160M				
Antiaircraft:							
Heavy	633M	7,911M	5,764M				
Light:							
20mm HE, HEI, HET	26,712M	384,082M	299,082M				
40mm HE, HET, HEI, HEIT	8,872M	85,770M	61,770M				
1.1	136M	2,906M	2,906M				

M = 1,000 rounds

1/ Turned into store.

2/ Excludes the British-type torpedo.

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

9 mo. = 75% of year

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 3,730,634 on September 15 to 3,761,187 on October 1 -- an increase of 30,553 or 0.8 percent. The total on October 1 was composed of 666,919 regulars, 2,994,206 male reserves, and 100,062 female reserves.

Strength of the Naval Services Sept. 15 and Oct. 1, 1944

	Navy	Marine Corps	Coast Guard	Total
Officers	294,771*	34,458	12,196	341,425
Officer candidates	99,100	6,977	678	106,755
Enlisted personnel	2,723,208	433,296	156,503	3,313,007
Total, Oct. 1	3,117,079	474,731	169,377	3,761,187
Total, Sept. 15	3,083,906	477,774	168,954	3,730,634
Increase	33,173	-3,043	423	30,553
Percent incr.	1.07%	0.6%	—%	0.8%

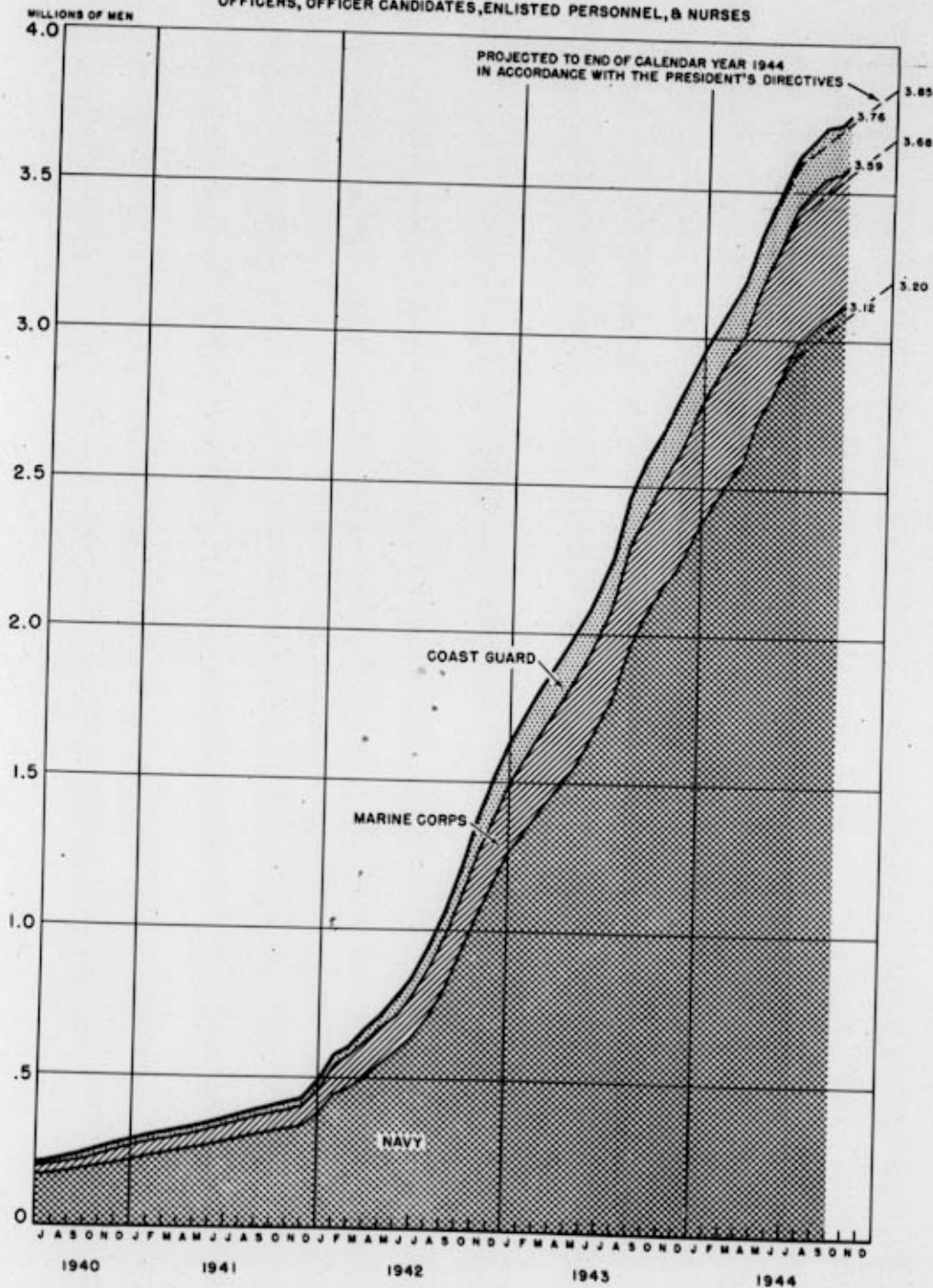
*Includes 8,677 nurses.

Note: Strengths approved by the President are:

Navy 3,200,000 by Dec. 31, 1944
Navy (for planning purposes)..... 3,389,000 by June 30, 1945
Marine Corps 478,000 thru cal. yr. 1944
Coast Guard 174,000 thru cal. yr. 1944

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

OFFICERS, OFFICER CANDIDATES, ENLISTED PERSONNEL, & NURSES



V. MERCHANT SHIPBUILDING PROGRAM

Gains and Losses, United Nations

From October 1 thru 28, the United Nations reported construction of 991,000 dwt. of merchant vessels, while reported losses totaled 86,000 dwt. From Dec. 1, 1941 thru Oct. 28, 1944, a total of 47.1 million dwt. were constructed as against losses of 19.6 million—a net gain of 27.5 million.

Ship Deliveries by U.S. Maritime Commission

October deliveries of 168 ships at 1,333,087 dwt. by the U.S. Maritime Commission were seven ships (48,787 dwt.) in excess of the schedule of October 15. While there was a shortage of 1 tanker, there was an overage of 3 Liberties, 4 Victories, and 1 cargo ship. All of the 21 car floats previously scheduled were delivered.

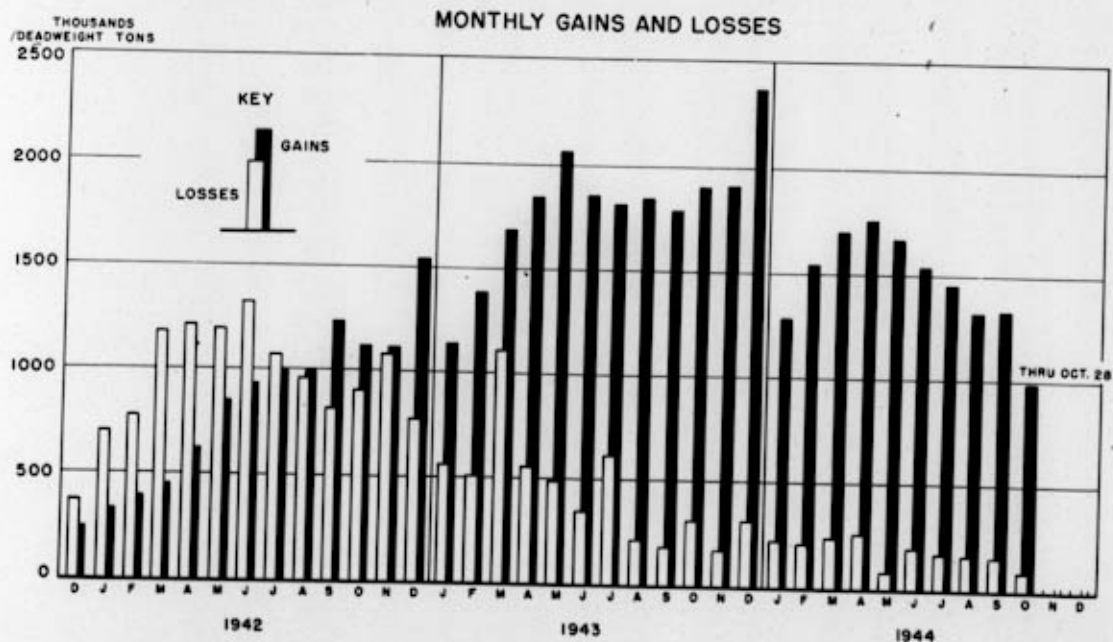
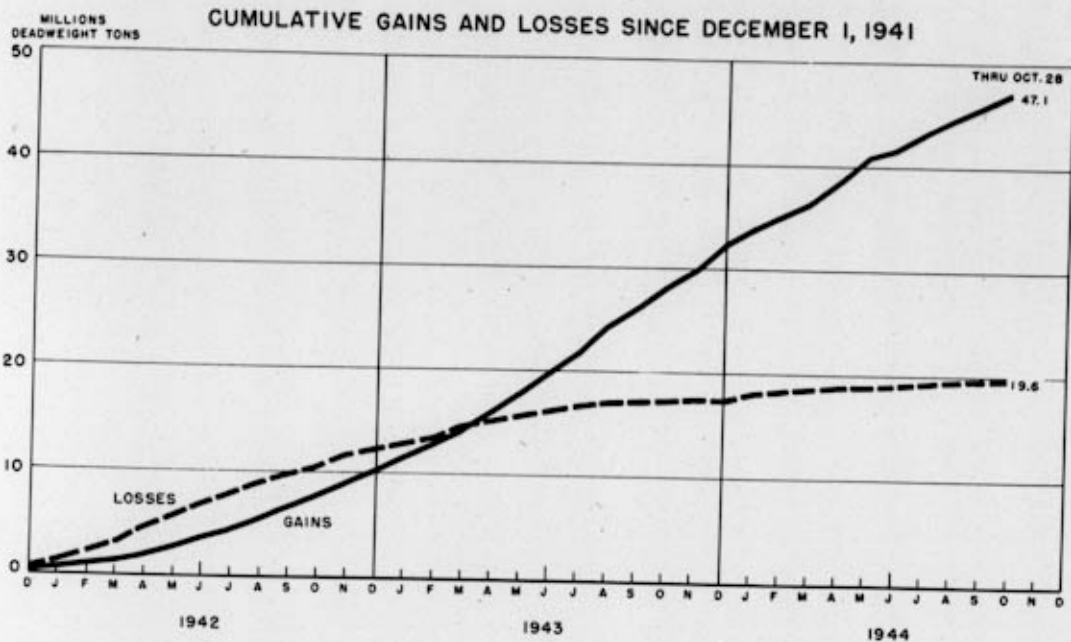
Vessels Delivered by U.S. Merchant Shipyards During Oct. 1944

	<u>Major</u>	<u>Minor</u>	<u>Total</u>
Delivered into merchant service			
Cargo	5		
Liberty	46		
Victory	3		
Tanker	18		
Total merchant service	72	2	74
Delivered into military service			
Merchant types	9	32	41
Military types			53
Total military service			94
Grand total			168

Employment in U.S. Merchant Shipyards

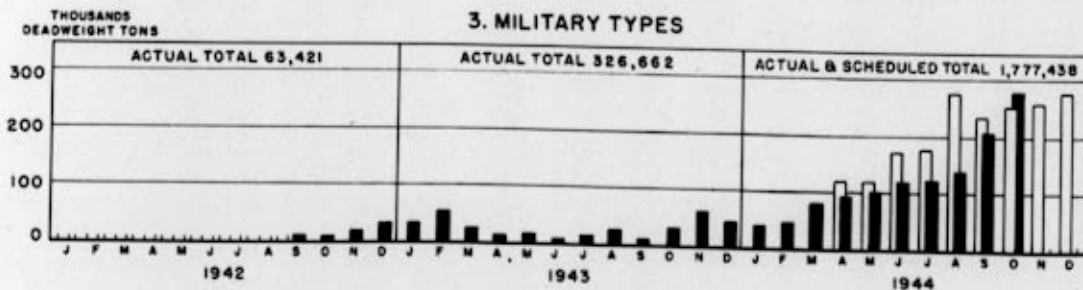
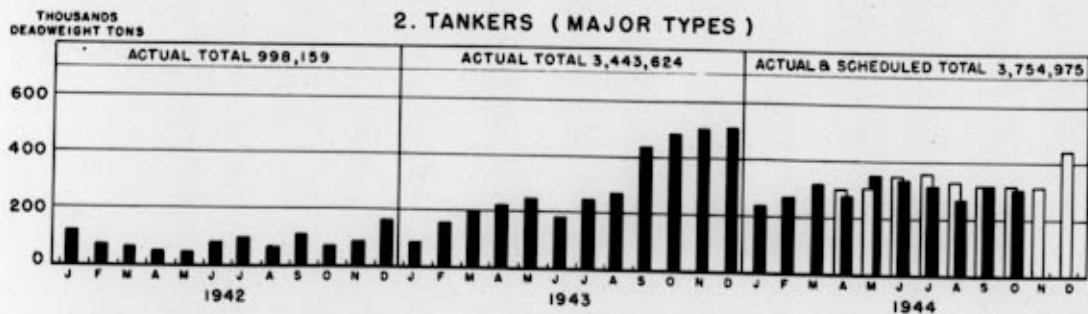
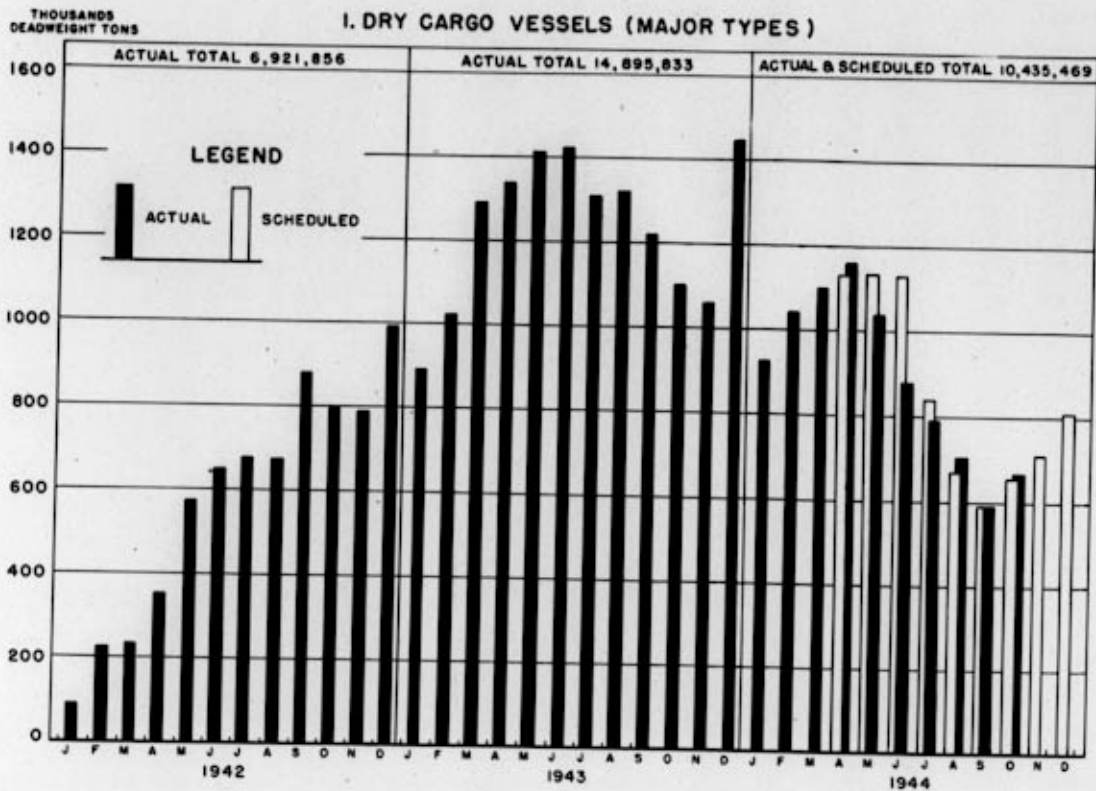
Total employees in productive employment at shipyards declined steadily from 597,075 on Jan. 15, 1944 to 524,270 on July 15. Employment during August and September remained fairly constant with the July total — 524,794 and 524,117, respectively.

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



* BEGINNING WITH AUGUST 1943, MERCHANT VESSELS COMMISSIONED FOR MILITARY SERVICE ARE INCLUDED. LOSSES ARE ON A NOTIFICATION BASIS.
SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



VI. CONTRACT TERMINATION

Through September 30, 1944, a total of 116,209* terminations had been effected in prime war supply contracts, and the contract price of items canceled amounted to \$21.9 billion.

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

	Total	War Dept.	Navy Dept.	Other
FIXED-PRICE CONTRACTS				
<u>Number of terminations</u>				
Settled	105,762	25,460	1,695	78,607
Pending settlement	9,827	3,874	1,831	4,122
Total	115,589	29,334	3,526	82,729
<u>Contract price of items canceled in terminations</u>				
Settled	\$ 8,742	\$ 7,794	\$ 479	\$469
Pending settlement	7,063	4,417	2,409	237
Total	\$15,805	\$12,211	\$2,888	\$706
COST-PLUS-A-FEE CONTRACTS				
<u>Number of terminations</u>				
Settled	300	253	N.A.	47
Pending settlement	320	201	103	16
Total	620	454	103	63
<u>Contract price of items canceled in terminations</u>				
Settled	\$789	\$785	\$ N.A.	\$ 4
Pending settlement	5,357	3,953	1,132	272
Total	\$6,146	\$4,738	\$1,132	\$276
ALL CONTRACTS				
<u>Number of terminations</u>				
Settled	106,062	25,713	1,695	78,654
Pending settlement	10,147	4,075	1,934	4,138
Total	116,209*	29,788	3,629	82,792
<u>Contract price of items canceled in terminations</u>				
Settled	\$ 9,531	\$ 8,579	\$ 479	\$473
Pending settlement	12,420	8,370	3,541	509
Total	\$21,951	\$16,949	\$4,020	\$982

*Although 116,209 terminations were reported by the agencies concerned, there is doubt that they are all reporting on a uniform basis; therefore figures on number of cases are subject to check.

VII. WAR INDUSTRIAL, HOUSING, AND MILITARY FACILITIES

The cost of publicly financed industrial, housing, and military facilities initiated between July 1940 and August 31, 1944 totals \$32 billion. Of this amount, \$16.8 is for manufacturing and mining facilities, \$2.2 billion for public housing, and \$13 billion for military construction. Of the latter, \$1.9 billion is outside continental U.S. On August 31, \$631 million of Government-owned industrial facilities were idle, excess, or standby and only \$1.4 million had been dismantled.

Value of Publicly Financed Industrial, Housing, and Military Facilities Initiated, July 1940 Thru Aug. 1944 (in millions)

Product or Service	Total	Govt. Owned — Production Status				Privately Owned
		In Production or Under Construction	Idle Excess or Standby	Dismantled	Total	
Manufacturing:						
Aircraft	\$3,450	\$3,184	\$23	\$ —	\$3,207	\$243
Explosives and assembling	2,488	2,233	254	0.7	2,488	—
Ship construction and repair	2,299	2,274	2	—	2,276	23
Chemicals	1,324	1,293	29	—	1,322	2
Iron and steel	1,325	1,098	76	0.2	1,174	151
Nonferrous metals	1,151	962	130	—	1,092	59
Ammunition, etc.	1,132	1,078	22	—	1,100	32
Guns	852	810	17	—	827	25
Combat and motor vehicles	486	480	—	—	480	6
Petroleum and coal products	479	264	1	—	265	214
Machinery and equipment	451	416	13	—	429	22
Other	261	214	41	—	255	6
Machine tools, etc.	159	133	6	—	139	20
Mining and industrial service	924	831	17	0.5	849	75
Subtotal	\$16,781	\$15,270	\$631	\$1.4	\$15,903	\$878
Military	13,052					
Public housing	2,242					
Grand total	\$32,075					

VIII. AGRICULTURE AND WAR FOOD ADMINISTRATION

Although turkeys, with a record production year, will be absent from many civilian tables this Thanksgiving, the prospect for the total civilian food supply for 1945 is expected to remain about the same as that for this year. The 1944 level is 7 percent above the 1935-39 average.

A recent court decision regarding the administration of food orders has raised significant implications.

Little change in civilian food supplies seen: The total civilian supply of food in 1945 is expected to continue about the same as in 1944, when per capita civilian consumption has been 7 percent above the pre-war average, 1935-39. Supplies of some fruits, turkeys, beef, and veal may be larger next year, but supplies of pork, potatoes, butter, lard, and perhaps chicken and some fresh vegetables may be smaller. Civilian food supplies will not generally be changed by the ending of the European War, since non-civilian requirements will continue to take a substantial proportion of the total food supplies throughout 1945.

The total demand for farm products will be almost as high in 1945 as in 1944, and supplies of most products should be taken at prices averaging only slightly below those of 1944. Consumer expenditures are not likely to drop as much as national income following the end of the European War, and the domestic demand for many farm products, at ceiling prices, may continue to exceed supplies. Commodities which were relatively plentiful in 1944 are likely to sell at somewhat lower prices in 1945 if supplies are maintained at levels reached during this past year. Some military and Lend-Lease demands for farm products are also likely to be smaller in 1945 following the defeat of Germany, but food and clothing needed for the rehabilitation of Europe and other areas will tend to maintain exports of agricultural products.

Turkeys to be short at Thanksgiving: It looks now as if turkeys will be absent from a great many civilian Thanksgiving tables this November, despite the fact that the production is to be the largest on record. There are two reasons for this: (1) requirements of the armed forces call for 60 million pounds of turkey this year, as compared with 35 million pounds last year; and (2) offers to the QMC by processors are being made at the same rate as last year, which means that the set-aside order cannot be terminated in time to permit general marketing of turkeys throughout the country.

New order on candy bars: During October, War Food Administration issued a new order requiring manufacturers to set aside for Government use 50 percent of the production of five-cent bars, rolls, and other candy. Other new orders allocate freezer space in 20 designated meat-packing centers used by the armed forces, require packers under Federal inspection to set aside 80 percent of all canner and cutter beef, announce the quantities of canned citrus products which canners will be required to set aside from their 1944 and 1945 packs, and tighten the turkey set-aside order to encourage offerings to the Quartermaster Corps. A number of orders were eased, including removal of the contingency reserve from canned vegetables, reduction of set-aside requirements on rice in the South, revocation of the restriction on use of palm oil, and adjustment of the milk conservation order.

Grade B eggs abundant: Grade B eggs are now one of the most abundant foods, but demand is light despite prices considerably below the price of Grade A eggs. WFA is considering a campaign to encourage greater use of Grade B eggs for cooking purposes. One of the difficulties in encouraging the use of Grade B eggs is that there has been considerable up-grading of non-Government graded eggs and that even Government-graded eggs may not be the grade marked on the box, due to difficulties of storage, transportation, untrained help, etc. One result of the surplus of Grade B eggs, of course, is that WFA has had to do considerable buying under the price-support program.

War Food Administration sales up in September: Returns from sales of Government-owned food not needed for military, Lend-Lease, or other Government programs during the period May thru September totaled \$22,168,824. This is roughly 1 percent of the value of monthly civilian consumption. WFA has established a new policy with respect to the release of information pertaining to food sales. The policy now is to announce food offerings simultaneously in Washington and WFA's five regional offices. The release time has been set at 3 p.m., e.w.t., of the day the offer is to be made, and no information is being released prior to that hour.

A problem has been created in the Office of Distribution by the section of the Surplus Properties Act which provides that Government employees concerned with the disposal of surplus property cannot be employed by any firm which might do business in such surpluses until two years after he leaves Government service. Interpreting this revision to apply to their activities, five members of the staff of the Sales Division, OD, have resigned. All were brokers acting as consultants to the Division. An official interpretation of this Act is being sought.

Increase in Commodity Credit Corporation's borrowing power asked: The War Food Administrator has sent to the Speaker of the House and the Vice President letters recommending a \$2 billion increase in CCC's borrowing power and the relaxing of certain restrictions now imposed on the Corporation in connection with the disposal of commodities acquired. The increase in borrowing power is being recommended in order to provide sufficient funds to carry out Congressional mandates to support farm prices.

Office of Surplus Property and Reconversion established: The War Food Administrator has recently created an Office of Surplus Property and Reconversion to assist him in handling policy and over-all procedural matters relating to the disposal and acquisition of surplus property. This office will compare in its mode of operation with the existing Office of Price and the Office of Transportation.

Surplus farm supplies sold at auction: The joint efforts of the Defense Plant Corporation, Agricultural Adjustment Agency, and the Office of Materials and Facilities made possible several rural auction sales during October in Illinois, Kansas, Michigan, Indiana, Wisconsin, Texas, and Utah of miscellaneous supplies, such as cans, hand tools, etc. These were successful and resulted in very favorable comment. Preliminary arrangements have been made for holding 15 or 20 similar auctions during November. Tentative agreements have been reached between the Defense Plant Corporation and AAA on the procedures to be followed in holding rural auctions. These procedures are expected to simplify the arrangements for auctions, provide more orderly handling of details, and permit scheduling of a greater number of sales. The sales are made direct to the consumer.

Chicago court sustains position on War Food Orders: A Chicago court has held that the War Food Administrator does not have authority to redelegate to the Director of Distribution the authority to issue food orders, such as set-aside orders for military and lend-lease purposes and food control orders. The case (United States vs Turner Dairy Company and John Jurca) was reargued before Judge Barnes on October 27, and the court adhered to its original position that the Second War Powers Act does not authorize the redelegation. This decision, if sustained, would invalidate over 500 orders issued by the Director of Distribution as well as numerous orders issued by other Federal agencies acting under the same statute. This case is extremely significant, and arrangements are being made for the direct appeal of the case to the Supreme Court of the United States. It is hoped that an early decision will be obtained.

Price changes made to ease Florida's hurricane situation: The hurricane which struck Florida and other Atlantic Coast states on October 19 to 21 caused heavy damage to fruit and vegetable crops in Florida and some damage to vegetables in the Carolinas. To help relieve the situation, a number of changes were made in ceiling prices and other Government regulations. The limitation was removed from the quantity of tinsplate which could be used in canning citrus products. A wage ceiling was established for picking up, grading, and loading the grapefruit and oranges which dropped from the trees. Ceiling prices on cucumbers were suspended for the period October 30 to December 31. Ceiling prices on snap beans were increased from \$3.25 to \$4.80 f.o.b. shipping points for the month of November. These are the only two vegetables affected by the storm which are currently under price ceilings. The ceiling prices for Florida grapefruit and oranges have been increased for the remainder of the calendar year. The increase for grapefruit is 81 cents per box and for oranges 45 cents per box.

Slight decrease in farm income seen for 1945: Total cash receipts from farm marketings in 1945 may drop 5 to 10 percent below 1944, assuming no serious uncontrollable occurrences such as severe droughts, floods, or diseases and insect infestations. Income from crop sales is not expected to change materially because a substantial proportion of the large 1944 crop production will be marketed in the first half of 1945, which will help to offset somewhat reduced receipts later in the year if only average yields are obtained. The 1945 decrease in income from livestock and livestock products probably will be greater, as a decline of about 20 percent in hog marketings is expected.

Foreign labor to be used in industry: Maximum employment of foreign and interstate workers on farms was reached during the month of October, and attention is now being given to the problem of returning foreign workers to their native countries at the expiration of their agricultural employment in the United States. Limited rail and boat equipment makes it appear, however, that the time required for returning foreign workers may be greater than is desirable. Thus, in order to utilize Jamaican and Barbadian workers in this country, an agreement has been reached whereby they are eligible for recruitment for industrial work under the program being carried on by the War Manpower Commission. Under this arrangement, the worker may volunteer his work in industry and, if he is accepted, his work agreement with WFA is terminated and he is placed under the work agreement of the WMC and the industry employer. The WMC will be responsible for returning the worker to his native land should return be necessary before he is again needed in agriculture. This program will make labor now in this country available for immediate employment and will avoid having the worker returned to his home by WFA only to be recruited by WMC and brought back to this country for work in industry.

New cotton bandage fabric discovered: Bandages that stay in place and permit movement of bandaged joints because of special texture and stretching properties have been developed at the Southern Regional Laboratory of the Bureau of Agricultural and Industrial Chemistry. The bandages have given unusual and satisfactory results, particularly in cases of bone surgery. The U.S. Naval Hospital at New Orleans reports that they are superior to regular gauze bandages for special work, particularly in head, knee, arm, or elbow dressing. Information on the processing methods has been furnished leading manufacturers of gauze bandages.

	1944	1945	1946	1947	1948
War Department	\$285.7	\$270.0	\$254.4	\$241.1	\$225.4
Navy Department	27.5	23.8	22.1	20.1	18.2
Maritime Commission	11.6	8.3	5.7	4.9	4.7
Govt. Corps. (contingent)	15.3	4.3	3.3	23.9	8.7
Other	32.7	4.1	5.5	12.3	13.2
Net approx. required beyond P.L. 1945 for completion of War	—	—	—	3.6	—
Total	\$372.8	\$329.4	\$301.0	\$305.9	\$269.6

Commitments do not reflect receipts (rents, reimbursements and sales) totaling \$8.0 billion.

IX. WAR FINANCES

Expenditures

Total expenditures for war purposes in October were \$7.5 billion, or at an annual rate of \$90.1 billion. War expenditures for the first third of F.Y. 1945 totaled \$29.5 billion, or 33 percent of the \$90 billion estimate for the year.

	July	August	Sept.	Oct.	Total F.Y. 1945
	(B i l l i o n s)				
Monthly rate	\$7.2	\$7.7	\$7.1	\$7.5	\$29.5
Adjusted annual rate	87.0	89.3	84.7	90.1	87.8 (aver.)

Note: RFC expenditures reflect checks paid rather than checks issued as heretofore reported.

Appropriations

Due to net cancellations and withdrawals of \$942 million previously committed by RFC, appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes decreased \$942 million in October to a total of \$399.2 billion. Net expenditures against this amounted to \$229.4 billion.

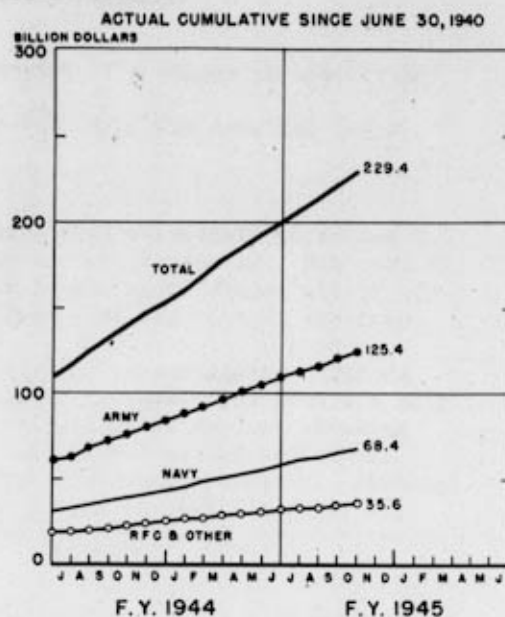
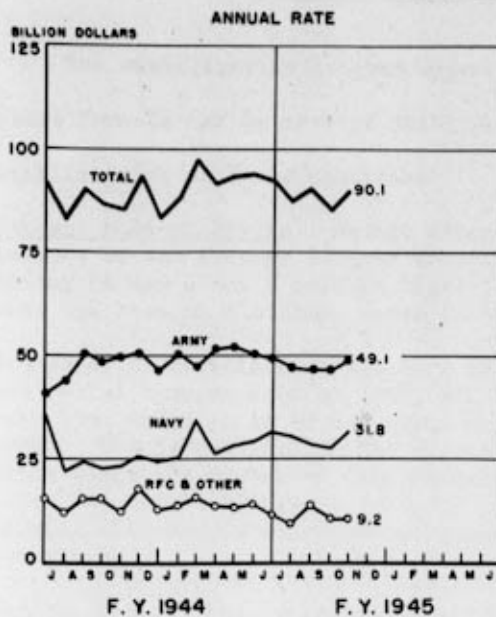
Appropriations and Expenditures, F.Y. 1941 Thru Oct. 1944 (Billions)

	Appropriations & Authorizations				Expenditures F.Y. 1941 Thru Oct. 1944
	F.Y. 1941 Thru F.Y. 1943	F.Y. 1944	F.Y. 1945	Total	
War Department	\$126.7	\$59.0	\$15.4	\$201.1	\$125.4
Navy Department	47.5	29.8	29.1	106.4	68.4
Maritime Commission	11.0	0.2	5.7	16.9	8.7
Govt. Corps. (commit.)*	19.9	4.3	-3	23.9	8.7
Other	32.7	4.1	5.5	42.3	18.2
Est. approp. required beyond F.Y. 1945 for completion of Navy	—	—	—	8.6	—
Total	\$237.8	\$97.4	\$55.4	\$399.2	\$229.4

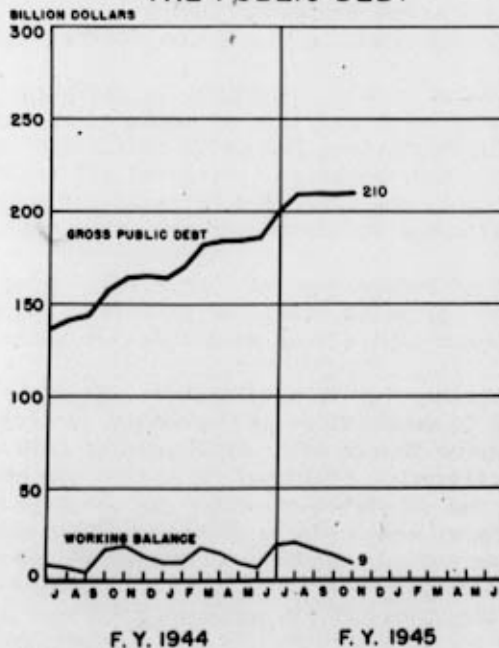
*Commitments do not reflect receipts (rents, repayments and sales) totaling \$8.0 billion.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

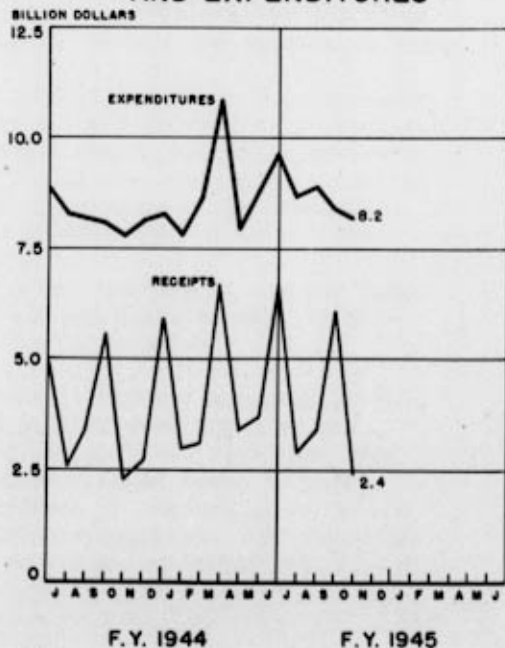
WAR EXPENDITURES



THE PUBLIC DEBT



TREASURY RECEIPTS** AND EXPENDITURES



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

** EXCLUDES PUBLIC DEBT ACCOUNTS

I. ECONOMIC STABILIZATION PROGRAM

The stabilization program appears secure if a change in the Little Steel formula can be avoided until after V-E day. The need for basic stabilization controls continues.

Prices: cost-of-living. Retail prices of living essentials increased 0.1 percent on the average between mid-August and mid-September. The cost of living is now about 2 percent higher than a year ago. Almost all of the rise has been in clothing, house furnishings, and the cost of services.

Pressures on rentals have steadily increased in recent months. During the period between July 1, 1944, and December 1, 1944, rent controls will have been extended to 42 new areas plus extensions of several existing areas. OPA is considering the extension of control to 102 additional areas where the number of complaints indicate growing pressures. Although there was little change in rents in large cities in recent months, the housing shortage is still acute with continued reports of forced sales to tenants.

Freight rates. The Interstate Commerce Commission is now considering a petition of the railroads for reinstatement of the emergency freight rate increases under suspension. Opposed by the Office of Price Administration and the Office of Economic Stabilization as a threat to the stabilization program, a freight rate increase of 3 to 6 percent is due to go into effect on January 1, 1945, unless the ICC renews the suspension order.

Relaxation of controls. With a relative decline in military procurement and an increase in civilian production, it becomes increasingly important to coordinate price and production policies. Otherwise, price controls might not be adapted to reconversion needs, and the premature relaxation or elimination of materials and distribution controls might accentuate price pressures and permit an inequitable distribution of inventories.

Wages. The report being prepared by the public members of the War Labor Board, relating to issues under the Little Steel formula, will be presented in final form to the full board early in November.

War bonds. Redemptions of war savings bonds in October amounted to \$401 million, representing an increase of \$118 million over the previous record in September. The higher volume of redemptions, resulting from the new method of immediate redemptions at commercial banks effective October 1, may prove temporary or may be offset by heavier sales as the increased liquidity of the bonds is generally recognized. The Sixth War Loan, beginning on November 20, has as a goal total sales of \$14 billion, including \$5 billion to individuals, as compared with actual total sales in the Fifth War Loan of \$20.6 billion, including \$6.3 billion to individuals.

II. MANPOWER

In September the reopening of schools and further munitions contract cutbacks or terminations combined to bring about a substantial decline in the civilian labor force. Employment declines were particularly marked in durable goods manufacturing industries. During the past twelve-month period, net shrinkage of the labor force has amounted to 1.1 million workers, mostly males. Although the number of female workers has substantially increased in non-agricultural pursuits, the increase has been insufficient to offset the loss of men to the armed forces.

August employee accession rates in manufacturing industries again averaged less than the separation rates. Quit rates remained high and equalled the accession rates. Fewer strikes commenced in September than in August, with fewer workers affected and fewer man-days lost.

Labor Force and Employment

Civilian labor force estimates for September show a decline of nearly a million workers in the total labor force from August; a decline of more than 900,000 in the number employed; and a decline of 60,000 in the number unemployed. The principal employment reduction was in non-agricultural industries, while agriculture showed a seasonal employment increase.

Among the reported employment declines during the month were manufacturing (200,000), transportation and public utilities (30,000), Federal Government (30,000), and finance, service, and miscellaneous (100,000). In manufacturing industries, employment declines were principally confined to durable goods establishments including iron and steel products, machinery, and transportation equipment.

A comparison of the civilian labor force estimates for September 1944 and September 1943 shows a decline of nearly 900,000 during the year. The decline of 1.1 million in the number of male workers was only partially offset by an increase of 200,000 in the number of female workers. Approximately 900,000 male workers left non-agricultural employment and only 500,000 additional female workers entered the labor force to take over their jobs. Agricultural employment estimates show a decline of 200,000 male workers and also of 200,000 female workers. Unemployment was reduced by approximately 150,000 workers.

Manpower Shortages

Manpower shortage classifications were tightened in eight areas, as of October 1, and areas of acute labor shortage increased from 68 to 70. An additional 123 areas are classified as serious by the War Manpower Commission.

An analysis of cutbacks through August, involving \$421,000,000 in contracts, shows only 48,000 workers released, of which 56 percent were released in areas of adequate or plentiful labor supply. Releases of workers in areas of acute labor shortage amounted only to 17 percent of the total.

The War Manpower Commission has approved the assignment of planning engineers and technicians for blue-printing the reconversion of the Nation's industries, so that plans for the resumption of civilian production will be ready as soon as manpower, facilities, and materials not needed for war production become available as consistent with its employment ceiling and priority referral program.

Hours and Earnings

Average weekly hours worked by factory workers increased from 44.6 in July to 45.1 in August. Reflecting the longer work week in August, average weekly earnings increased to \$45.85 from the \$45.43 reported for July. Average hourly earnings continued practically unchanged at \$1.016.

Workers in durable goods manufacturing worked on the average 46.6 hours per week, while average hours in non-durable goods were 43.0.

Turnover and Absenteeism

Manufacturing establishments again showed a net loss of workers in August as separations exceeded accessions. The separation rate averaged 7.8 per 100 workers, including a quit rate of 6.2, while accessions averaged 6.2. Separation rates in 26 industries important to war production averaged 8.0, and accession rates 5.8.

Worker absence rates for August in selected war industries continued practically unchanged from the levels of preceding months with a rate of 6.6 reported.

Strikes

Strike activity declined in September from August totals. A total of 390 strikes was reported in September, with 185,000 workers affected and 660,000 man-days lost. These totals compare with 485 strikes reported for August, affecting 190,000 workers, with 935,000 man-days lost.

XIII. ADMINISTRATIVE DEVELOPMENTS

War Production

During the past month, problems of industrial reconversion and the relaxation of controls were uppermost, with the following developments:

Relaxation of WPB controls. As the War Production Board refined its plans for the relaxation of controls after European hostilities subside, a slightly more gradual removal of controls was foreseen than was anticipated earlier. The number of WPB orders which had been thought early in September to be in line for continuation after V-E Day was increased by about 10 or 15 percent.

It was expected that relaxation of WPB controls would add to the difficulties of maintaining adequate production of low-cost goods, would complicate price enforcement problems, and would result in heavy pressures upon OPA price ceilings. The Chairman of WPB and the Price Administrator appointed a joint Task Committee to study the entire problem. This committee was in process of making recommendations. In the event OPA and WPB do not agree, the Director of the Office of War Mobilization and Reconversion will probably be asked to determine the policy.

Expiration of priority statutes. This matter is closely related to the extension of Title III of the Second War Powers Act, which expires December 31 and on which hearings by Congressional committees will be held in November. Renewal of priority powers is important to the operations of War Food Administration, Petroleum Administration for War, Office of Price Administration, and to a lesser extent, the War Manpower Commission as well as to the War Production Board. It is probable that OPA and WPB would recommend different courses of action to Congress if there is any inclination in Congress to alter the present provisions of Title III.

Spot authorization for civilian production. The "spot authorization plan," under which comparatively small quantities of civilian production are being allowed, began to reveal some of the difficulties of reconversion. Operations in October indicated a need for a more rapid and smooth coordination of actions by WPB and OPA. Moreover, operations in the present stage show a need for better public information to avoid resentment of necessary War Manpower Commission disapproval of applications.

Foreign Activities

The international administrative problems urgent in the month of October centered on plans for liberated and enemy areas and on efforts of the State Department to gear itself to intensified and expanding responsibilities.

Economic controls for defeated Germany. By the end of October there were some indications that uncertainties within various agencies over economic plans for Germany were being clarified. For some time civilian agencies were in doubt as to their own participation. Interagency rivalries and misunderstandings arose (e.g., State and FEA). General plans for the military government and, later, the Allied control machinery had not yet been worked out. Consistent top policy was lacking.

Among the hopeful current signs are: Some clarification of broad policies toward Germany, progress in American plans for occupation organization, decision by the War Department to specify the types and extent of civilian assistance needed at the outset, and definite planning by State and FEA for staff work.

State Department planning. Budget estimates submitted by the State Department for 1946 recognize an expanding role for this Nation in international affairs. New emphasis is being laid on economic reporting, public information programs, international economic activities, the expansion of staff working with international organizations and on specialized foreign staff (e.g., aviation, cultural, informational, commercial, and agricultural attaches).

But there is evidence within the State Department of limited and inadequate programming and administrative improvement. For example, the Department still lacks a strong central unit for administrative planning. The Department has still to create effective devices for mobilizing our Government-wide facilities for international activities. The reorganization plan of last January is only partially achieved. The central geographic desks are still badly understaffed. Slow personnel and other procedures clog the Department's functioning. Much planning remains to be done if a stronger Foreign Service is achieved.

Foreign surplus disposal. As pointed out in previous reports, the planning of the Foreign Economic Administration for foreign disposal of surplus property lags badly. During October the newly appointed Director of Surplus Disposal resigned after a few weeks in office. A new appointment has just been made but it is understood that the appointee plans to leave Government service in two months.

War Refugee Board. Plans for the liquidation of the Board by January 1 have been amended to enable operation somewhat longer should the complete liberation of Hungary (the last occupied country where there are substantial numbers of persecuted minorities whose lives are in danger) be delayed beyond the end of the year.

Liquidation of Central Administrative Services

Transfers of functions and personnel of Central Administrative Services were completed as scheduled. The fiscal function, which was the last to be transferred, was turned over to the agencies November 1. On December 1, Treasury will take over the liquidating unit to complete the settlement of claims and fiscal accounts. Almost all of CAS personnel has already been transferred to other agencies. The liquidation operation has proceeded smoothly, and CAS will cease to exist as an agency November 30.

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