MONTHLY PROGRESS REPORT

December 31, 1942

Prepared by
Bureau of the Budget
Executive Office of the President

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

file

January 13 1943

MEMORANDUM:

For the personal attention of the President.

H. D. S.

Report 27

NATIONAL WAR PROGRAM

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I. SUMMARY

Aircraft Production

47,565 military aircraft (63 percent tactical) were produced (accepted) during 1942. December acceptances totaled 5,501. The pool of accepted but undelivered aircraft increased 665 during December to 1,956 at the end of the month.

(Page 2; chart 1)

Ordnance Production

	Oct.	Nov.	Jan.-Nov.
Gun, 90mm antiaircraft	501	435	2,745
Gun, 75mm antitank	81	219	1,110
Gun, 155mm	82	56	779
Tank, medium	1,181	1,814	11,519

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Navy Ship Construction

The battleship Alabama, one light cruiser, nine destroyers, and two submarines were delivered in November. This makes six battleships, one aircraft carrier, nine light cruisers, 96 destroyers, and 45 submarines completed since July 1, 1940.

(Pages 11, 12; charts 3-7)

Merchant Shipping

746 vessels, totaling 8,090,800 dwt., were delivered by U. S. shipbuilders in 1942.

Cumulative shipping losses of the United Nations for 1942 totaled about 12.3 million dwt. as compared with gains of 9.9 million — a net loss of 2.3 million dwt.

(Page 14; charts 8, 9)

II. AERONAUTICAL PROGRAM

December Aircraft Production

Military aircraft accepted in 1942 totaled 47,565, which is 80 percent of the 60,000 originally proposed. Acceptances of combat types totaled 23,690, including 2,618 four-engine bombers.

Aircraft Acceptances, 1942

Type	Actual				Forecast for the Year
	Oct.	Nov.	Dec.	Total 1942	
Bomber, 4-engine	288	304	394	2,618	2,583
Bomber, 2-engine	613	737	789	7,288	7,276
Bomber, 1-engine	419	429	539	2,773	2,856
Fighter	894	1,164	1,260	11,011	10,874
Total combat	2,214	2,634	2,982	23,690	23,589
Observation, etc.	310	332	317	4,542	4,634
Transport, 4-engine	13	13	13	70	69
Transport, 2- and 1-eng.	144	227	227	1,638	1,660
Total tactical	2,681	3,206	3,539	29,940	29,952
Trainers	1,382	1,606	1,962	17,625	17,356
Grand total	4,063	4,812	5,501	47,565	47,308

The "pool" of accepted but undelivered aircraft increased 52 percent from 1,291 (65 percent tactical) at the end of November to 1,956 (67 percent tactical) on December 31.

Glider acceptances decreased 70 percent from 609 (66 percent tactical) in November to 191 (59 percent tactical) in December. December acceptances were 49 percent of the number scheduled.

The 1943 Aircraft Production Program

During December the 1943 aircraft planning schedule (Aircraft Report 8-L) was revised to call for 112,845 aircraft acceptances in 1943. The prior report (8-K) had assigned 107,111 planes to production facilities.

Comparison of Present (8-L) Aircraft Production Schedules for 1943 with Earlier Programs

Type	Schedule 8-L Dec., 1942	Schedule 8-K Aug., 1942	President's Program Jan. 3, 1942
Tactical			
Long-range, heavy, medium, and patrol bombers	22,414	22,525	28,058
Light, dive, torpedo, and scout bombers	18,626	19,382	20,445
Fighters	31,968	27,985	38,798
Observation and transports	9,339	8,463	14,113
Total tactical	82,347	78,355	101,414
Trainers	24,874	26,559	--
Total tactical & trainers	107,221	104,914	--
Communications, etc.	5,624	2,197	--
Grand total	112,845	107,111	125,000

Army Air Forces

A. Airplanes

The Army reported 30,294 modern-type, delivered airplanes on hand November 30, an increase of 1,764 during the month.

Summary of Suitable Types of Army Airplanes
November 30, 1942
(Without reference to condition)

Type	On Hand 12-31-41	On Hand 11-30-42	Increase Since 12-31-41	Increase During November
Tactical				
Combat:				
Bombers, heavy	295	1,799	1,504	207
Bombers, medium	827	2,016	1,189	230
Bombers, light	799	1,031	232	69
Fighter	2,381	4,796	2,415	151
Total combat	4,302	9,642	5,340	657
Service combat:				
Transport:	224		1,432	
Heavy		83		15
Medium		971		34
Light		602		100
Communications	706	3,123	2,417	101
Total tactical	5,232	14,421	9,189	907
Trainers	7,498	15,873	8,375	857
Total planes	12,730	30,294	17,564	1,764

B. Personnel of the Army Air Forces

The active duty strength of the Army Air Forces, including personnel assigned from other services, totaled 1,511,323 on December 2, 1942 as compared with 1,261,172 on November 4.

Active Duty Strength of Army Air Forces
December 2, 1942

	December 2, 1942			Minimum Requirements for 273 Groups by Dec. 1943
	Officers	Enlisted Men	Total	
Pilots	30,200	1,707	31,907	60,462
Aviation cadets	90,965	---	90,965	99,323
Glider pilots	34	---	34	850
Bombardiers	4,238	1,073	5,311	6,591
Navigators	3,672	---	3,672	8,034
Observers	652	---	652	1,157
Engineers	2,202	---	2,202	4,930
Gunners and armament personnel	959	23,748	24,707	3,769
Meteorologists	538	---	538	3,348
Communications	1,290	---	1,290	2,801
Photographic	428	---	428	1,406
Radar	33	---	33	439
Student officers	2,207	---	2,207	---
Other, Army Air Forces	40,107	983,126	1,023,233	1,382,129
Total, Army Air Forces	177,525	1,009,654	1,187,179	1,575,239
Assigned from other branches	25,167	298,977	324,144	864,851
Grand total	202,692	1,308,631	1,511,323	2,440,090

Bureau of Aeronautics

A. Airplanes

On December 23, the Navy reported a total of 11,455 airplanes on hand. Of these, 5,172 were tactical combat types.

Navy Airplanes on Hand -- Nov. 23 and Dec. 23, 1942

	On Hand		Dec. Increase
	Nov. 23	Dec. 23	
Tactical Combat			
Scout bomber	867	967	100
Torpedo bomber	484	539	55
Patrol bomber (2-eng.):			
Boat	739	815	76
Landplane	40	76	36
Patrol bomber (4-eng.):			
Boat	31	34	3
Landplane	30	40	10
Observation scout	1,554	1,587	33
Fighter	1,035	1,114	79
Subtotal	4,780	5,172	392
Tactical Non-Combat			
Utility	225	223	-2
Utility (multi-engine)	97	100	3
Transport	123	149	26
Transport (multi-engine)	127	138	11
Subtotal	572	610	38
Training			
Trainer, primary	2,810	2,916	106
Trainer, advanced	2,568	2,730	162
Subtotal	5,378	5,646	268
Experimental	25	27	2
Grand total	10,755	11,455	700

III. ARMY

Procurement of Equipment

The following table shows the status of the procurement of selected ordnance materiel on December 1, 1942.

Status of Procurement of Selected Critical Ordnance Materiel*
(Includes Defense Aid and Navy Items Procured by the Army)

Type of Equipment	Production, 1942				
	Actual				
	Oct.	Nov.	1-1-42 to 11-30-42	Forecast	Required
Aircraft					
Gun, 20mm	6,197	7,446	54,295	61,049	32,065
Gun, 37mm	758	750	5,398	6,502	4,566
Antiaircraft					
Gun, 90mm	501	435	2,745	3,208	3,004
Gun, 40mm	1,429	1,532	7,306	8,951	8,627
Gun, 37mm	214	215	1,870	2,220	2,653
Combat Vehicles					
Tank, light (less armament)	1,537	803	8,381	10,101	10,588
Tank, medium (less armament)	1,181	1,814	11,519	13,763	14,000
Artillery					
Gun, 155mm (H.S., S.P., and new)	82	56	779	859	1,117
Gun, 75mm (A.T.)	81	219	1,110	1,350	2,167
Gun, 37mm (A.T. and S.P.)	1,607	1,538	12,997	14,406	14,980
Howitzer, 105mm (S.P. and field)	452	509	5,080	5,459	5,387
Howitzer, 75mm (S.P., field, and pack)	265	401	1,377	2,032	2,449
Mortar, 60mm and 81mm	935	600	8,491	10,217	10,713
Small Arms					
Garand rifle	80,500	80,200	668,711	757,111	1,284,566
Other rifles, cal..30 & .303	96,873	129,020	752,917	878,878	2,495,479
Machine gun, cal. .30	32,839	38,781	279,121	312,651	198,352
Machine gun, cal. .50	38,266	40,247	302,736	344,519	290,843

*Proof firing may not be complete, and self-propelled guns lack motor carriage.

Distribution of Stocks

The following table shows the distribution and issue of selected ordnance items for the period July 1, 1940 to December 1, 1942 from stocks on hand at the beginning of the period plus deliveries during the period:

Distribution of Selected Ordnance Items
July 1, 1940 to December 1, 1942

Item	Issued to U. S. Troops	In Storage in U. S.	Transfers (Navy, Lend Lease, etc.)	Total
Aircraft				
Gun, 20mm	4,834	28,287	19,754	52,875
Gun, 37mm	2,462	2,855	5	5,322
Antiaircraft				
Gun, 90mm	1,815	404	414	2,633
Gun, 40mm	4,410	1,110	1,197	6,717
Gun, 37mm	1,383	292	62	1,737
Combat Vehicles				
Tank, light (less armament)	3,916	132	4,795	8,843
Tank, medium (less armament)	3,417	29	6,080	9,526
Artillery				
Gun, 155mm (H.S., S.P., & new)	840	4	110	954
Gun, 75mm (A.T.)	785	4	91	880
Gun, 37mm (A.T. and S.P.)	11,689	1,832	581	14,102
Howitzer, 105mm (S.P. & field)	3,893	0	551	4,444
Howitzer, 75mm (S.P., field, and pack)	468	24	616	1,108
Mortar, 60mm and 81mm	13,130	565	3,345	17,040
Small Arms				
Garand rifle	923,030	16,991	122,713	1,062,734
Other rifles (cal. .30 & .303)	1,734,294	145,404	1,882,985	3,762,683
Machine gun, cal. .30	146,521	91,651	98,227	336,399
Machine gun, cal. .50	173,813	86,341	78,020	338,174

Military Personnel

The estimated increase in the active duty strength of the Army during December was 400,000, bringing the total to 5,333,000 on December 31.

Distribution of the Active Duty Strength of the Army

	Dec. 1 Actual	Dec. 31 Estimated	Dec. Increase	Approved for Dec. 31, 1943
Commissioned officers	330,808	355,750	24,942	675,000
Warrant & flight officers	7,609	9,500	1,891	
Enlisted men & selectees	4,566,442	4,936,000	369,558	7,533,000
Subtotal	4,904,859	5,301,250	396,391	
Army Nurse Corps	17,690	20,000	2,310	
W.A.A.C.	9,915	12,200	2,285	
Army Specialist Corps	1,385	--	-1,385	
Total	4,933,849	5,333,450	399,601	

Commissioned officers and enlisted men overseas at the beginning of January, 1943 were estimated at 1,011,100 — an increase of 69,173 over December 1.

Disposition of Active Duty Commissioned Officers and Enlisted Men

	Dec. 1 Actual	Jan. 1 Estimated	December Increase
Army Ground Forces in U.S.	1,426,137	1,552,900	126,763
Army Air Forces in U.S.	1,181,693	1,287,300	105,607
Services of Supply in U.S.	936,558	1,021,700	85,142
Overseas	941,927	1,011,100	69,173
In ships	29,057	34,050	4,993
In staging areas	69,480	72,000	2,520
In defense commands	312,398	312,700	302
Total	4,897,250	5,291,750	394,500

Status of Selective Service Registrants

The status of Selective Service registrants liable for military service is shown in the table below. The figures are subject to revision.

Status of Militarily Liable Selective Service Registrants
November 30, 1942

	Number	Percent
Inducted	3,366,000	11%
Enlisted	1,265,000	4
Deceased	215,000	1
Not yet classified	1,750,000	7
I, Awaiting local board physical	1,050,000	4
I-A, Awaiting induction	1,095,000	4
I-B, Limited service	410,000	1
II-A, Essential men in nonwar occupations	646,000	2
II-B, Essential men in war occupations	666,000	2
III-A, Dependents	14,611,000	50
III-B, Dependents and employed in war occupations	1,487,000	5
IV- B, C, D, E, F	2,591,000	9
Total	29,446,000	100

IV. NAVY

November Vessel Completions

2,054 Navy vessels, including one battleship, one light cruiser, nine destroyers, and two submarines, were completed in November.

Completions of Naval Vessels During October and November

	October Completions		November Completions	
Combatant Vessels				
Battleships	0		1	
Light cruisers	1		1	
Destroyers	10		9	
Submarines	5	16	2	13
Patrol Craft				
Sub-chasers (110 and 173 ft.)	33		30	
Motor torpedo boats	11		16	
Corvettes	0		1	
Fairmile-type motor vessels	2	46	0	47
Landing Craft				
Tank landing ships	1		18	
Infantry landing craft (large)	25		59	
Tank landing craft	22		71	
Personnel landing craft with ramp	221		190	
Vehicle and personnel landing craft	0		75	
Vehicle landing craft	166		241	
Mechanized landing craft	225		315	
Tracked landing vehicles	58		125	
Rubber landing craft (large)	159	878	170	1,264
Lend-Lease Program				
Ocean-going rescue tugs	1		1	
Motor torpedo boats	0		5	
Motor-driven mine sweepers	6		4	
Tank landing craft (MKV)	31		30	
Aircraft rescue boats	5	43	3	43
Mine Craft		19		13
Auxiliary Vessels				
Coastal transports	5		6	
Other	0	5	3	9
District Craft		26		32
Special Small Boats		532		633
Total		1,565		2,054

Combatant Vessel Program

Six battleships, one aircraft carrier, nine light cruisers, 96 destroyers, and 45 submarines have been completed since the beginning of the defense program in July 1940.

Summary of Combatant Ship Construction Program
December 1, 1942

Type of Vessel	Program*	Completed to 12-1-42	Balance in Program
Battleship	17	6	11
Aircraft carrier	37	1	36
Large cruiser	6	0	6
Heavy cruiser	25	0	25
Light cruiser	52	9	43
Destroyer	376	96	280
Submarine	236	45	191
Escort vessel	750	0	750
Total	1,499	157	1,342

*Under construction July 1, 1940 and since added.

Of the 1,342 vessels remaining to be completed on December 1, construction on 869 had not started.

Status of Construction Program of Combatant Vessels—Dec. 1, 1942

Type of Vessel	Balance in Program	No Progress	Percent Complete				
			0-5	5-25	25-50	50-75	75-100
Battleship	11	5*	0	3	1	1	1
Aircraft carrier	36	9	7	5	6	5	4
Large cruiser	6	4*	0	0	2	0	0
Heavy cruiser	25	13	4	4	0	2	2
Light cruiser	43	19	0	14	4	4	2
Destroyer	280	125	16	40	35	31	33
Submarine	191	106	22	20	19	10	14
Escort vessel	750	588	93	55	14	0	0
Total	1,342	869	142	141	81	53	56

*Suspended

Navy, Marine Corps, and Coast Guard Personnel

The total active duty military personnel of the Navy, Marine Corps, and Coast Guard was 1,586,657 on December 23 — an increase of 119,202 since November 23 and about 1,119,000 since Pearl Harbor.

Active Duty Military Personnel of the Navy, Marine Corps, and Coast Guard November 23 and December 23, 1942

	Total Nov. 23	December 23, 1942		
		Total	Officers	Enlisted Men and Nurses
Navy				
Regulars	320,940	326,954	21,191	305,763
Reserves	800,328	886,506	96,100	790,406
Total	1,121,268	1,213,460	117,291	1,096,169
Marine Corps				
Regulars	91,537	90,857	3,865	86,992
Reserves	127,437	144,476	9,001	135,475
Total	218,974	235,333	12,866	222,467
Coast Guard				
Regulars	30,405	30,330	2,486	27,844
Reserves	96,808	107,534	2,668	104,866
Total	127,213	137,864	5,154	132,710
Grand total	1,467,455	1,586,657	135,311	1,451,346

V. MERCHANT SHIPPING

Gains and Losses — United Nations

United Nation merchant vessels reported lost during the four-week period ending December 27 totaled 618,300 dwt. This compares with 1,067,800 dwt. reported lost during the four-week period just prior — a decrease of 42 percent. Gains from new construction for the two four-week periods were 1,068,800 dwt. and 964,000 dwt., respectively. The United Nations had about 43,000,000 dwt. under their control on December 1.

The average weekly loss for the four-week period ending December 27 was 155,000 dwt. as compared with 290,000 dwt. in May, which had the highest weekly average of any month this year. See Chart 8 for weekly variations.

Cumulative losses December 1, 1941 through December 27, 1942 totaled 12,253,000 dwt. as compared with gains of 9,892,000 — a net loss of 2,361,000 dwt.

U. S. Controlled Vessels and Production

Merchant vessels under U. S. control totaled about 14,000,000 dwt. on December 1, or 32 percent of that of the United Nations. Losses of vessels under U. S. control for the four-week period ending December 27 totaled 65,700 dwt. or 11 percent of the total loss.

Merchant vessels delivered by U. S. shipbuilders in 1942 totaled 746 and aggregated 8,090,800 dwt. These vessels were of the following types:

Liberty ships	542	Cargo ships for the British..	55
Tankers	62	Other types	25
Standard Type C vessels..	62		746

During December, 121 merchant vessels, aggregating 1,200,000 dwt., were delivered by U. S. shipbuilders. This compares with 893,000 dwt. delivered in November.

VI. WAR INDUSTRIAL FACILITIES

Status of Facilities Financed by Public Funds

Only 14 percent of $14.4 billion of war industrial facilities financed by public funds were reported 100 percent complete on October 31.

Status of War Industrial Facilities Financed by Public Funds
October 31, 1942

Type of Product	Estimated Cost (Millions)	Percentage in Selected Stages of Completion					
		100%	76-99%	51-75%	26-50%	0-25%	Not Reported
Aircraft	$2,786	11	14	30	20	24	1
Ship construction & repair	1,750	18	36	30	9	3	4
Combat and motor vehicles	408	6	48	15	25	5	1
Guns	809	22	30	20	10	13	5
Ammunition, etc.	1,069	25	50	14	3	5	3
Explosives and assembling	2,801	24	42	14	16	4	0
Iron and steel	1,276	4	13	10	8	30	35
Non-ferrous metals	1,018	3	21	14	16	37	9
Machine tools	150	16	20	23	26	14	1
Machinery and equipment	448	7	17	26	32	17	1
Chemicals	1,163	3	12	2	13	56	14
Petroleum and coal products	228	6	0	1	0	73	20
Miscellaneous manufacturing	240	17	5	32	15	30	1
Non-manufacturing	269	2	3	15	7	60	13
Total	$14,415	14	26	19	14	20	7

Source: War Production Board
(Letters of intent included.)

The above table excludes certain large commitments for the purchase of machine tools.

Privately Financed Facilities Program

Certificates of necessity have been issued for privately financed plant expansions totaling $3.6 billion through October 31.

VII. STOCKPILE AND PUBLIC PURCHASES OF BASIC WAR COMMODITIES

Strategic and critical materials are purchased by the Government: (1) for stockpiles to be used only in case of an emergency with respect to the specific items concerned; (2) for stockpiles to be released only by WPB; and (3) for resale to industry currently upon receipt. The following table shows the status of selected items as of December 12:

Stockpile Status of Selected Commodities

Commodity	Unit of Measure	Recommended Purchase Program	Percent of Purchase Program: Stockpile Inventory Dec. 12, 1942	Inventory Increase Since 11-14-42	Inventory Increase Since Pearl Harbor
Antimony, metal	Tons	27,000	42%	0%	13%
Chrome ore	1,000 l.t.	1,950	32	1	18
Copper, refined	1,000 tons	600*	31	10	18
Diamonds, indus.	1,000 carats	22,140	16	4	13
Diamond dies	Dies	30,500	28	-2	17
Manganese ore	1,000 l.t.	3,300	29	1	15
Manila fiber	1,000 bales	2,037	7	0	-1
Mercury	Flasks	103,000	24	-7	19
Mica	Tons	13,850	47	3	27
Nitrate of soda	1,000 tons	1,700	0**	0	-1
Opium	1,000 pounds	640	36	0	36
Quartz crystals	1,000 pounds	4,000	80	-2	43
Quinine sulphate	1,000 av. oz.	12,250	67	0	8
Rubber	1,000 l.t.	1,900	18	0	1
Silk	1,000 bales	50-100	14	0	6
Tin, refined	1,000 l.t.	307*	19	1	3
Tungsten	Tons	30,500	28	-9	2
Zinc, metal	Tons	80,000	60	16	60
Zinc, concentrates	Tons	700,000	18	4	9

*Part or all of this amount consists of recommended purchases per annum.
**178,770 tons stored in Chile.

VIII. SEVEN-POINT PROGRAM FOR STABILIZATION OF COST OF LIVING

Uneasiness concerning the stabilization program was apparent in December. Contributing factors: Price Administrator Henderson's resignation, the expectation of a stronger Congressional opposition, conflicting reports on the forthcoming fiscal program.

Prices--Cost of Living: Living costs of city families rose 0.7 percent between October 15 and November 15. Since mid-May, when the General Maximum Price Regulation became effective, food costs have moved up 7.8 percent and costs of all other goods by 0.6 percent. Recent changes in OPA regulations are reflected in increased prices quoted in November for lard, canned fruits and vegetables, and canned fish. Further upward adjustments are being effected with the conversion of ceilings from base period maximum prices to specific dollar-and-cents maximum prices.

Prices--Farm: Average prices received by farmers rose 5 percent mid-November to mid-December, paralleling the rapid increases of July to August. Prices paid by farmers remained stable. Recent changes in OPA milk and flour regulations will tend to increase prices received.

Taxes and War Bonds: December saving bond sales exceeded $1 billion for the first time since January 1942. Victory tax deductions from payrolls begin in January.

Wages and Salaries: The War Labor Board is being subjected to strong pressures to devise ways and means of approving requests for wage increases; a large backlog of cases is accumulating. Facing a tight labor market, employers have developed a "passion" for wage increases. Wage demands are coming to a head on an industry-wide basis in rubber, coal mining, meat packing, aircraft, telephone and other public utilities, newspaper printing, and railroads.

Rationing: Point rationing of almost all commercially processed fruits and vegetables has been announced and is expected to start in February when War Ration Book Two will have been distributed. Meat rationing will probably follow.

Debt Liquidation: Installment selling for post-war delivery, an additional anti-inflationary device, is being discussed.

IX. WAR FINANCES

Appropriations and Other Financing

Only minor adjustments were made during December in the financial program authorized for the war. However, $161 billion was added during the calendar year 1942, bringing the total to $238 billion on December 31.

	Financed War Program Billion Dollars		
	Through Dec. 1941	Through Dec. 1942	1942 Increase
Army	38	133	95
Navy	24	67	43
Maritime Commission	3	7	4
National Housing Agency	1	2	1
Other war activities	6	13	7
Reconstruction Finance Corp. ...	5	16	11
Total	77	238	161

War Expenditures

War expenditures of $6.12 billion during December represent an annual rate of $73 billion. The following table compares disbursements for selected periods with financed programs.

	Billion Dollars			
	Program Financed	Disbursed		
	7-1-40 to 12-31-42	7-1-40 to 12-31-42	Cal. Yr. 1942	December
Army	133	35.7	27.8	3.78
Navy and Coast Guard	67	18.4	13.6	1.38
Maritime Commission	7	1.8	1.6	.27
National Housing Agency ...	2	.6	.3	.05
Other war activities	13	7.9	6.5	.34
RFC (disbursements are net)	16	3.8	2.6	.30
Total	238	68.2	52.4	6.12

X. DOMESTIC TRANSPORTATION

In general, there were no major changes in the domestic transportation situation during December. Some of the significant activities and developments during the month were:

1. All-rail movement of coal to New England was 1 percent higher in December than in November.

2. Shipments of petroleum by rail to the East Coast were 1.2 percent lower in December than in November, with the average barrels-per-day delivery during the peak week being 767,058. A goal of 900,000 barrels per day has been established for this service by the ODT.

3. Some delay was experienced in transporting an unusually high volume of Christmas mail, which exceeded by 14 percent the record mailings of December 1941. Cold weather and heavy freight and passenger service plus spot manpower shortages were principally responsible for the delay.

4. No cases were reported of port congestion or of transportation difficulties in the movement of troops or military supplies on the domestic transportation system.

5. Several instances of spot congestion developed in terminal and yard facilities of eastern, southwestern, and north-Pacific carriers. Such delays and cases of car detention, however, were primarily attributable to manpower shortages rather than to motive power or car supply.

6. It is recognized by the ODT that full utilization is not currently being made of inland waterway transportation facilities. Plans are being developed to increase the backlogs of steel at Gulf shipyards and thereby enable a switch from rail to inland waterway on future steel deliveries.

7. Studies undertaken by the ODT of the extent of cross-hauling indicate that, by ruthless elimination of cross-hauling, ton miles might be reduced by a total of 10 percent -- approximately the increase predicted for 1943. Such changes in the transportation system, however, might so complicate the existing marketing, manpower, and distribution patterns that the total effect on the war effort at this time might be a negative or negligible one.

8. ODT estimates of traffic for 1943 indicate that carloadings will be advanced 3 percent; ton miles, approximately 15 percent. While motive power will be tight, it is expected that the two most critical factors in the domestic transportation system during 1943 will be (1) manpower, and (2) tires and repair parts for trucks and busses.

XI. LABOR AND MANPOWER

Current Employment and Unemployment

Non-agricultural employment totaled 38.4 million at mid-November, or more than in any previous month, with the exception of October. This was 7 percent or 2.5 million more than in November 1941. The slight decline during the month is accounted for chiefly by a 10 percent cut in construction employment.

Manufacturing employment continued to rise, reaching a new high of 15.4 million. Forty percent of the total employment in non-agricultural establishments in November were in manufacturing industries against 37.9 percent a year previously. This trend reflects the relative decline in trade and construction work.

Agricultural employment dropped off seasonally by 700,000 from October to November, but the total of 9.8 million was almost 10 percent higher than in November 1941. Three-fourths of the year's increase were female workers.

Employment in the Federal executive service continued to increase from October to November but at a much slower rate than the average increase for the twelve preceding months. The estimated total in mid-November was 2.8 million.

Unemployment increased during the month by 100,000 to 1.7 million in November 1942. Unemployment totaled 3.9 million in November 1941.

Training for War Jobs

New enrollments in war training courses under the Office of Education's program totaled 320,000 in October 1942 or 14 percent more than in September and 60 percent more than in October 1941. A quarter of a million persons completed courses during the month — 35,000 fewer than in September. Slightly less than half a million were in training on October 30, which is 18.7 percent more than at the beginning of the month. These were divided approximately equally between preemployment refresher courses, supplementary courses, and engineering, science, and management courses.

Turnover*

Turnover in war industries and in other manufacturing declined slightly from September to October — a reversal of the upward trend of the three preceding months — but was still almost twice as high as in October 1941. Shipbuilding turnover continued to be the highest of all the war industry groups, with 10.82 total separations per hundred employed during the month as compared with 8.05 for all war industries. About half of the separations in shipbuilding were voluntary.

Industrial Disputes

The number of strikes affecting war production continued to decline during November, reaching a new low of 97 in progress during the month

*Beginning this month the analysis of turnover is based on the separation figures rather than on the relation between rates of changes in accessions and separations, as heretofore.

as against 115 in October. The number of men involved rose to 42,300 or 3 percent over October, while total man-days lost dropped to 91,925, which was 45 percent less than the October figure. Man-days lost in October in all strikes (including those in non-war industries) amounted to 22 percent of the average for the last five years of peace.

There were 1,116 labor cases pending before the War Labor Board on January 1, 1943, which was 24 percent more than there were a month earlier. The number of cases before all Government agencies follows:

Number of Labor Cases Pending

	Nov. 1	Dec. 1	Jan. 1
National War Labor Board*	581	897	1,116
U. S. Conciliation Service	1,780	1,885	1,687
National Mediation Board	177	143	159
National Railroad Adjustment Board ...	6,148	6,204	6,351

*National War Labor Board figures include wage disputes and arbitration awards but not voluntary wage agreement cases.

XII. ADMINISTRATIVE DEVELOPMENTS

The establishment of the Office of Director of Foreign Relief and Rehabilitation (Lehman) has added to the confusion and duplication of agencies administering international economic activities. The sharper definition of responsibilities in the food, petroleum, and manpower fields has created new administrative problems of relations with existing agencies. The resignation of Henderson has greatly weakened the War Production Board as a deliberative body on major production and economic issues. These and other administrative problems in our war organization are summarized below by members of the Bureau staff.

Director of Foreign Relief and Rehabilitation

The appointment of the Director of Foreign Relief and Rehabilitation, associated with the Department of State, and the establishment of an organization under him injects an additional factor into an already confused and complicated picture — the administration of American foreign economic activities. His relations with the several agencies which now have responsibilities in this field -- other units in the Department of State, Lend-Lease Administration, Board of Economic Warfare, Department of Agriculture, the Combined Boards, etc. — are still in flux. There is every reason to believe that these interagency relationships, if unhampered, will develop through day-to-day compromises — through a series of retreats and advances. Such compromises will, in all likelihood, prolong rather than shorten the runaway confusion which now exists.

The role of the Director of Foreign Relief and Rehabilitation cannot be considered as an isolated problem, apart from the responsibilities of all agencies, national and international in scope, which have legitimate interests in this field. At the present time,

1. There is no delineation of functions among them.

2. Their overlapping duties sometimes are correlated, but more frequently they are not.

3. It is not possible to fix responsibility for policy on any single agency for many subjects.

4. Their operations are often identical.

5. Their staffs are made up of the same kinds of persons doing the same kinds of work.

It is hardly necessary to emphasize the importance and immediate necessity for clarification in this field. This is essential to the operating efficiency of the agencies themselves, to the development of sound and integrated foreign economic relations, and to the future of the United Nations' relief and rehabilitation operations. It is necessary for both the prosecution of the war and the peace.

War Production Board

New Problems

1. The redefinition in December of the positions of the Petroleum Administrator and the Secretary of Agriculture created a difficult problem of working out the relations between WPB and the agencies headed by these officials. More important, these changes raised in an acute form the problem of over-all coordination of economic control agencies and the future role of WPB in that process.

2. The resignation of Leon Henderson greatly weakened the War Production Board itself as a deliberative body on major production and economic issues and raised the question whether the time may not be ripe to strengthen the Board's coordinating role by adding to its membership the heads of certain other agencies with major war supply responsibilities.

3. The resignation of Mr. Henderson as Director of the Office of Civilian Supply, the evolution of the CMP plan, and the changes introduced as a consequence of the new orders radically altered the role of the Office of Civilian Supply within WPB. This raises a developing issue which might be handled by firm action by the Chairman of the WPB but which may grow into a larger question of the Government-wide treatment of matters of purely civilian supply.

Old Problems

1. The role of Production Vice Chairman Wilson within WPB remained unclarified although some progress was made in defining his external relationships. This situation still has explosive possibilities.

2. The introduction of the Controlled Materials Plan proceeded with some modification of the original scheme. The fact that at this stage of CMP heavy reliance has had to be placed on data made available through the Production Requirements Plan suggests that further modifications may occur in CMP in the course of its development.

Office of Price Administration

The OPA announced definite plans to adopt dollars-and-cents price schedules for all commodities for which such a schedule is feasible. This will apply particularly to food and clothing items and many other items in the cost-of-living index. The effect will be to simplify greatly establishment of maximum prices and to increase the confidence of the consumer that he is not being overcharged. This plan has the additional advantage of being flexible enough to take into account differentials in cost of distribution. OPA has also worked out with the Department of Agriculture an agreement on the method of handling price regulations of foods and other agricultural commodities in accordance with the general pattern established in the amendment of October 3 to the Emergency Price Control Act.

Food Administrator Wickard and OWI Director Davis jointly announced the rationing of processed foods, and a directive was issued to OPA to make immediate plans for rationing of canned foods. Pursuant to the Food Executive Order, almost no progress was made during the month toward clarifying the relationships between the OPA and Agriculture in connection with food rationing. The additional difficulties in connection with the administration of fuel oil rationing and mileage rationing for commercial vehicles emphasizes the difficulty of the OPA serving as the administrative arm for several policy agencies in the rationing area.

An effort was made to clarify OPA policy with respect to wage increases approved by the War Labor Board. Tentatively, it appears that each wage increase granted by the War Labor Board will be examined by OPA and prices revised where a revision seems appropriate. An alternative considered would eliminate individual adjustments and require revisions only where they are necessary to preserve the supply or to continue the distribution of an essential commodity.

Food Administration

Extensive control over the Nation's food program was given the Department of Agriculture on December 5, 1942.

An important aspect of the executive order was the transfer of a number of food functions from the War Production Board to the Department of Agriculture. Considerable study of interdepartmental character has been given to the transfer to prevent transitional difficulties and to facilitate effective operation in Agriculture. Interdepartmental cooperation has been exceptionally good, and the actual transfers should be feasible early in January.

This delegation of authority on food, coupled with developments in other fields, leaves a number of interdepartmental areas where lines of authority and bases of cooperation urgently need establishment. There are thus a number of confused relationships of the Department of Agriculture in its food role with the Combined Food Board, Lend-Lease, BEW, State Department, Army procurement, the Director of Relief and Rehabilitation, War Shipping Administration, and other agencies as well as the OPA.

In view of a tightening food supply situation and prospective international relief needs, considerable attention needs to be devoted to these problems. In some instances mechanisms are being set up for interdepartmental study of the areas involved.

War Manpower

New powers were granted the War Manpower Commission in December.

The transfer of the Selective Service System was accomplished by lodging its top staff in a bureau under the Chairman of the Commission. Progress was made in the reorganization of training services and placement services, at the Washington level, but the development of the labor utilization bureau proceeded more slowly.

Efforts were made to simplify and rationalize the Washington office of the Commission and to reorganize the central-field relationships. The purpose of the latter move is to allow the field to assume the initiative and responsibility in the solution of manpower problems as much as possible.

Office of Defense Transportation

ODT continues to have trouble with its Certificate of War Necessity Program:

1. Gasoline quotas for many operators were established on the basis of rough guesses because of inadequate information furnished by the truckers.

2. Truckers, having received supplementary gas rations from OPA boards, have failed to appear before ODT officials for adjustment of gas quotas in their Certificates of War Necessity.

3. ODT has been compelled to extend the effective date of the Certificate of War Necessity Program to April 1.

ODT has been designated by the WPB as the claimant agency for materials used in production and maintenance of equipment for all domestic transportation systems, with the exception of rubber products. As such, the ODT will submit to WPB material requirements and determine the allocation of materials allotted to it by the WPB among the rail, motor, and other carriers.

War Shipping Administration

Conflict with the Army and Navy over the general control of the shipping program continued during December. The specific item now in dispute is the allocation of space in, and the loading of, merchant vessels.

The War Shipping Administration apparently has not been able to secure information from the Army and Navy concerning cargo carried and ship positions of merchant-type vessels owned, under bareboat charter, or controlled by them as directed by the President on December 18, 1942.

A transit inventory record division was established to supervise the maintenance of records of the Lend-Lease shipments. This was necessitated by the new power conferred upon the War Shipping Administration to act as the receiving agent for such shipments.

A division for the Southwest Pacific was created to establish a closer check over the utilization of vessels going to that area. This represents an attempt to speed up turnaround and stop long delays in port.

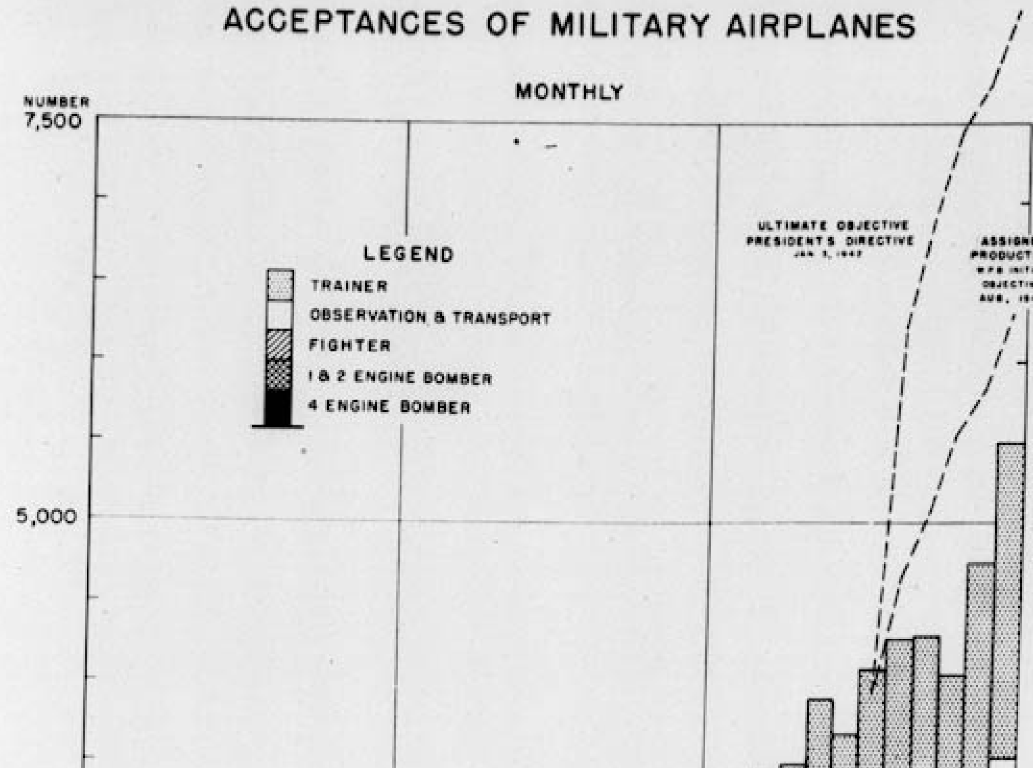
XIII. PROGRESS CHARTS

1. Acceptances of Military Airplanes
2. Total Army Strength
3. Construction Progress on Battleships and Aircraft Carriers
4. Construction Progress on Large and Heavy Cruisers
5. Construction Progress on Light Cruisers
6. Construction Progress on Destroyers and Submarines
7. Construction Progress on Escort Vessels
8. Gains and Losses of Merchant Ocean Vessels Available to the United Nations
9. Deliveries of Merchant Ships
10. Status of Basic War Commodities Program
11. War Expenditures

CHART I

ACCEPTANCES OF MILITARY AIRPLANES

MONTHLY



SOURCE: WAR PRODUCTION BOARD

CHART 2

TOTAL ARMY STRENGTH

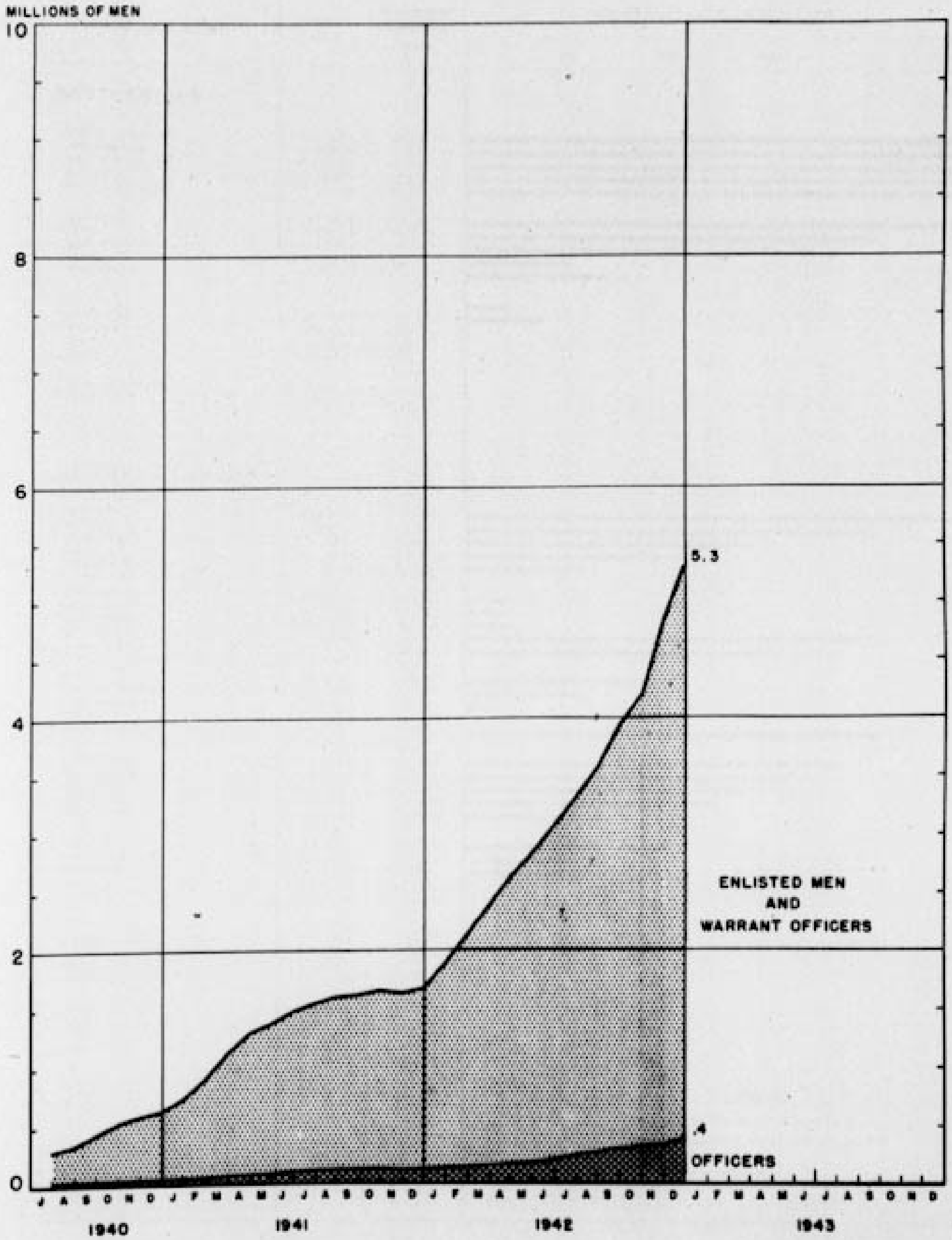


CHART 3

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

JULY 1, 1940 TO DECEMBER 1, 1942

TYPE AND NAME	Keel Laid	Estimated Completion Date
BATTLESHIPS		
NORTH CAROLINA	10-27-37	7-31-41
WASHINGTON	6-14-38	7-31-41
SOUTH CAROLINA	7-15-39	3-20-42
INDIANA	11-20-39	4-30-42
MASSACHUSETTS	7-20-39	5-15-42
ALABAMA	2- 1-40	11-10-42
IOWA	6-27-40	4- 1-43
NEW JERSEY	9-16-40	7- 1-43
MISSOURI	1- 6-41	6- 1-45
WISCONSIN	1-25-41	9- 1-44
ILLINOIS		9- 1-46
KENTUCKY	3- 7-42	3- 1-47
MONTANA	WORK SUSPENDED	
OHIO	WORK SUSPENDED	
MAINE	WORK SUSPENDED	
NEW HAMPSHIRE	WORK SUSPENDED	
LOUISIANA	WORK SUSPENDED	
AIRCRAFT CARRIERS		
HORNET	9-25-39	10-20-41
ESSEX	4-28-41	2- 1-43
YORKTOWN	12- 1-41	6-21-43
INTREPID	12- 1-41	10- 1-43
KEARSARGE	8- 3-42	2- 1-44
FRANKLIN	12-15-42	5-15-44
HANCOCK	1- 1-43	7- 1-44
RANDOLPH	3- 1-43	8- 1-44
LEXINGTON	7-15-41	1-31-43
BUNKER HILL	9-15-41	3-15-43
WASP	3-18-42	11-30-43
TISCONDEROGA	2- 1-43	5-31-44
BENNINGTON	12-15-42	7-15-44
BOXER	9- 1-43	1- 1-45
INDEPENDENCE	5- 1-41	1-30-43
PRINCETON	6- 2-41	3- 1-43
BELLEAU WOOD	8-11-41	4- 1-43
COWPENS	11-17-41	5-15-43
MONTEREY	12-29-41	7- 1-43
LANGLEY	4-11-42	7-31-43
CABOT	3-16-42	7-31-43
BATAAN	8-31-42	2-15-44
REPRISAL	11-28-42	4- 1-44
CV31	2- -43	10-15-44
CV32	3- -43	11-15-44
CV33	4- -44	12-15-45
CV34	6- -44	2-15-46
CV35	8- -44	4-15-46
CV36	1-31-43	12-15-44
CV37	8- 1-43	11-15-45
CV38	1-15-43	8- 1-44
CV39	3-15-43	11- 1-44
CV40	8- 1-44	12-31-45
CV41	12-15-43	12- 1-45
CV42	1-15-44	2- 1-46
CV43	2-15-44	4- 1-46
CV44	10- 2-44	8- 1-46

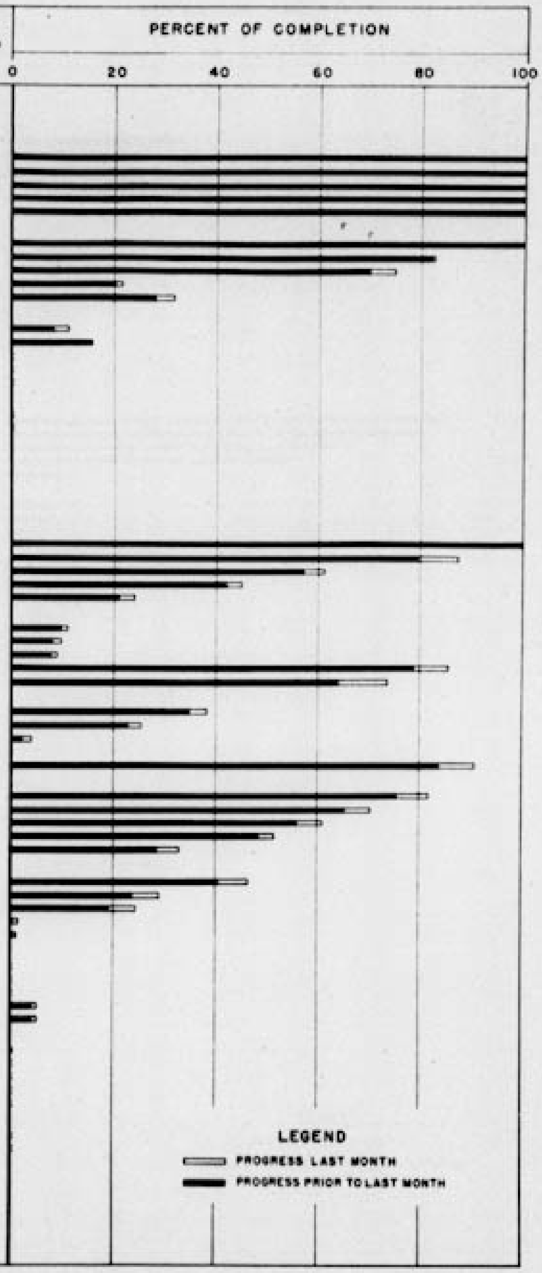


CHART 4

CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

JULY 1, 1940 TO DECEMBER 1, 1942

TYPE AND NAME	Keel Laid	Estimated Completion Date
LARGE CRUISERS		
ALASKA	12-17-41	6-15-44
GUAM	2-2-42	4-15-44
HAWAII	WORK SUSPENDED	
PHILIPPINES	WORK SUSPENDED	
PUERTO RICO	WORK SUSPENDED	
SAMOA	WORK SUSPENDED	
HEAVY CRUISERS		
BALTIMORE	5-26-41	2-15-43
BOSTON	6-30-41	3-15-43
CANBERRA	9-3-41	6-15-43
QUINCY	10-9-41	8-15-43
PITTSBURGH	2-1-43	6-15-44
ST. PAUL	2-1-43	7-15-44
COLUMBUS	4-1-43	10-15-44
DES MOINES	5-1-43	11-15-44
OREGON CITY	12-1-43	3-1-45
ALBANY	12-15-43	4-1-45
ROCHESTER	2-1-44	5-1-45
CA125	3-1-44	6-1-45
CA126	4-1-44	7-1-45
CA127	5-1-44	8-1-45
CA128	6-1-44	9-1-45
CA129	7-1-44	10-1-45
CA130	2-1-43	12-15-44
CA131	4-15-43	1-15-45
CA132	5-15-43	2-15-45
CA133	9-1-43	6-1-45
CA134	11-1-43	8-1-45
CA135	5-1-43	11-15-44
CA136	5-1-43	12-15-44
CA137	3-1-44	9-15-45
CA138	3-1-44	2-15-46
AUXILIARY CRUISERS		

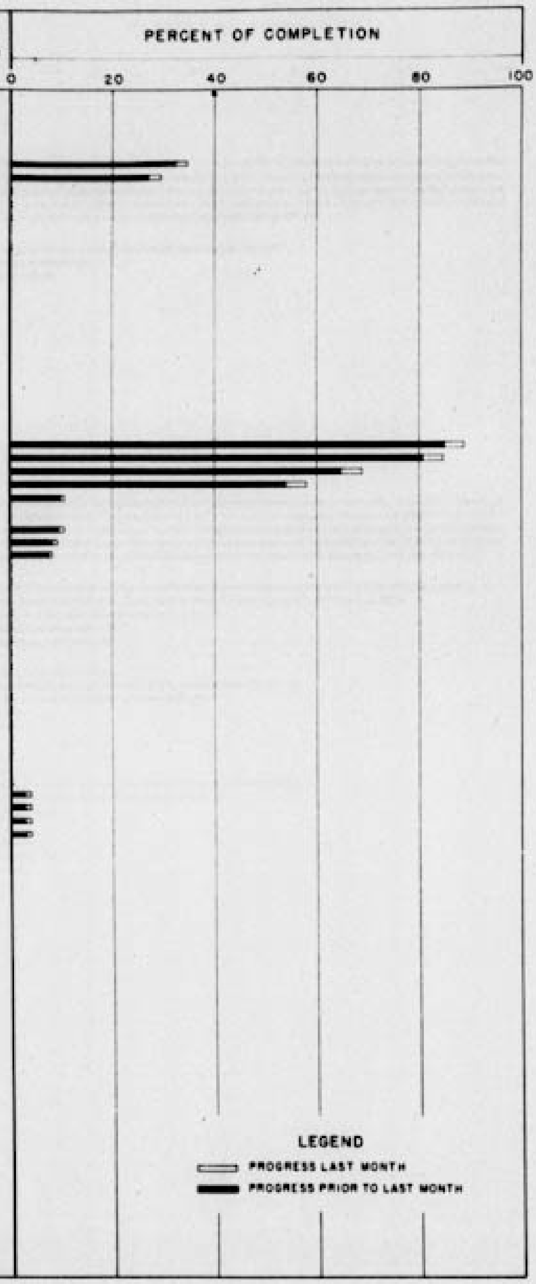


CHART 8

CONSTRUCTION PROGRESS ON LIGHT CRUISERS

JULY 1,1940 TO DECEMBER 1,1942

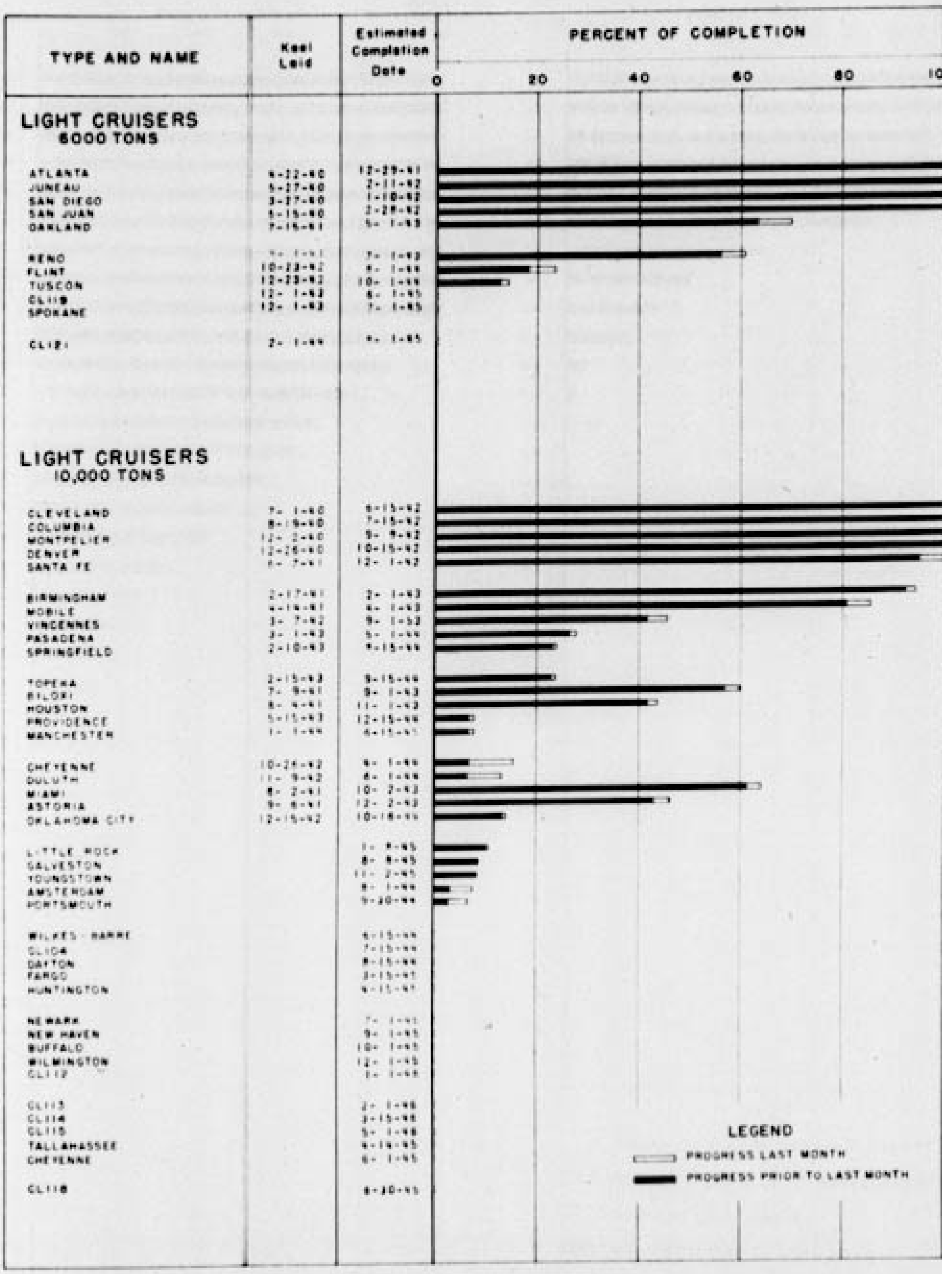


CHART 6

CONSTRUCTION PROGRESS ON DESTROYERS AND SUBMARINES

JULY 1, 1940 TO DECEMBER 1, 1942

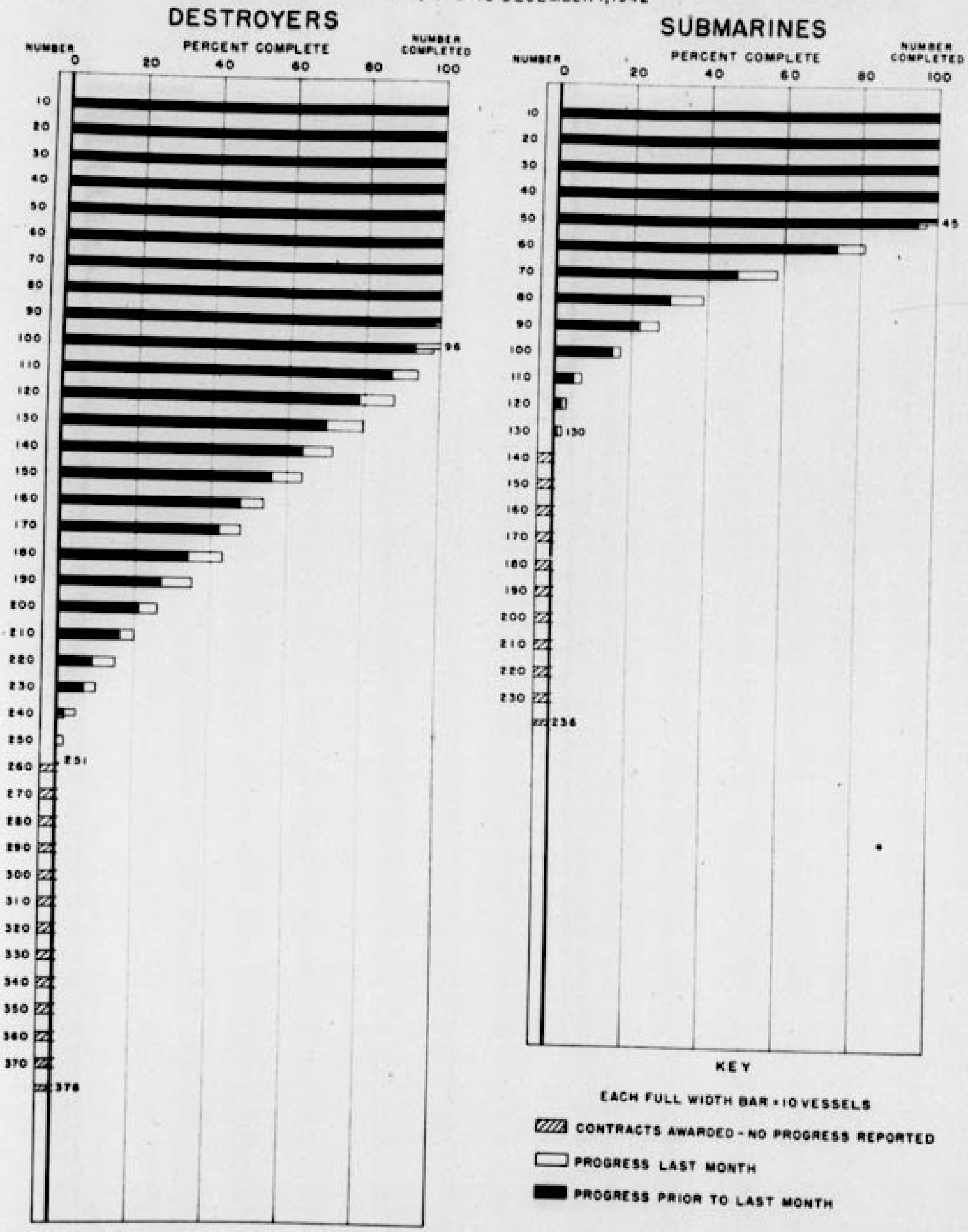


CHART 7

CONSTRUCTION PROGRESS ON ESCORT VESSELS

JULY 1,1940 TO DECEMBER 1,1942

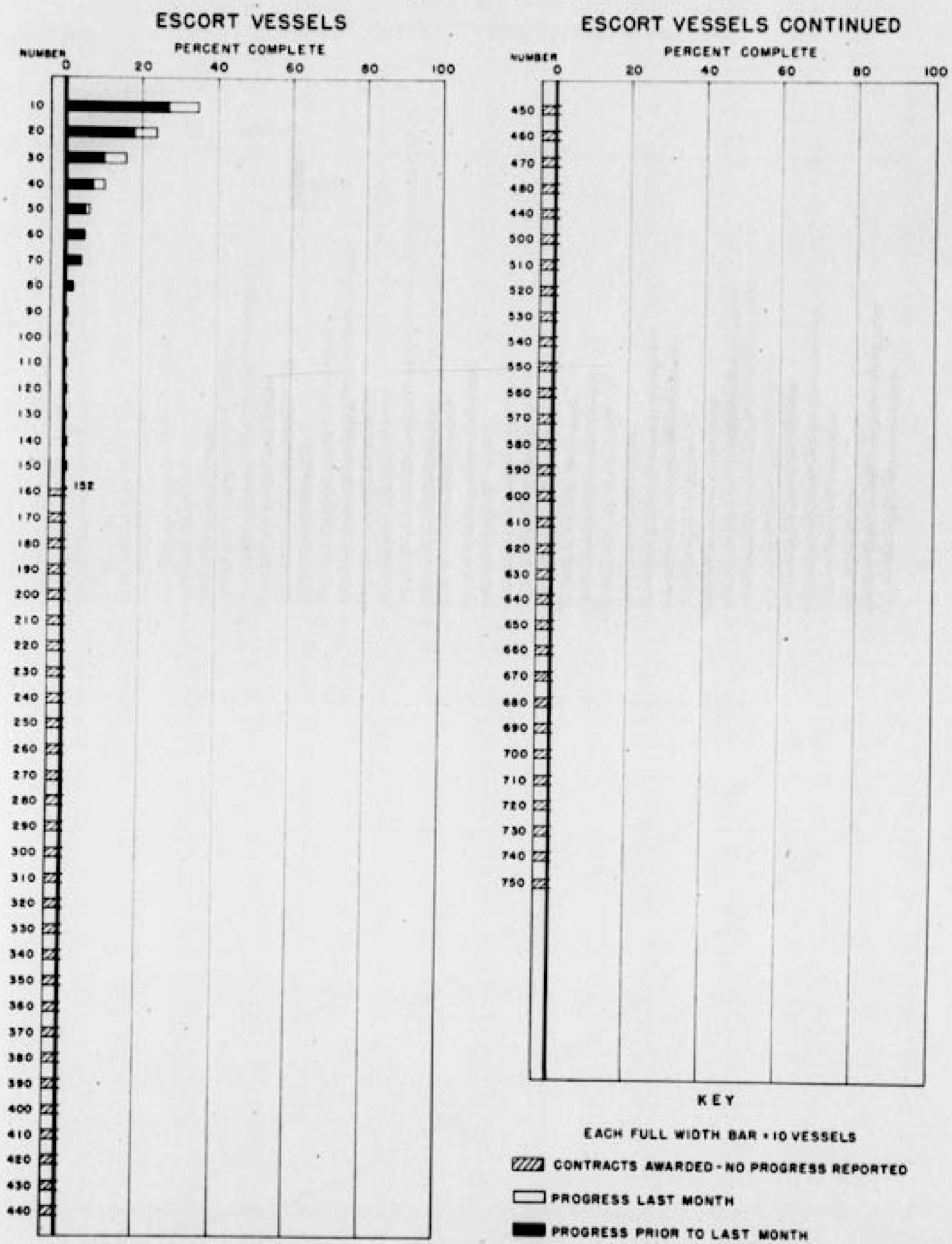
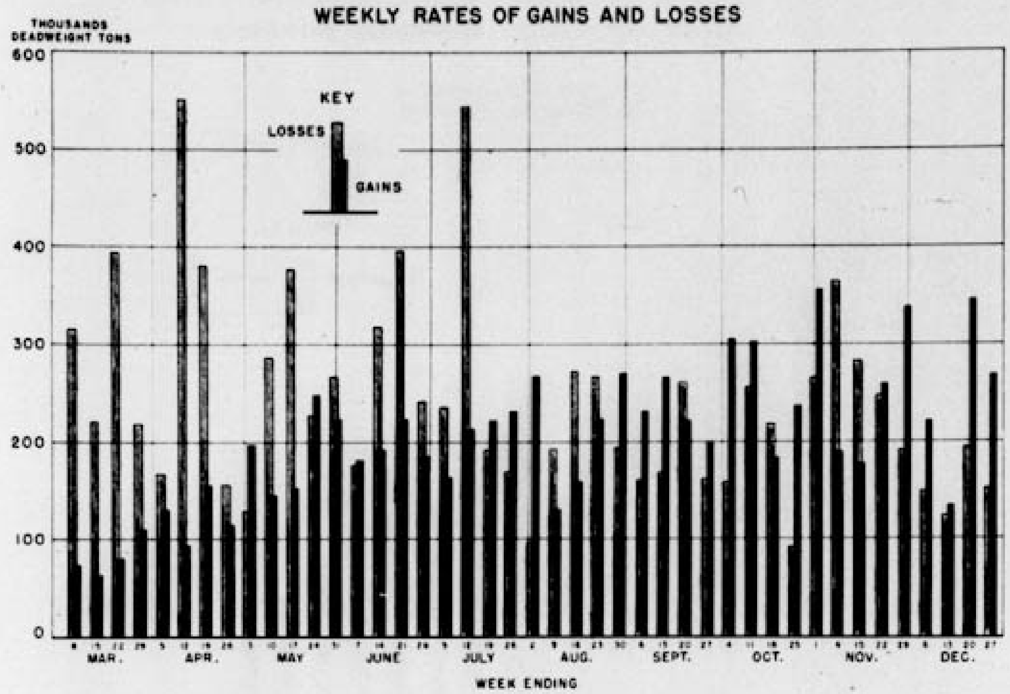


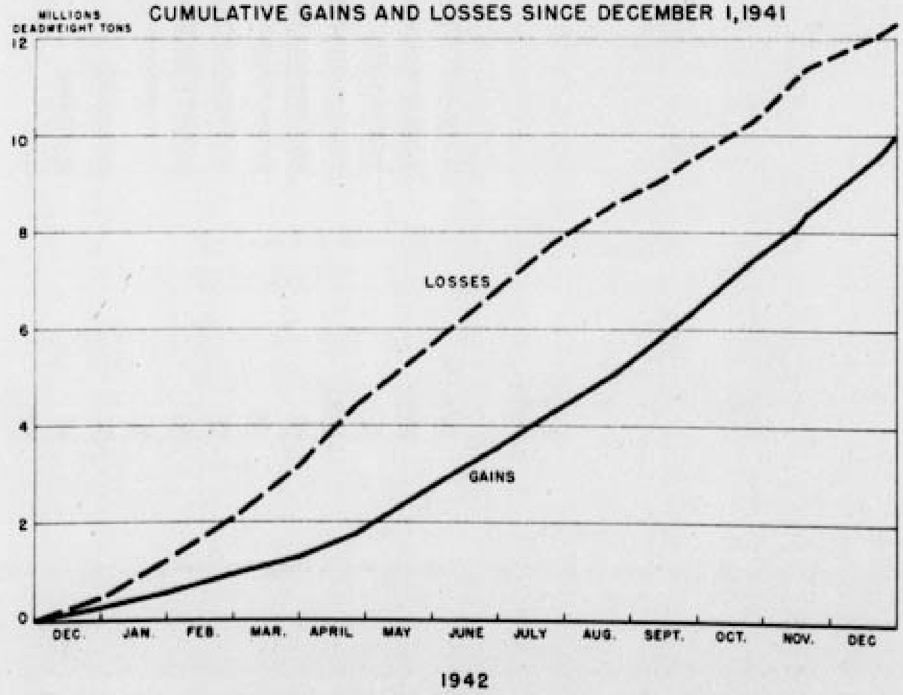
CHART 8

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

WEEKLY RATES OF GAINS AND LOSSES



CUMULATIVE GAINS AND LOSSES SINCE DECEMBER 1, 1941



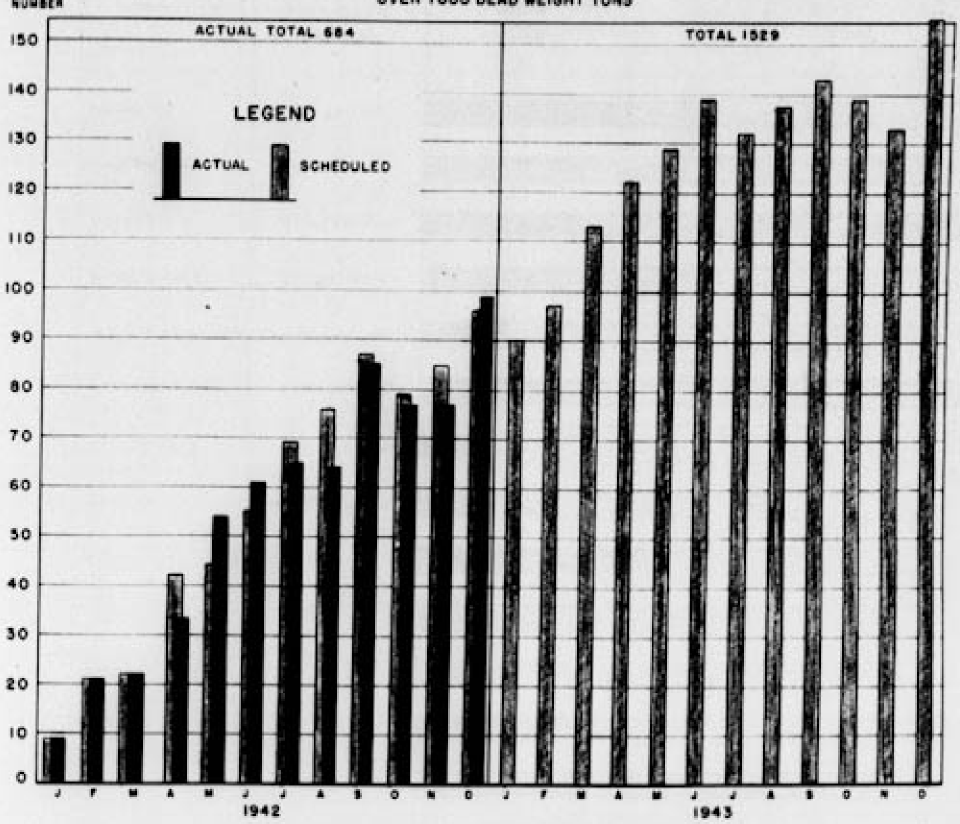
SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

CHART 9

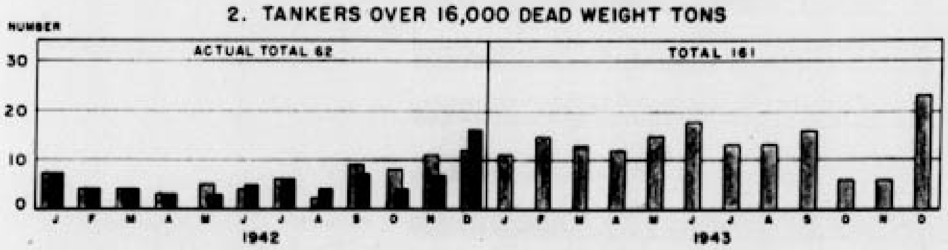
DELIVERIES OF MERCHANT SHIPS BY U.S. SHIPBUILDERS

U.S. MARITIME COMMISSION – PRIVATE AND BRITISH ACCOUNTS

1. DRY CARGO VESSELS
OVER 7000 DEAD WEIGHT TONS



2. TANKERS OVER 16,000 DEAD WEIGHT TONS



SOURCE: MARITIME COMMISSION – 1943 SCHEDULE AS OF 6-23-42

CHART 10

STATUS OF BASIC WAR COMMODITIES PROGRAM
SELECTED CRITICAL AND STRATEGIC MATERIALS

(PERCENTAGES BASED ON QUANTITIES IN RECOMMENDED PURCHASE PROGRAM)

AS OF DEC. 12, 1942

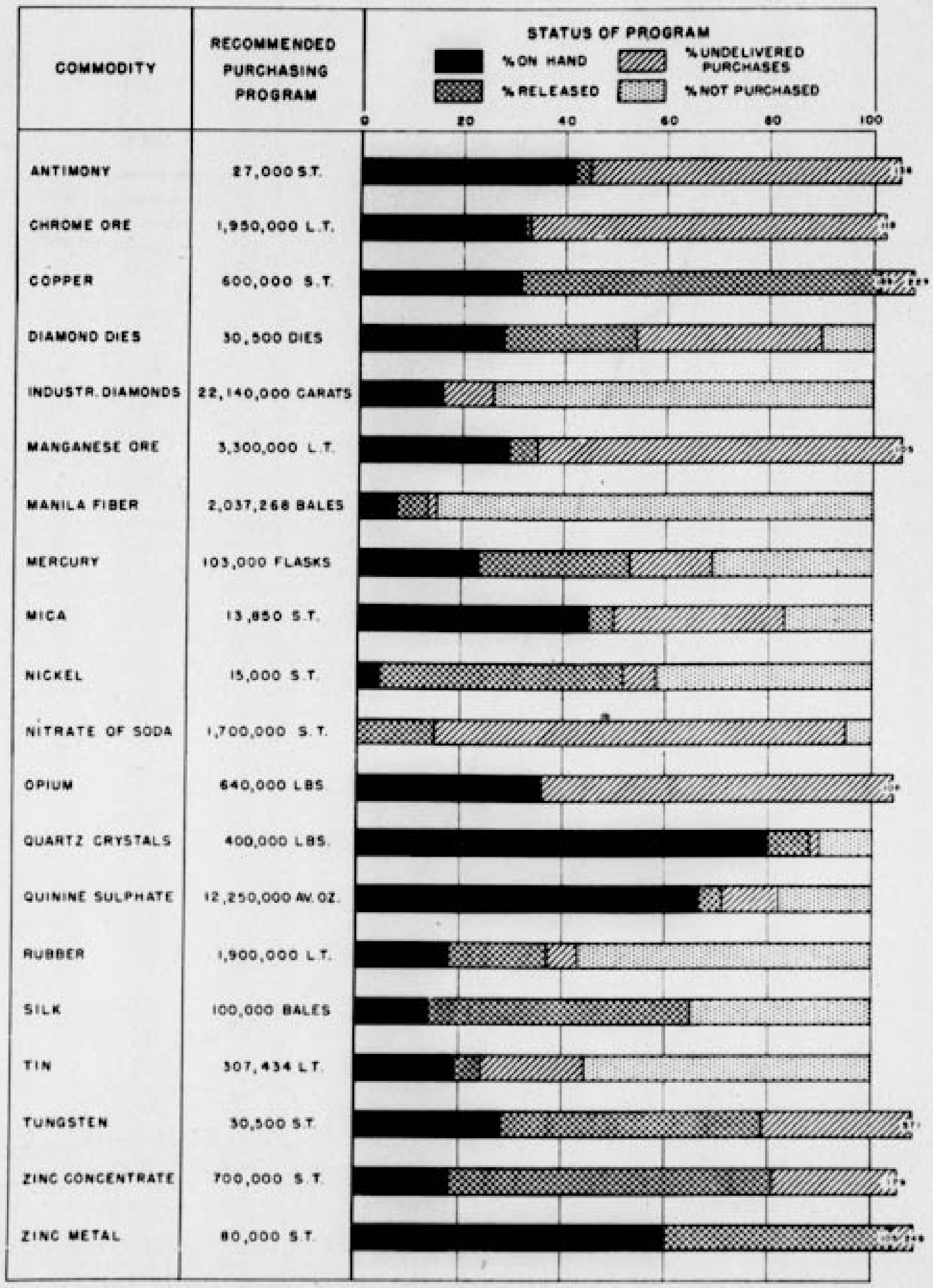
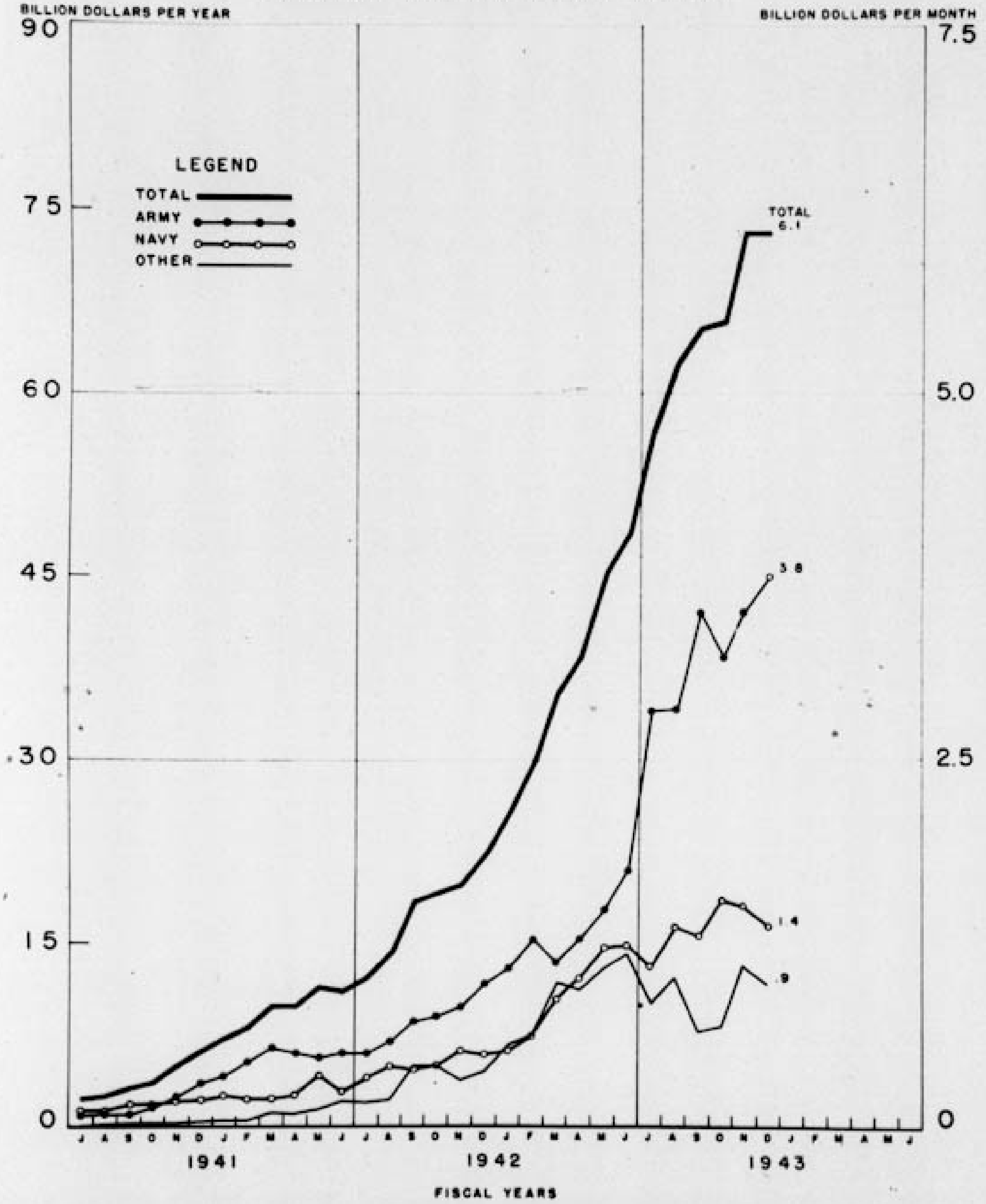


CHART 11

WAR EXPENDITURES

ANNUAL AND MONTHLY RATES



SOURCE: DAILY TREASURY STATEMENT AND R. F. C., ADJUSTED FOR NUMBER OF BANKING DAYS