

NATIONAL WAR PROGRAM
MONTHLY PROGRESS REPORT

January 31, 1945

Prepared by
Bureau of the Budget
Executive Office of the President

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) and (F)

OMB letter 11-27-72

By SLR, NARS Date JAN 22 1973

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

Feb 19 1945

MEMORANDUM -

For the personal attention of
the President.

H. D. S.

Att.

Report 52

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I. SUMMARY

Active Military Strength

	Total All Classes Jan. 1, 1945
Army	8,052,693
Navy, Marine Corps, and Coast Guard	3,870,039
Total active-duty strength	11,922,732
Army overseas strength	4,933,682

(Pages 10-11, 23-24)

Selective Service

Notwithstanding reported overstrengths in both Army and Navy, calls on Selective Service are increasing -- 82,000 for December; 135,000 for March.

(Page 26)

Aeronautical Program

January airframe acceptances were 72.3 million pounds -- up 1% from December.

(Pages 2-3)

Combat planes on hand:

Army -- 33,345 on January 31
Navy -- 25,537 on December 31

(Pages 4, 6)

Strength, January 1:	Total	Pilots
Army Air Forces	2,359,456	148,001
Navy and Marine Corps aeronautical ..	400,147	56,038
Total aeronautical strength	2,759,603	204,039

(Pages 5, 7)

Navy Combatant Ship Construction--July 1, 1940-Dec. 31, 1944

1,168 combatant vessels at 3.5 million tons completed in 4½ years.

(Pages 13-19)

U.S. Merchant Ship Construction

January deliveries -- 121 vessels at 1,229,296 DWT
December deliveries -- 156 vessels at 1,371,203 DWT

(Pages 31-33)

Surplus Property

On January 1, 1945, surplus property costing over \$2 billion awaited disposal.

(Pages 35-36)

II. AERONAUTICAL PROGRAM

Aircraft Production

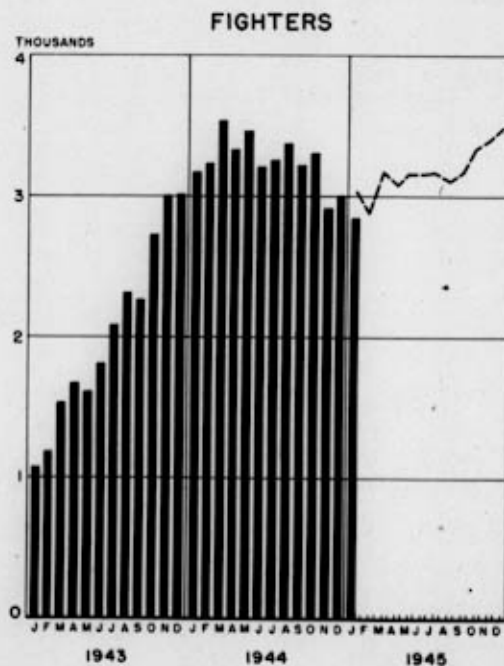
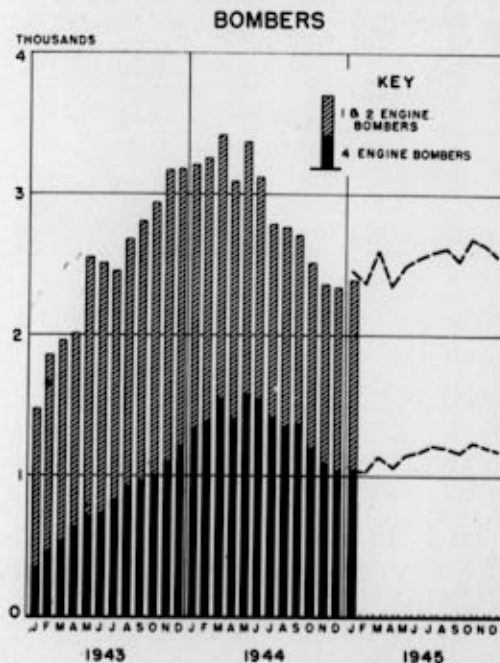
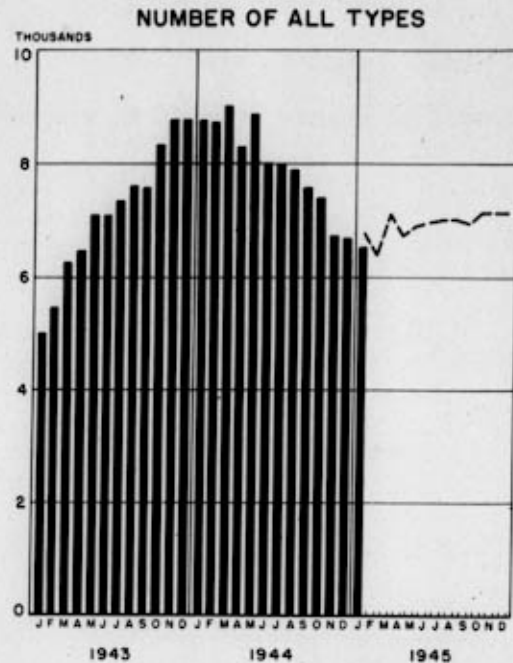
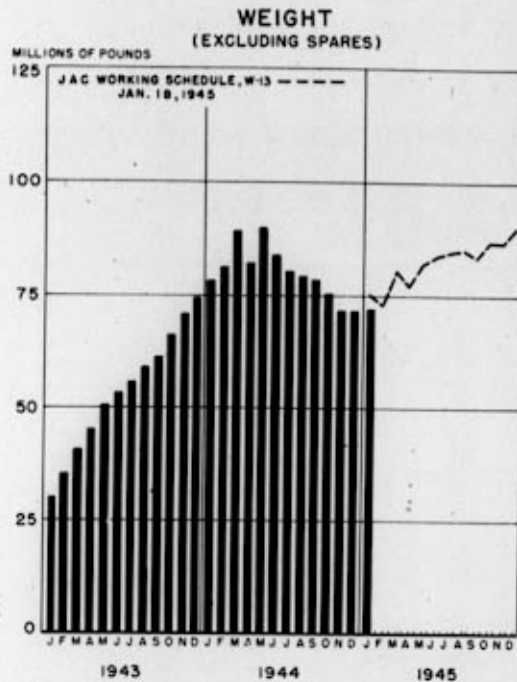
January airplane acceptances totaled 6,535, or 72.3 million pounds of airframe weight, excluding spares. The weight increased 1 percent from December, but the number of planes decreased by 162. There were 1,039 heavy bombers accepted, including 221 B-29's and 7 B-32's.

The Joint Aircraft Committee working schedule W-13 of January 18, 1945, programs 84,739 airplanes for 1945--nearly 13,000 planes or 13 percent below 1944 acceptances. In terms of weight, however, the 1945 schedule increases $2\frac{1}{2}$ percent over 1944 to 987.3 million pounds. All types of planes decrease in numbers scheduled for 1945 except long-range heavy bombers, heavy transports, reconnaissance, and rotary wing planes, all of which increase substantially.

Aircraft Acceptances and 1945 Schedule

Type	Jan. Accept- ances	1944 Accept- ances	W-13 Schedule	
			Number 1945	Change from 1944
Bomber, 4-eng., long-range	228	1,177	5,176	3,999
Bomber, 4-eng., other	811	15,157	8,690	-6,467
Bomber, 2-eng.	695	10,060	8,779	-1,281
Bomber, 1-eng.	663	8,616	7,830	- 786
Fighter	2,849	38,975	38,166	- 809
Reconnaissance	58	167	630	463
Total combat	5,304	74,152	69,271	-4,881
Transport, 4-eng.	63	544	1,490	946
Transport, 2- and 1-eng.	590	9,250	5,823	-3,427
Total tactical	5,957	83,946	76,584	-7,362
Trainer	252	7,641	2,412	-5,229
Liaison	203	3,571	3,074	- 497
Rotary wing	11	125	679	554
Target and drone	112	1,087	990	- 97
Grand total	6,535	96,370	83,739	-12,631

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Army Air Forces

A. Airplanes. On January 31 the Army Air Forces had on hand 33,345 first-line combat airplanes, of which 20,084 (60%) were overseas. Four-engined bombers totaled 10,965 — a decrease of 80 heavy bombers in January.

Airplanes of the Army Air Forces on Hand, Jan. 31 and Gains and Losses in January

	On Hand Jan. 31 1945	Gains and Losses in January				Net Change
		Gains		Losses		
		Produc- tion	Other*	Opera- tional etc.	Other*	
<u>Combat</u>						
Bomber, very heavy	1,103	223	0	44	24	155
Bomber, heavy	9,862	665	110	479	531	-235
Bomber, medium	3,250	343	76	218	132	69
Bomber, light	2,129	168	10	119	37	22
Fighter	15,190	1,522	105	1,070	467	90
Reconnaissance	1,811	73	98	74	32	65
Total combat	33,345	2,994	399	2,004	1,223	166
<u>Transport</u>						
Heavy	2,206	267	35	49	9	244
Medium	5,104	122	14	115	105	-84
Light	898	82	31	22	13	78
Amphibian	21	0	0	0	0	0
Utility	2,008	0	29	39	447	-457
Total transport	10,237	471	109	225	574	-219
Total tactical	43,582	3,465	508	2,229	1,797	-53
<u>Trainers</u>	15,840	242	321	102	1,681	-1,220
<u>Communications</u>	3,139	120	307	96	441	-110
Grand total	62,561	3,827	1,136	2,427	3,919	-1,383

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

A.A.F. Airplanes in Continental U.S. and Overseas — Jan. 31, 1945

Location	Bomber			Fighter	Trans- port	Other	Total
	Heavy	Medium	Light				
Continental U.S.:							
Not excess	4,395	919	936	5,710	3,274	13,884	29,118
Declared excess	58	74	100	532	947	3,375	5,086
Overseas	6,512	2,257	1,093	8,948	6,016	3,531	28,357
Total	10,965	3,250	2,129	15,190	10,237	20,790	62,561

B. Army Air Force Type Personnel. The estimated active-duty strength of the Army Air Forces totaled 2,359,456 on January 1 -- a decrease of 23,997 during December. Pilots totaled 148,001 on December 1.

AAF personnel overseas increased 12,661 during the month to an estimated total of 1,164,136 on January 1.

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

	Dec. 1	Jan. 1*	Dec. Change
Continental United States	1,231,978	1,195,320	-36,658
Overseas	1,151,475	1,164,136	12,661
Total	2,383,453**	2,359,456	-23,997

*Preliminary figures; total may vary from actual about 1%.

**Includes: 143,434 pilots
4,567 glider pilots
26,170 bombardiers
26,541 navigators
5,762 bombardier navigators

Bureau of Aeronautics

A. Aircraft. On January 1, the estimated total of useful airplanes on hand in the Navy, Marine Corps, and Coast Guard was 36,445. Of these, 25,537 were tactical combat types--an increase of 542 tactical combat planes during December and 24,343 in the $4\frac{1}{2}$ years since July 1, 1940.

On December 31, 1944 the Navy had on hand 143 airships (lighter-than-air).

Navy Airplanes on Hand, Additions, and Losses
July 1, 1940 - Dec. 31, 1944

Type	On Hand July 1 1940	July 1, 1940 to Dec. 31, 1944 ^{1/}		Est. on Hand Dec. 31 1944
		Additions	Losses	
<u>Tactical Combat</u>				
Fighter	189	19,180	7,867	11,502
Scout bomber (dive)	397	9,958	4,816	5,539
Torpedo bomber	114	5,992	2,289	3,817
Patrol bomber--sea	217	2,358	924	1,651
Bomber--land:				
4-engine	0	913	144	769
2-engine	0	1,545	410	1,135
Observation scout	277	2,149	1,302	1,124
Subtotal	1,194	42,095	17,752	25,537
<u>Tactical Non-Combat</u>				
Utility	147	1,630	283	1,494
Transport	5	900	448	953
Subtotal	152	2,530	235	2,447
<u>Training</u>	363	13,210	5,712	7,861
<u>Miscellaneous</u>	32	2/ 857	289	2/ 600
Grand total	1,741	58,692	23,988	36,445

^{1/} Includes diversions, reinstatements, transfers, reclassifications, obsolete and excess declarations, civilian acquisitions, and miscellaneous increases and decreases.

^{2/} Actual, as of Nov. 30, 1944.

B. Personnel. The active-duty strength of the Navy, Marine Corps, and Coast Guard military aviation personnel increased from 10,914 on July 1, 1940 to 400,147 on December 31, 1944. This total comprised 288,392 Navy personnel, 110,245 Marine Corps, and 1,510 Coast Guard, and included 56,038 pilots.

Active-Duty Military Aviation Personnel
Navy, Marine Corps, and Coast Guard
July 1, 1940 and Dec. 31, 1944

	Navy	Marine Corps	Coast Guard	Total
Pilots	45,126	10,441	471	56,038
Other:				
Officers	27,527	5,114	66	32,707
Enlisted	215,739	94,690	973	311,402
Total, 12-31-44	288,392	110,245	1,510	400,147
Total, July 1, 1940	8,621	2,043	250	10,914
Increase, 4½ years	279,771	108,202	1,260	389,233

Note: Above data include missing and prisoners of war.

III. ARMY

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

Item	Dec. Deliv- eries	1944 Army Supply Program ¹ (Revised)	1944 Deliveries January 1 to December 31					
			Cumula- tive	Percent of 1944 A.S.P.				
				0	25	50	75	100
<u>Combat Vehicles</u>								
Light armored car	215	3,719	3,383					
Light tank, M24	549	1,881	1,930					
Medium tank with 75mm and 76mm guns and 105mm Howitzer	1,488	11,951	11,841					
Heavy tank, M26, with 90mm gun	30	50	50					
<u>Motor Vehicles</u>								
½ ton, 4 x 4 command	15,516	180,833	182,068					
¾ ton, 4 x 4 weapons carrier	4,917	57,726	56,867					
2½ ton, 6 x 6 cargo	14,326	135,613	127,608					
2½ ton, 6 x 6 dump	3,570	25,560	23,639					
2½ ton, 6 x 4 cargo	2,080	30,986	30,986					
10 ton, 6 x 4 GSIC	800	7,816	7,134					
13 ton tractor, H.S.	200	3,633	3,503					
18 ton tractor, H.S.	310	2,927	2,911					
<u>Artillery</u>								
155mm gun 2/	71	568	526					
155mm gun 3/	154	1,199	1,277					
155mm Howitzer 2/	146	1,962	1,949					
155mm Howitzer 3/	139	1,225	1,418					
8 inch gun 2/	8	66	57	116%				
8 inch Howitzer 2/	61	520	554					
240mm Howitzer 2/	24	151	158					
240mm Howitzer 3/	6	92	111	121%				
<u>Small Arms</u>								
.30 cal. U.S. rifle, M1	65,598	1,106,752	1,098,818					
.30 cal. carbine M1	106,696	2,021,109	2,018,697					
.30 cal. machine gun	10,111	121,769	121,769					
.50 cal. machine gun	54,214	673,561	673,561					

¹/ Approved procurement for the calendar year 1944

²/ On carriage

³/ Spare cannon only

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

Item	Dec. Deliv- eries	1944 Army Supply Program (Revised)	1944 Deliveries January 1 to December 31					
			Cumu- lative	Percent of 1944 A.S.P.				
				0	25	50	75	100
<u>Small Arms Ammunition</u>								
(Million rounds)								
All .30 cal.	183	3,576	3,605					
All .50 cal.	201	2,065	2,088					
<u>Antiaircraft Ammunition</u>								
(Thousand rounds)								
For 40mm gun	2,042	25,465	25,005					
<u>Artillery Ammunition</u>								
(Thousand rounds)								
For 60mm and 81mm mortar	3,292	28,071	27,661					
For 57mm gun	332	6,002	6,177					
For 75mm gun	733	10,010	10,380					
For 76mm gun	545	8,330	8,374					
For 90mm gun	383	2,635	2,681					
For 105mm Howitzer	4,104	37,962	37,082					
For 155mm gun	243	2,392	2,075					
For 155mm Howitzer	951	5,825	5,975					
<u>Bombs (thousands)</u>								
100 lb. gen'l purpose	85	309	296					
500 lb. gen'l purpose	307	2,597	2,539					
260 lb. fragmentation	107	950	968					
100 lb. cluster-fragmentation	384	2,095	2,351					
<u>Mines (thousands)</u>								
Antitank	1,318	3,600	4,117					

Note: The above data include all revisions to date.

Military Personnel

A. Strength. During December the active-duty strength of the Army decreased 49,368 to a total of 8,052,693 on December 31. There was an increase of 570,259 in the active-duty strength during 1944.

Distribution of Army Active-Duty Strength, by Class

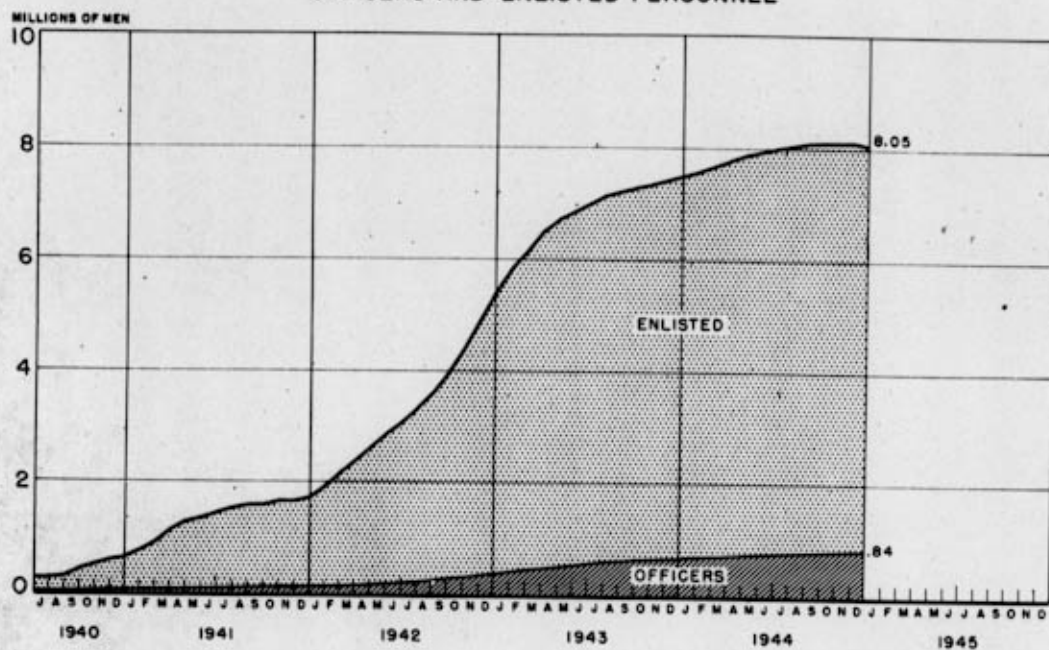
	Dec. 1	Jan. 1	Dec. Change
Male Officers:			
Commissioned	727,024	737,117	10,093
Warrant and flight	49,915	52,714	2,799
Enlisted men and selectees	7,190,512	7,127,897	-62,615
WAC	90,519	90,191	-328
Other*	2,487	2,526	39
Subtotal	8,060,457	8,010,445	-50,012
Army Nurse Corps	41,604	42,248	644
Grand total	8,102,061	8,052,693	-49,368

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

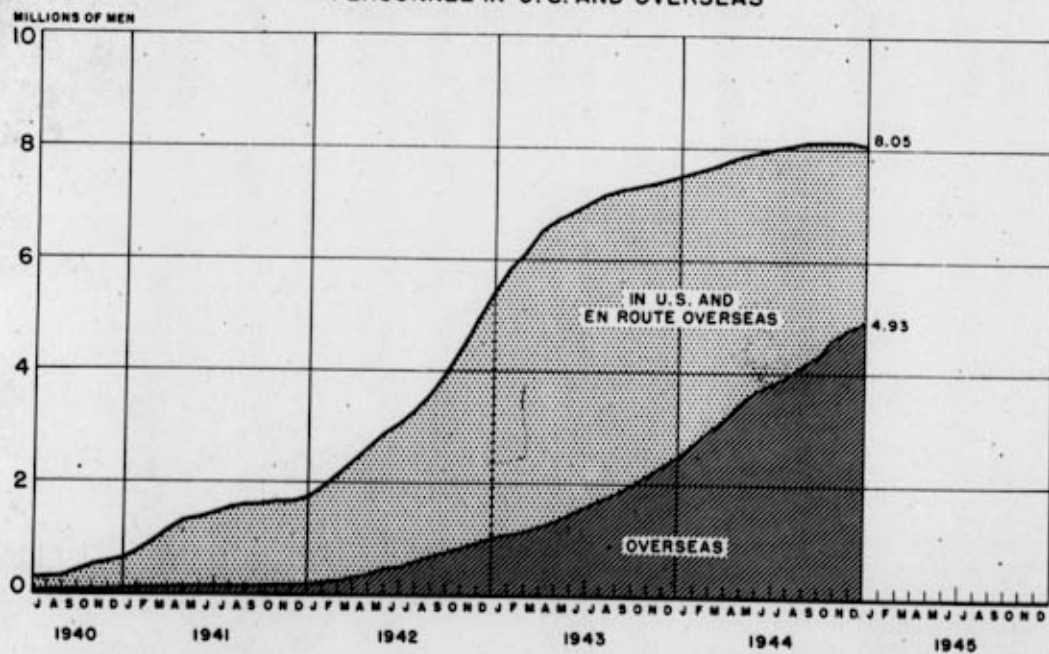
The Army active-duty strength overseas increased 130,230 in December to a total of 4,933,682 or 61 percent of the total Army strength on January 1. During 1944 the Army overseas increased by 2,448,245.

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL

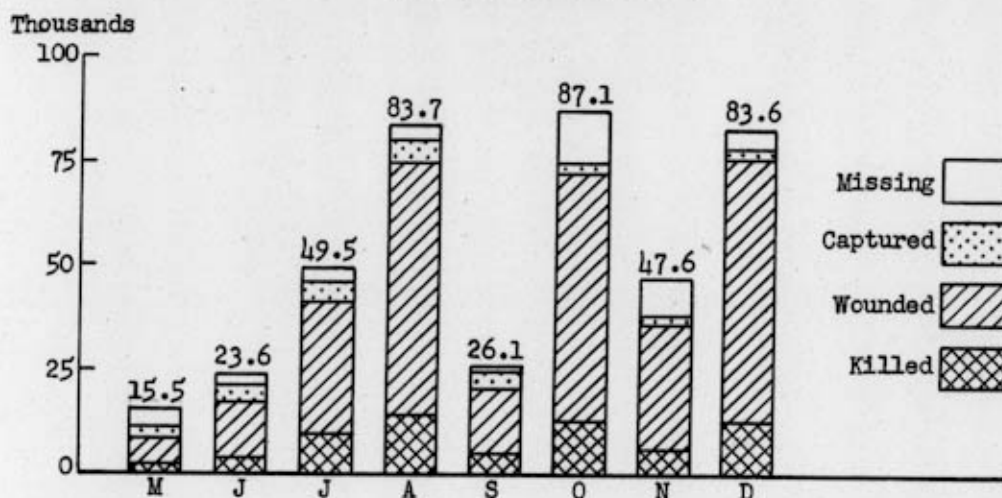


PERSONNEL IN U.S. AND OVERSEAS



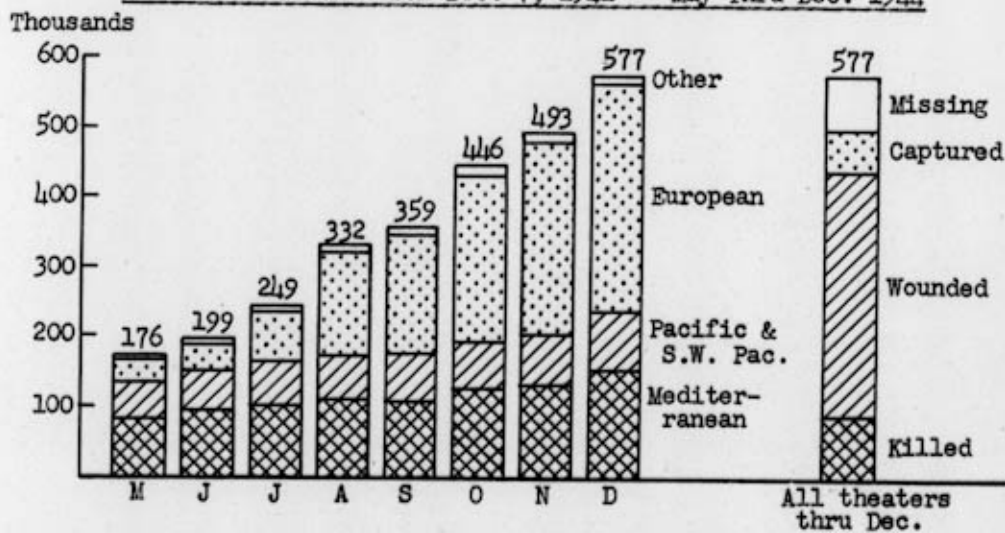
B. Army Casualties. During December, 83,611 battle casualties were reported, making a total of 576,859 between December 7, 1941 and December 31, 1944, of which 11 percent were officers. Forty-seven percent of the wounded have returned to duty.

Monthly Army Battle Casualties Reported
May Thru December 1944



The European Theater reported the largest number of casualties of any theater, with 327,872 or 57 percent of the total thru Dec. 31, 1944.

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



IV. NAVY

Summary, July 1, 1940 Thru Dec. 1944

During the four and one-half years ending December 31, 1944, the Navy built or acquired 77,277 vessels with displacement of 11.6 million tons, of which 1,168 vessels (3.5 million tons) were combatant ships.

The number of combatant vessels on hand on July 1, 1940 was 383, and by December 31, 1944 the number had increased to 1,159. There were substantial net gains in all classes except heavy cruisers, with one less of these on hand on the later date. Reductions in combatant vessel strength during the period totaled 392, as follows: 2 battleships, 5 aircraft carriers, 38 aircraft carrier escorts, 6 heavy cruisers, 3 light cruisers, 168 destroyers, 123 destroyer escorts, and 47 submarines.

Deliveries of airplanes for Navy use increased from 511 in the second half of 1940 to 12,578 in the second half of 1944. Airframe weight of delivered planes (excluding spares) was 1,403,000 pounds in the former period, compared with 88,091,000 pounds in the latter. Total deliveries in the 4½ years amounted to 58,760 planes of 335,363,000 pounds airframe weight.

Personnel strength of the Navy, Marine Corps, and Coast Guard increased from 203,126 to 3,870,039 during the total period. Navy personnel multiplied 20 times, the Marine Corps 17 times, and the Coast Guard 12 times. Aviation personnel in the three Navy services expanded from 10,914 to 400,147—nearly 37 times the former strength.

Completions and Acquisitions of Naval Vessels

In the four and one-half years from July 1, 1940 through December 31, 1944, Navy ships displacing 11.6 million tons were completed or acquired, including 3.5 million tons of combatant vessels, 2.5 million tons of landing craft, 4.3 million tons of auxiliaries, and 1.3 million tons of mine craft, patrol craft, and district craft.

New Construction and Acquisitions of Naval Vessels July 1, 1940 Thru Dec. 31, 1944 (Includes Lend-Lease Vessels and Conversions)

Type	New Construction		Acquisitions		Total	
	Number	Tonnage	Number	Tonnage	Number	Tonnage
Combatant Vessels:						
Battleship	10	390,000	0	0	10	390,000
Aircraft carrier	14	372,100	0	0	14	372,100
Aircraft carrier, small	9	99,000	0	0	9	99,000
Aircraft carrier, escort	26	223,992	77	538,173	103	762,165
Large cruiser	2	55,000	0	0	2	55,000
Heavy cruiser	5	68,000	0	0	5	68,000
Light cruiser	27	242,000	0	0	27	242,000
Destroyer	314	610,390	0	0	314	610,390
Destroyer escort	499	645,350	0	0	499	645,350
Submarine	185	280,575	0	0	185	280,575
Subtotal	1,091	2,986,407	77	538,173	1,168	3,524,580
Patrol craft	1,546	211,944	190	160,741	1,736	372,685
Mine vessels	836	294,628	99	33,744	935	327,372
Auxiliaries	464	569,663	772	3,690,466	1,236	4,260,129
Landing craft*	69,459	2,545,013	232	46	69,691	2,545,059
District craft	1,476	303,077	1,035	294,291	2,511	597,368
Grand total	74,872	6,910,732	2,405	4,716,461	77,277	11,627,193

*Includes 18,078 rubber boats and 12 plastic surf boats, displacing 1,414 tons.

Status of Construction of Selected Naval Vessels

Of 300 combatant vessels on order on December 31, 29 percent had been launched, 37 percent were on the ways, and 34 percent had not been placed on the ways.

Status of Construction of Selected Naval Vessels, Dec. 31, 1944 (Includes Lend-Lease Vessels)

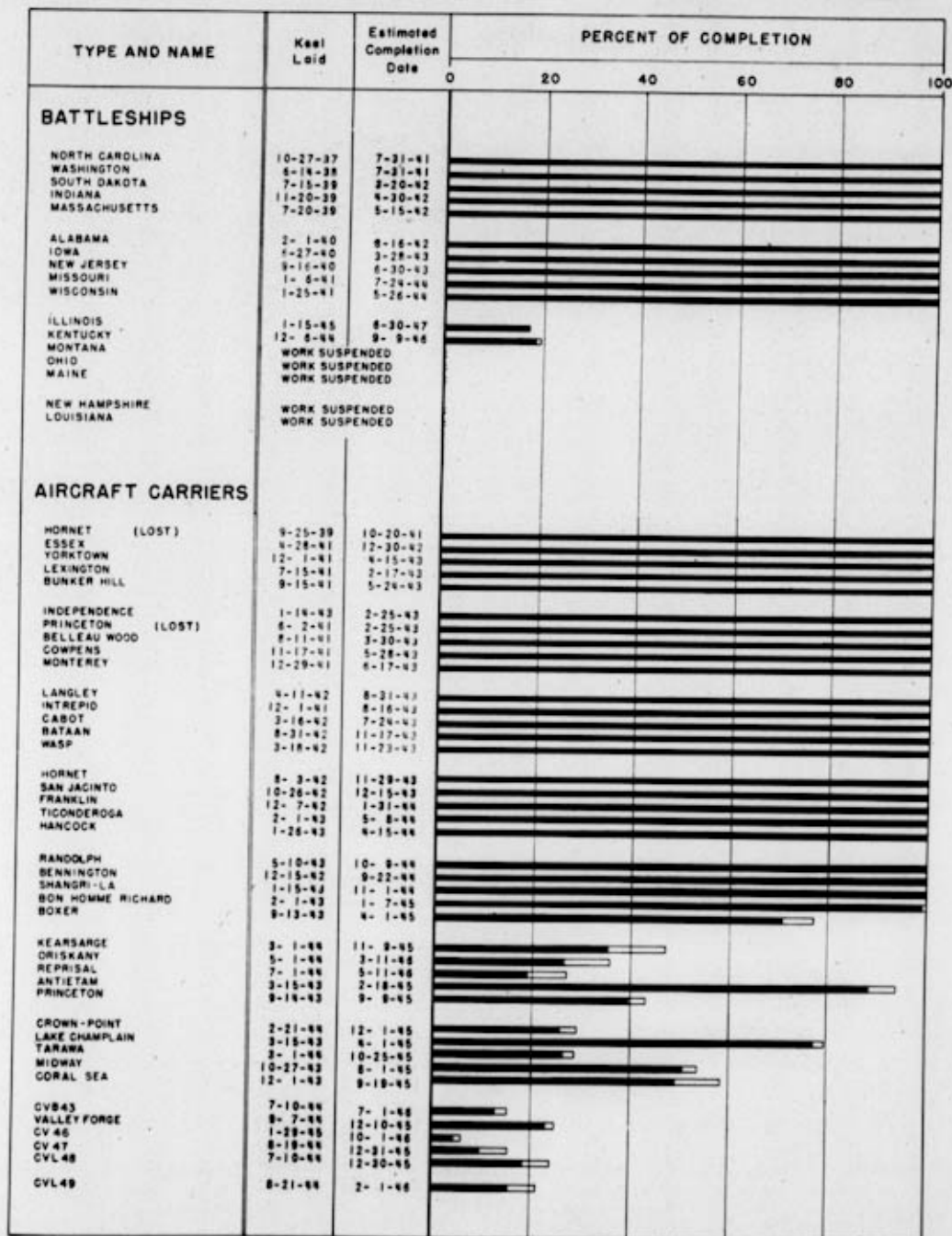
Type	New Construction on Order				Estimated to Complete	
	Not Yet on Ways	On Ways	Launched	Total	1945	1946 and 1947
Combatant Vessels:						
Battleship	1	1	0	2	0	2
Aircraft carrier	1	8	4	13	10	3
Aircraft carrier, large	0	3	0	3	2	1
Aircraft carrier, small	0	2	0	2	1	1
Aircraft carrier, escort	8	5	8	21	17	4
Large cruiser	0	1	0	1	1	0
Heavy cruiser	11	9	7	27	10	17
Light cruiser	6	13	6	25	11	14
Destroyer	61	46	25	132	100	32
Destroyer escort	0	0	10	10	10	0
Submarine	13	24	27	64	46	18
Total combatant	101	112	87	300	208	92
Patrol craft	75	39	74	188	188	0
Mine craft	0	7	48	55	60	0
Auxiliaries	80	57	103	240	225	15
Landing craft, large	190	120	86	396	396	0
District craft	229	93	78	400	400	0
Subtotal	574	316	389	1,279	1,269	15
Grand total	675	428	476	1,579	1,477	107

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 DECEMBER 1, 1944

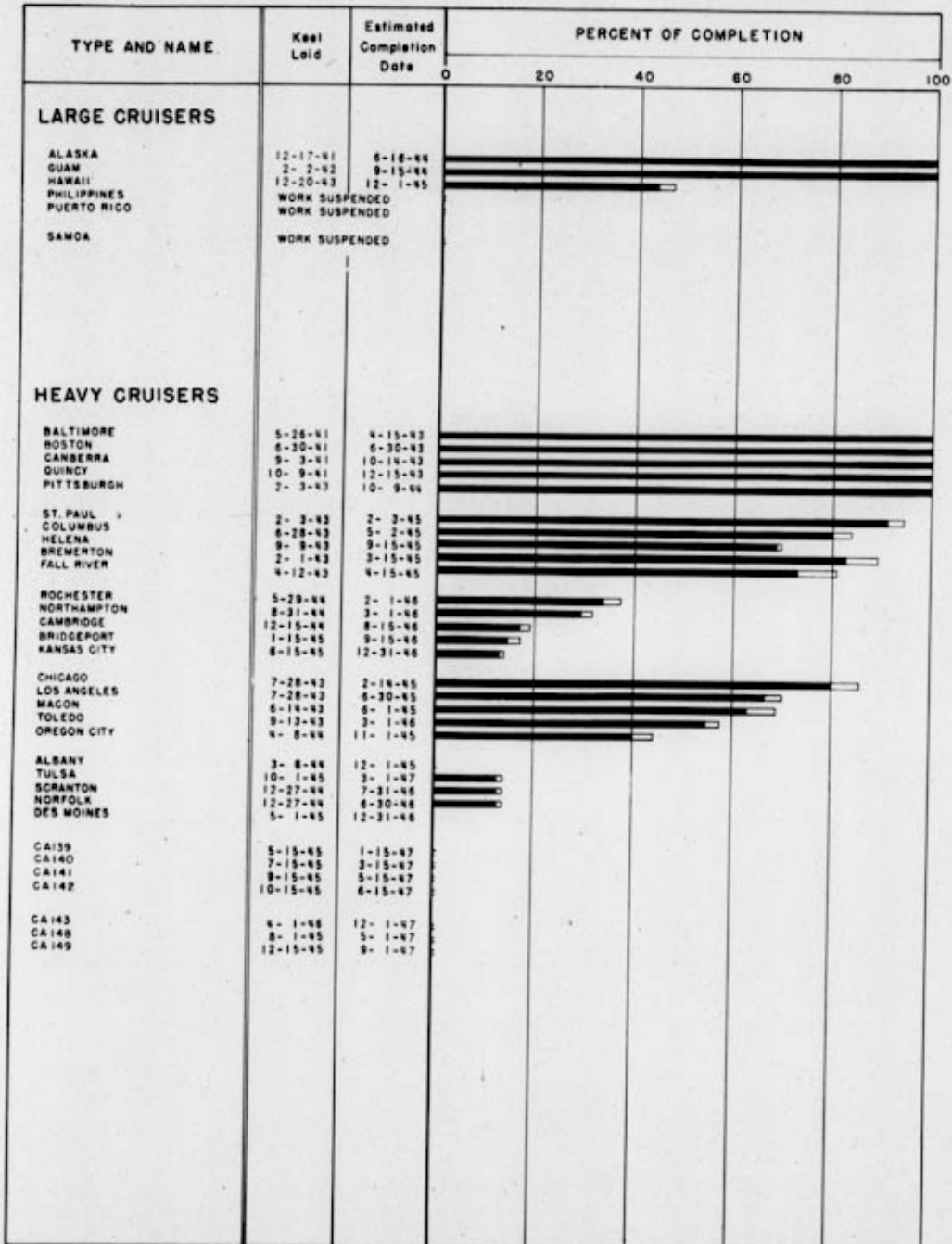
□ PROGRESS FOR DECEMBER 1944



CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

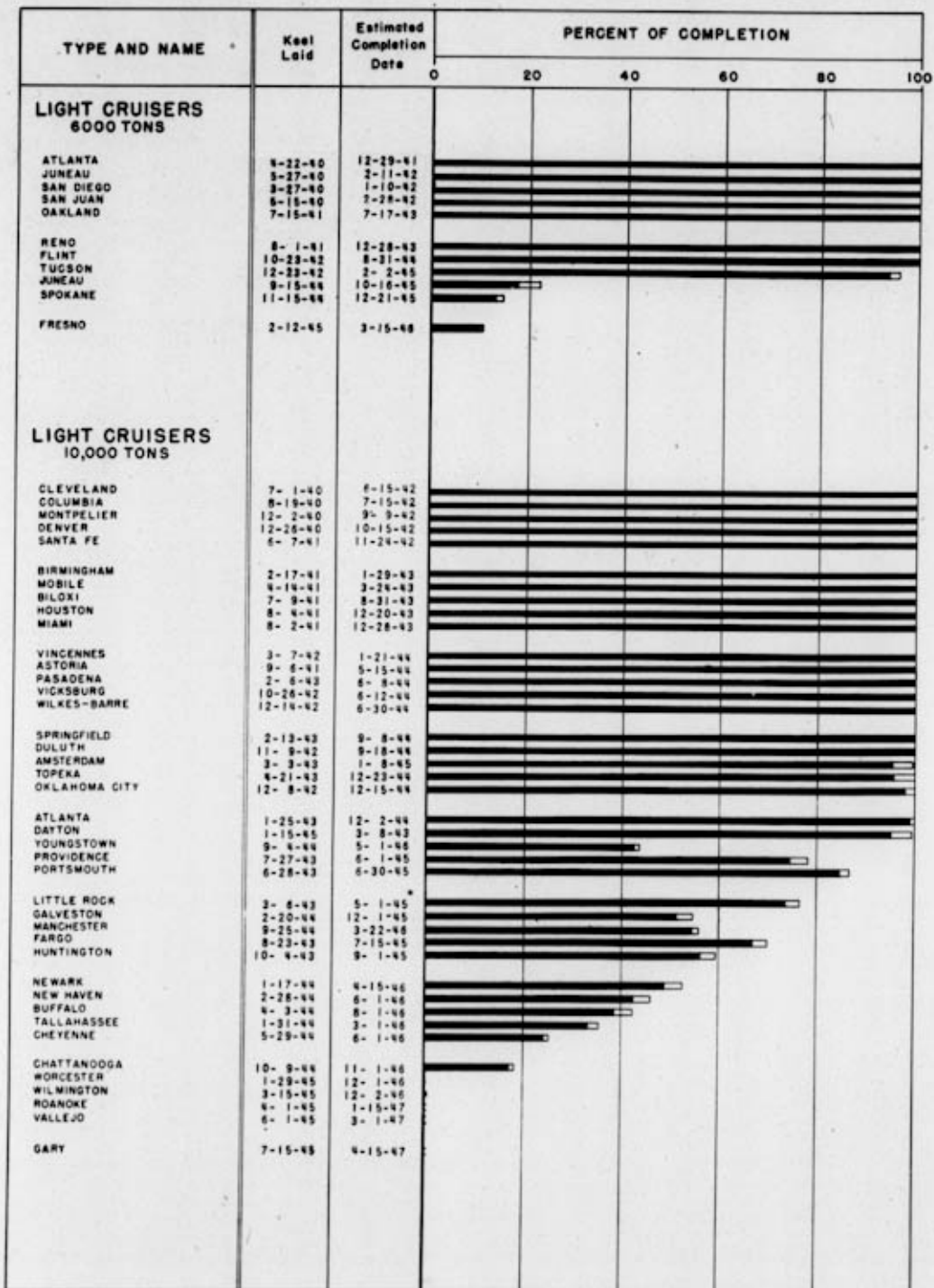
■ PROGRESS JULY 1, 1940 TO DECEMBER 1, 1944

□ PROGRESS FOR DECEMBER 1944



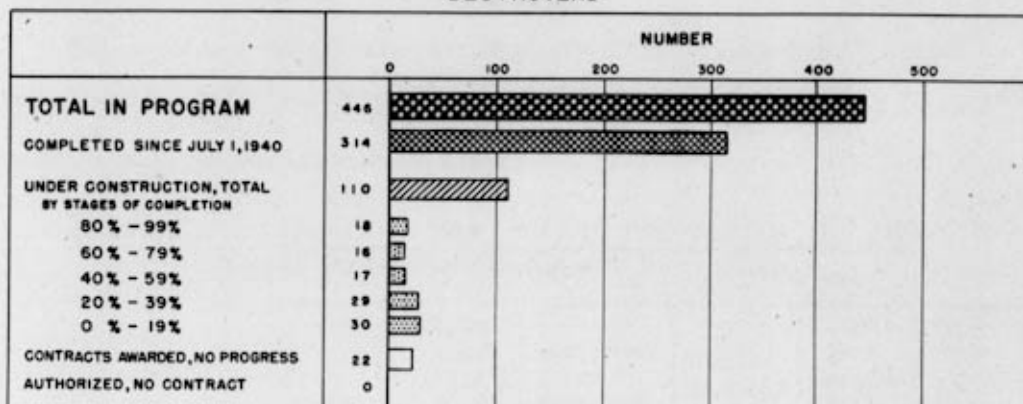
CONSTRUCTION PROGRESS ON LIGHT CRUISERS

 PROGRESS JULY 1, 1940 TO DECEMBER 1, 1944

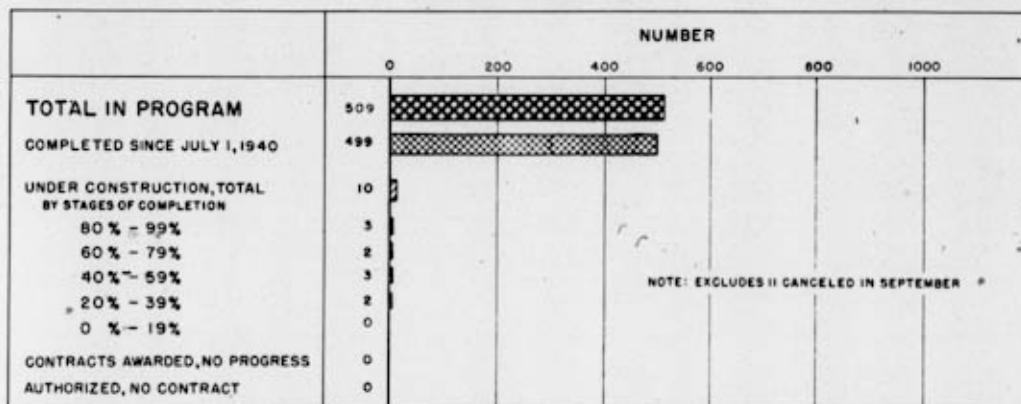
 PROGRESS FOR DECEMBER 1944


CONSTRUCTION PROGRESS DESTROYERS, ESCORT VESSELS AND SUBMARINES

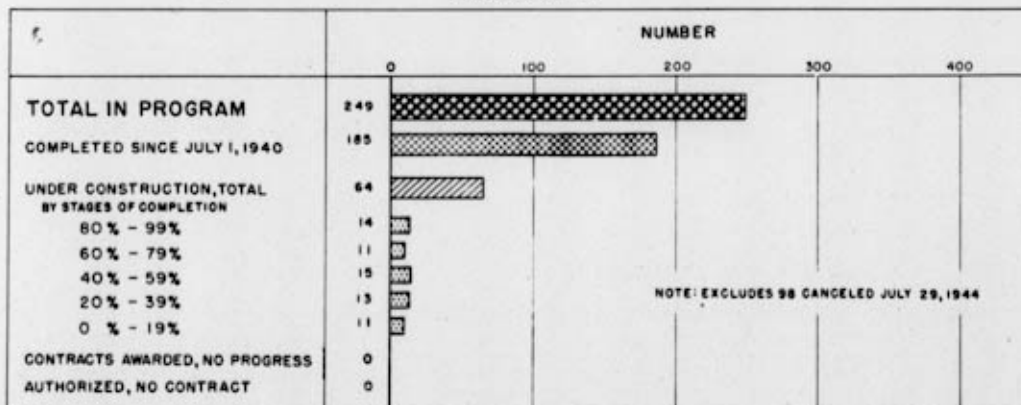
JANUARY 1, 1945
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since July 1, 1940

The number of combatant vessels of the Navy on December 31, 1944 had increased 776 since July 1, 1940 to a total of 1,159. These figures reflect only publicly announced losses.

Selected Naval Vessels on Hand, July 1, 1940 and Dec. 31, 1944
(Includes Lend-Lease Vessels and Conversions)

Type	On Hand July 1 1940	Completed or Acquired	Reductions ^{1/}	On Hand Dec. 31 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	10	2	23	8
Aircraft carrier	6	14	4	16	10
Aircraft carrier, small	0	9	1	8	8
Aircraft carrier, escort	0	103	38	65	65
Large cruiser	0	2	0	2	2
Heavy cruiser	18	5	6	17	-1
Light cruiser	19	27	3	43	24
Destroyer	225	314	168	371	146
Destroyer escort	0	499	123	376	376
Submarine	100	185	47	238	138
Total combatant	383	1,168	392	1,159	776
Patrol craft	33	1,736	547	1,222	1,189
Mine craft	35	935	343	627	592
Auxiliaries	134	1,236	38	1,332	1,198
Landing craft ^{2/}	41	69,691	16,982	52,750	52,709

^{1/} Publicly announced losses, leases, transfers, miscellaneous strikes, and reclassifications, less reinstatements.

^{2/} Includes rubber and plastic surf boats (16,998 on Dec. 31, 1944).

Analysis of Reductions in Naval Vessel Strength

In January the following vessels were publicly announced by the Navy as lost: 4 destroyers, 1 submarine, 2 patrol craft, 2 mine craft, 1 auxiliary, and 7 large landing craft.

A total of 123 combatant vessels have been announced as lost, 134 leased, 54 transferred or otherwise disposed of, and 92 reclassified through January 31, 1945.

Publicly Announced Losses, Leases, Transfers and Reclassifications -- July 1, 1940 Thru Jan. 1945

Type	Lost	Leased or Trans- ferred	Reclassi- fied	Total Decrease
Combatant Vessels:				
Battleship	1	1/ 1	0	2
Aircraft carrier	5	0	0	5
Aircraft carrier, escort	4	38	2/ -4	38
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	58	50	65	173
Destroyer escort	8	90	30	128
Submarine	38	1/ 9	1	48
Total combatant	123	188	92	403
Other Vessels:				
Patrol craft	91	1/ 468	624	1,183
Mine craft	33	1/ 246	443	722
Auxiliaries	50	1/ 162	164	376
Landing craft ^{3/}	47	341	220	608
Total other	221	1,217	1,451	2,889
Grand total	344	1,405	1,543	3,292

1/ Includes certain vessels converted, sold, disposed of, returned to

Production of Naval Ordnance Materiel

Of the 18 items of Naval ordnance materiel listed below, only one, heavy surface fire guns, missed the 1944 production schedule by more than 4 percent.

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

Item	Dec. Deliv- eries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to December 31					
			Cumula- tive	0	25	50	75	100
<u>Torpedoes 1/</u>								
Surface craft	76	5,986	5,762					
Submarine 2/	828	11,200	11,078					
Aircraft 2/	228	6,478	6,456					
<u>Surface Fire Guns</u>								
Heavy, 12" and 16" turrets	0	13	11					
Medium, 8" and 6" turrets	2	101	97					
Light, 4" and 5"	16	191	194					
<u>Antiaircraft Guns</u>								
Heavy, 3" and 5" mounted barrels	260	8,279	8,170					
Light, 40mm and 20mm mounted barrels 3/	4,367	52,057	51,781					
<u>Fire Control Equipment</u>								
Gun directors	844	7,531	7,430					
Radar fire control	253	1,716	1,733					
Gun sights, Mk. 14	3,924	42,662	41,886					
<u>Ammunition</u>								
Heavy surface fire	14,811	120,463	119,749					
Medium surface fire	65,319	605,280	606,099					
Light surface fire	735M	7,054M	7,130M					
Antiaircraft:								
Heavy	616M	7,782M	7,728M					
Light:								
20mm HE, HEI, HET	24,226M	377,733M	374,959M					
40mm HE, HET, HEI, HEIT	8,570M	87,535M	87,805M					
1"1	0	2,916M	2,916M					

M = 1,000 rounds

1/ Turned into store

2/ Excludes the British-type torpedo

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

Personnel

In the four and one-half years from July 1, 1940 to December 31, 1944, the active-duty strength of the Navy, Marine Corps, and Coast Guard increased 19 times, from 203,126 to 3,870,039. The latter number includes 81,744 WAVES, 17,837 MARINES, and 9,829 SPARS.

Strength of the Naval Services -- July 1, 1940 and Dec. 31, 1944

	Navy	Marine Corps	Coast Guard	Total
Dec. 31, 1944:				
Officers	308,994*	35,422	12,576	356,992
Officer candidates	84,627	5,385	480	90,492
Enlisted personnel	2,833,904	431,875	156,776	3,422,555
Total Dec. 31, 1944	3,227,525	472,682	169,832	3,870,039
July 1, 1940 -- total	161,083	28,277	13,766	203,126
Increase, 4½ years	3,066,442	444,405	156,066	3,666,913

*Includes 8,893 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

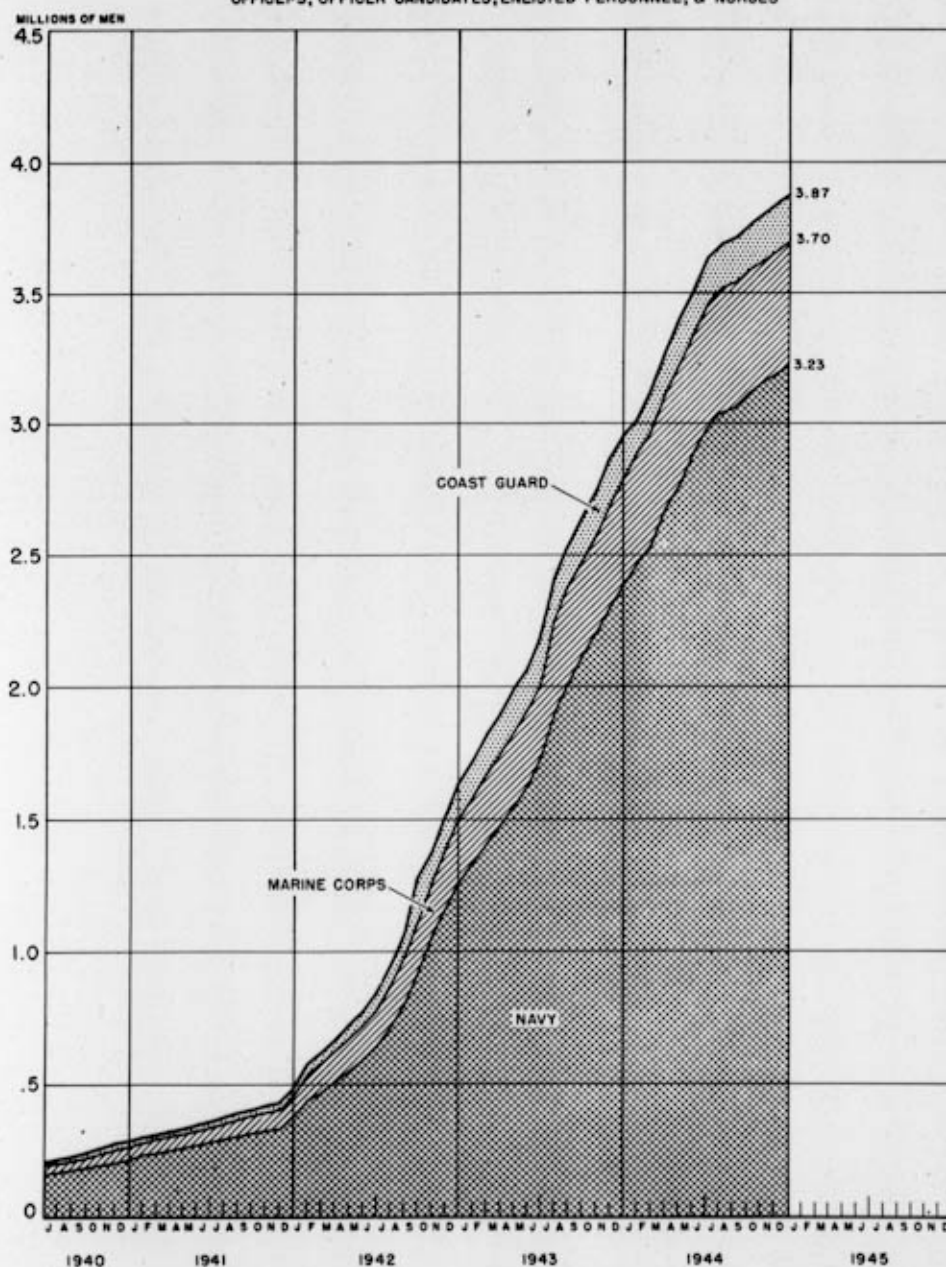
On Dec. 31, 1944 the location of Navy personnel was as follows:
 1,313,473 ashore in the U.S., 504,199 on foreign soil, and 1,409,853 afloat.

Navy Personnel on Active Duty Ashore and Afloat--Dec. 31, 1944 (Excludes Marine Corps and Coast Guard)

Classification	Ashore		Afloat	Total
	U.S.	Foreign		
Male officers	109,628	34,254	147,475	291,357
Female officers	8,708	36	--	8,744
Officer candidates	84,627	--	--	84,627
Enlisted men	1,030,093	468,525	1,262,286	2,760,904
Enlisted women	73,000	--	--	73,000
Nurses	7,417	1,384	92	8,893
Total Navy	1,313,473	504,199	1,409,853	3,227,525

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

OFFICERS, OFFICER CANDIDATES, ENLISTED PERSONNEL, & NURSES



V. ARMY AND NAVY NURSES

During December the Army Nurse Corps increased 644 or 2 percent to a total of 42,248. The overseas strength of the Corps increased by 1,266 to a total of 27,184 or 64 percent of the whole. The increase for the year 1944 was 5,042 or 14 percent.

Navy nurses on active duty decreased 17 in number during December to 8,893, located as follows: 7,417 in the U.S., 1,384 overseas, and 92 on ships. The increase during the year 1944 was 1,871 or 27 percent.

Army and Navy Nurses on Active Duty — 1944

	Army Nurses			Navy Nurses		
	Total	Net Change		Total	Net Change	
		No.	%		No.	%
<u>1944</u>						
Jan. 31	36,672	-534	-1%	7,340	318	5%
Feb. 29	37,714	1,042	3%	7,491	151	2%
Mar. 31	38,538	824	2%	7,825	334	4%
Apr. 30	39,184	646	2%	8,005	180	2%
May 31	39,542	358	1%	8,340	335	4%
June 30	40,018	476	1%	8,399	59	1%
July 31	40,036	18	—%	8,403	4	—%
Aug. 31	39,970	-66	—%	8,665	262	3%
Sept. 30	39,975	5	—%	8,677	12	—%
Oct. 31	41,354	1,379	3%	8,897	220	3%
Nov. 30	41,604	250	1%	8,910	13	—%
Dec. 31	42,248	644	2%	8,893	-17	—%

VI. SELECTIVE SERVICE

Calls on Selective Service have increased from 82,000 in December to 135,000 for March.

Selective Service Calls

	Dec.	Jan.	Feb.	March
Army	60,000	60,000	80,000	100,000
Navy	20,000	28,000	33,000	33,000
Marine Corps	2,075	4,075	2,200	2,200
Total	82,075	92,075	115,200	135,200

Only 87 percent of the December calls were inducted, with 52,005 going to the Army, 18,286 to the Navy, and 812 to the Marine Corps.

With the exception of new 18-year-olds registering monthly (approximately 72,000), the supply of men in the youngest age group (18-25) is nearly exhausted. As of January 1, 1945, there were approximately 107,000 registrants aged 18-25 deferred in war production and related industries and 342,000 in agriculture. Calls during the last half of 1944 were filled primarily with registrants under 26 years of age.

Of the 403,000 registrants aged 18-25 being processed for induction on January 1, 1945, 20.5 percent were not available, as 7.1 percent had been delivered for induction and 13.4 percent were pending appeal, delinquent, or otherwise unavailable.

To supply men on future calls, it will be necessary to obtain them more and more from men in the 26-29 year age group. On January 1, 1945 there were approximately 157,000 from this group being processed for induction, 828,000 deferred in war production and related industries, and 295,000 deferred in agriculture. The majority of the men to be furnished to the armed forces must be obtained by reclassification of those now deferred in war production and related industries.

The combined rejection rate of registrants (18-37 group) at pre-induction and induction examinations dropped from 50 percent in November to 47 percent in December. This rejection rate has shown a steady increase from 34 percent last April. The rejection rate of those forwarded for induction increased from 3.6 percent in March to a high of 15 percent in November but dropped to 12.1 percent in December.

VII. MANPOWER

The civilian labor force again declined between November and December with an employment decline in agriculture although there was an upturn in non-agricultural employment. In addition to a seasonal increase in trade and government employment, there was an increase in munitions employment.

Estimates of labor requirements for the armed forces, munitions, and other industries in June 1945 indicate a potential net drain of 500,000 from the civilian labor force (900,000 persons inducted minus 400,000 persons released from the armed forces) and the necessity of intensive utilization of the available labor supply.

In November, average hourly earnings remained at the same level as in October, although weekly earnings were slightly lower. Accession and separation rates were lower in November than in the preceding month. December labor disputes resulted in fewer strikes and fewer man-days lost than were reported in November.

Labor Force and Employment

An estimated reduction of 960,000 in the civilian labor force occurred between November and December, continuing the decline from the summer seasonal peak. There was no change in unemployment levels. Total employment declined as the net result of a decline of a million in agricultural employment and a small increase in non-agricultural employment.

The female labor force in December was 17.5 million. Although this was lower than the July 1944 peak, it was the highest for the month of December on record. Women constituted 34 percent of the total labor force in December 1944 as compared with 24 percent in December 1940.

Estimates for December and November 1944 and for December 1943 are as follows:

Employment Status	Persons 14 Years of Age and Over (Excludes institutional population)		
	Dec. 1944	Nov. 1944	Dec. 1943
Civilian labor force	51,250,000	52,210,000	51,900,000
Employed	50,570,000	51,530,000	51,010,000
Unemployed	680,000	680,000	890,000
Nonworkers	41,710,000	40,740,000	41,810,000

Reversing recent trends, employment in manufacturing, trade, and government increased in December. The latter were seasonal increases but the increase in manufacturing employment was primarily the result of increased munitions schedules and the drive to concentrate all available manpower on munitions production.

Manpower Requirements

Expanding munitions schedules, including the recently announced program for equipping the French army, will require 400,000 more persons by June 1945. An additional 200,000 persons will be needed by transportation, construction, and other war-supporting activities. During the same period, 900,000 civilians will be inducted or enlisted into the armed forces. These over-all requirements total 100,000 less than the estimate of 1,600,000 recently submitted to Congress because employment in munitions and other war-supporting industries has already increased by that amount in the last month.

Potential sources of supply to meet these labor requirements include the following: The declining industries in the munitions group, particularly scheduled decreases in ship construction, will provide about 200,000 workers. At least 500,000 persons will become available as a result of the normal growth of the labor force. An estimated 400,000 discharged veterans will return to the civilian labor force. Additional workers will have to be obtained by a contraction of less essential activities, by a substitution of prisoners of war for drafted farm youths, by increasing the labor force at a faster than normal rate of growth, and by further reduction of unemployment. (See table on following page.)

Hours and Earnings

There was a slight decline in average hours worked and in weekly earnings in November as compared with October. Weekly earnings in manufacturing establishments averaged \$46.80 as compared with \$46.98 in October. Hours worked averaged 45.3 as compared with 45.6. Average hourly earnings remained at \$1.03 in both months.

Labor Turnover

The separation rate in manufacturing industries in November was 6 per 100 employees, as compared with 6.4 in October. Accessions averaged 5.9 per 100 employees, as compared with 6.5 in October. Separation rates averaged more than 10 percent a month in aluminum and magnesium smelters and refineries and in factories producing tinware and grainmill products.

In the earlier part of the war period, average accession rates were higher than separation rates but since the summer of 1943 separation rates have, on the average, exceeded accession rates. (See next page.)

Labor Disputes

Fewer labor disputes were reported in December than in November. During the month there were 280 new strikes or lockouts involving 85,000 workers and an estimated loss of 380,000 man-days.

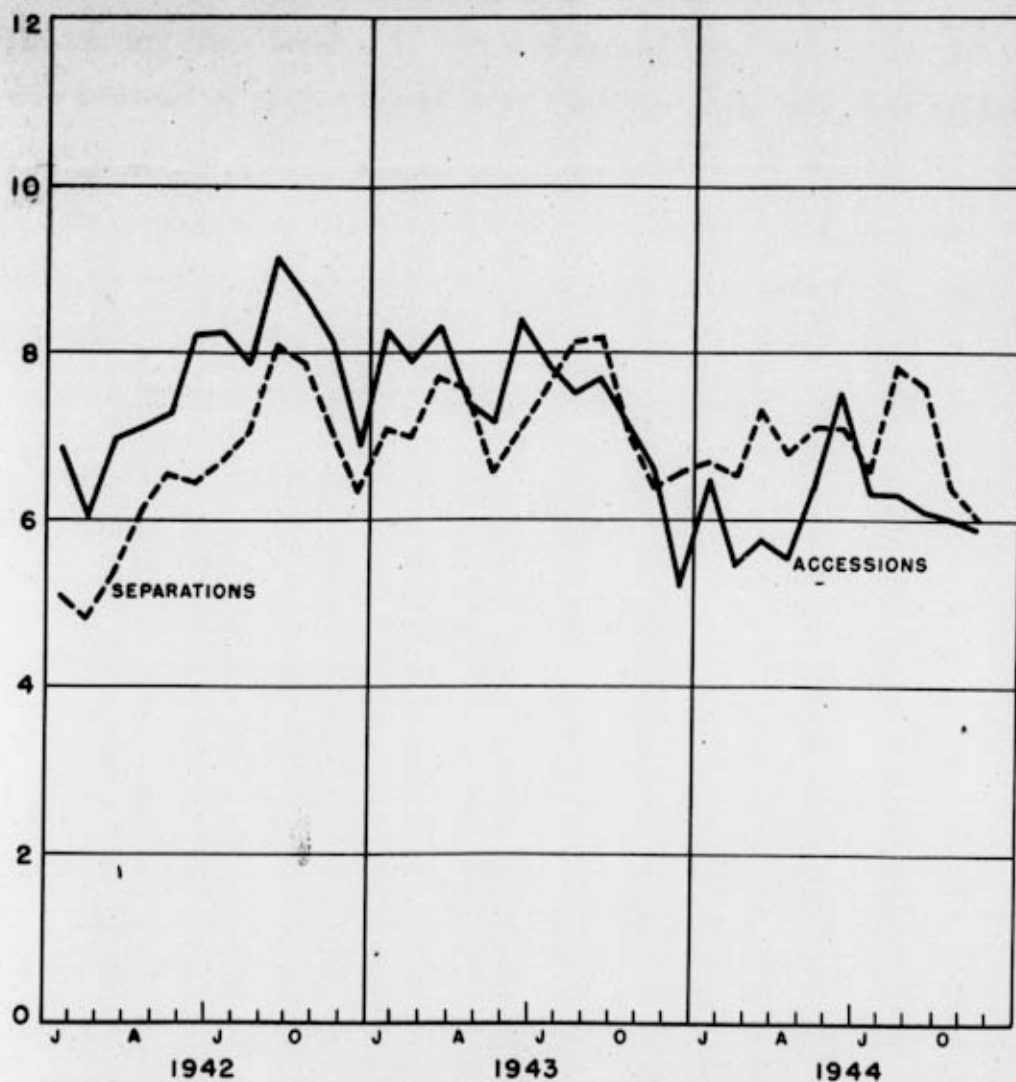
The following table presents estimates of the distribution of the labor force in December 1943 and in June and December 1944, with estimates of requirements in June 1945.

Composition of the Labor Force
(Millions)

	Actual			Estimated Requirements June 1945
	Dec. 1943	June 1944	Dec. 1944	
Total labor force, including armed forces	62.2	65.6	63.2	66.2
Armed forces	10.3	11.4	11.9	12.1
Civilian labor force	51.9	54.2	51.3	54.1
Unemployment	.9	1.0	.7	1.0
Employment	51.0	53.2	50.6	53.1
Agricultural	6.8	9.5	7.1	9.4
Nonagricultural	44.2	43.7	43.5	43.7
Munitions industries	10.3	9.6	9.1*	9.3
Other manufacturing	7.3	7.0	7.0*	7.0
Federal war agencies	1.5	1.6	1.6*	1.6
Other government	4.1	3.9	4.1*	3.9
Transportation and public utilities	3.7	3.8	3.8*	3.9
Construction	.8	.7	.6*	.7
Mining	.9	.8	.8*	.8
Trade and service	11.7	11.4	11.9*	11.5
Other	3.9	4.9	4.6*	5.0

ACCESSIONS AND SEPARATIONS MANUFACTURING INDUSTRIES

MONTHLY RATE PER 100 EMPLOYEES



SOURCE: BUREAU OF LABOR STATISTICS

VIII. MERCHANT SHIPBUILDING PROGRAM

Gains and Losses, United Nations

For January, the United Nations reported construction of 1,250,400 deadweight tons of merchant vessels, while reported losses totaled 180,200 DWT. From December 1, 1941 thru January 1945, 52.1 million DWT were constructed, against losses of 20.1 million--a net gain of 32 million.

Ship Deliveries for U.S. Maritime Commission

January deliveries of 121 ships at 1,229,296 DWT by U.S. merchant shipyards were short seven ships and 28,604 DWT of the January 15, 1945 schedule.

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

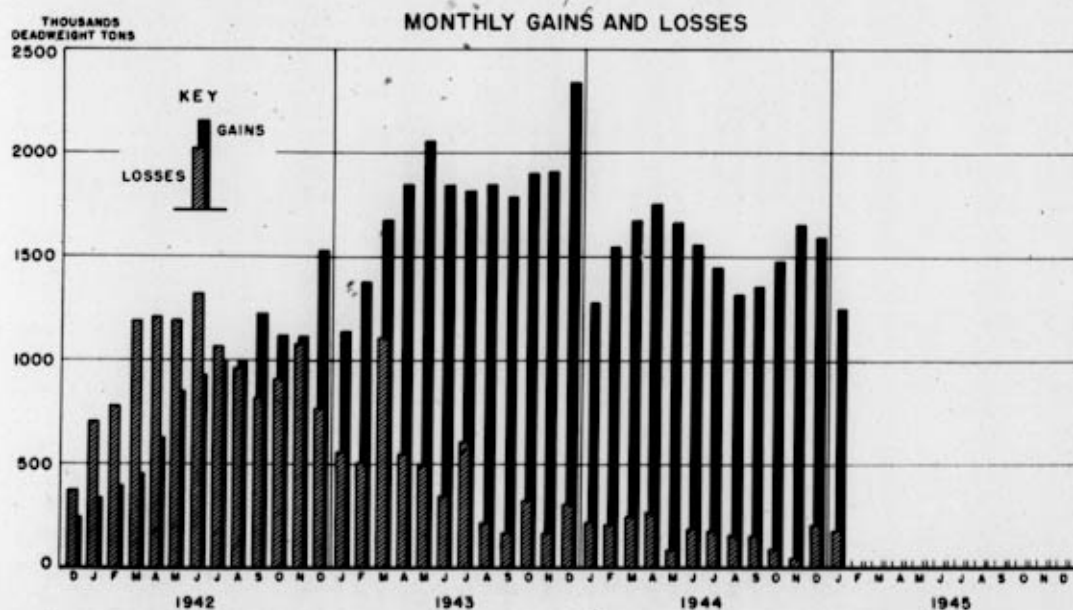
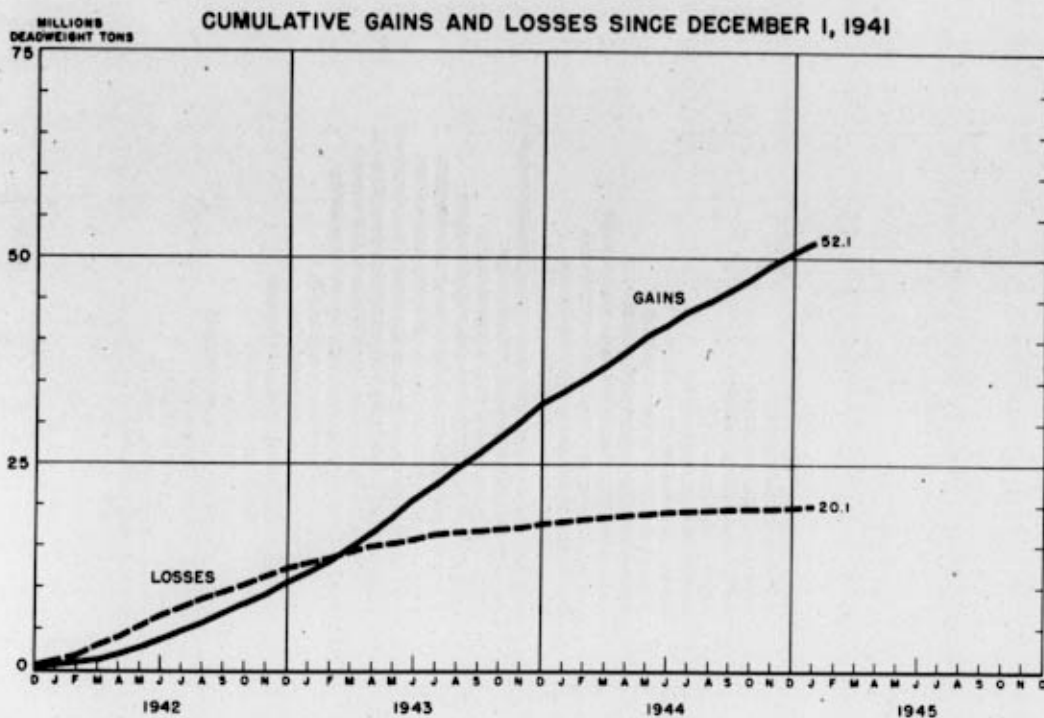
	<u>Major</u>	<u>Minor</u>	<u>Total</u>
Delivered into merchant service:			
Cargo	6		
Liberty	31		
Victory	32		
Tanker	19		
Total merchant service	88	3	91
Delivered into military service:			
Merchant types	1	7	8
Military types			22
Total military service			30
Grand total			121

Employment in U.S. Merchant Shipyards

Productive employment at merchant shipyards dropped 90,048 from January 15 to December 15, 1944.

1944	Yards Employing		Total
	More Than 2,500	2,500 or Less	
Jan. 15	570,569	26,506	597,075
July 15	508,524	15,903	524,427
Oct. 15 (revised)	505,868	11,278	517,146
Dec. 15	497,597	9,430	507,027

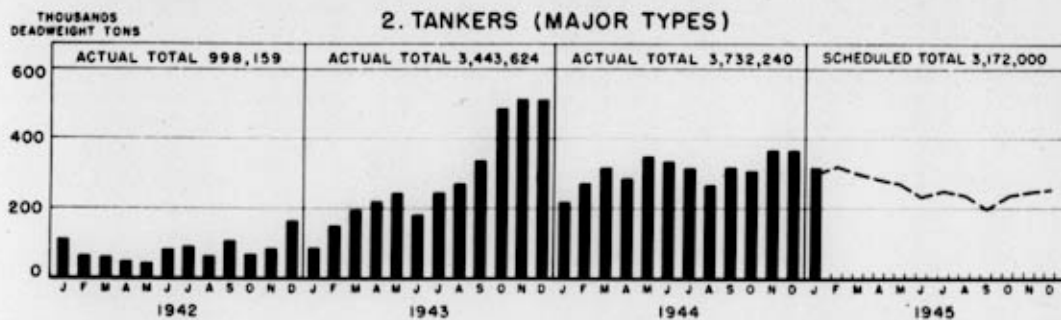
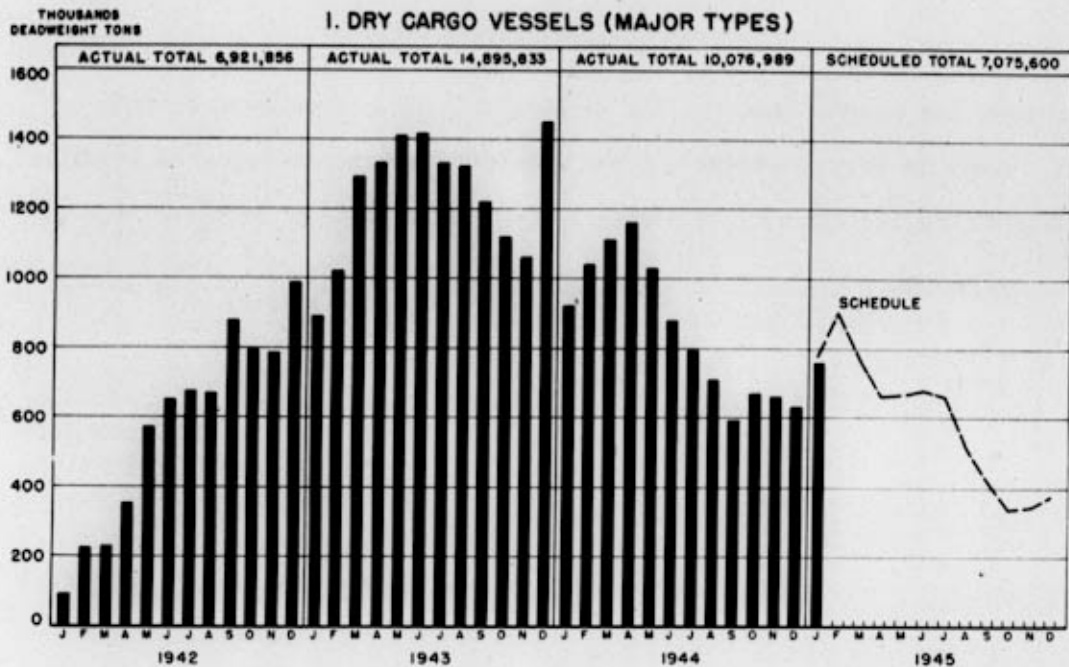
GAINS AND LOSSES OF MERCHANT OCEAN VESSELS AVAILABLE TO THE UNITED NATIONS*



* BEGINNING WITH AUGUST 1943, MERCHANT VESSELS COMMISSIONED FOR MILITARY SERVICE ARE INCLUDED. LOSSES ARE ON A NOTIFICATION BASIS.

SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



IX. CONTRACT TERMINATION

Through December 31, 1944, a total of 128,330 terminations had been effected in prime war supply contracts, and the contract price of items canceled amounted to \$25.5 billion--an increase of \$900 million in December.

Summary of Terminations and Settlements of Prime War Supply Contracts Cumulative Thru Dec. 31, 1944 (Millions of Dollars)

	Total	War Dept.	Navy Dept.	Other
ALL CONTRACTS				
<u>Contract price of items</u> <u>canceled in terminations</u>				
Settled	\$13,921	\$11,707	\$1,515	\$ 699
Pending settlement	11,562	7,140	3,907	515
Total, all contracts	\$25,483	\$18,847	\$5,422	\$1,214
<u>Number of terminations</u>				
Settled	117,439	30,967	3,520	82,952
Pending settlement	10,891	3,104	2,882	4,905
Total, all contracts	128,330	34,071	6,402	87,857
FIXED-PRICE CONTRACTS				
<u>Contract price of items</u> <u>canceled in terminations</u>				
Settled	\$11,921	\$10,149	\$1,164	\$608
Pending settlement	6,069	3,696	2,133	240
Total	\$17,990	\$13,845	\$3,297	\$848
<u>Number of terminations</u>				
Settled	117,046	30,653	3,496	82,897
Pending settlement	10,561	2,941	2,733	4,887
Total	127,607	33,594	6,229	87,784
COST-PLUS-A-FEE CONTRACTS				
<u>Contract price of items</u> <u>canceled in terminations</u>				
Settled	\$2,000	\$1,558	\$351	\$ 91
Pending settlement	5,493	3,444	1,774	275
Total	\$7,493	\$5,002	\$2,125	\$366
<u>Number of terminations</u>				
Settled	393	314	24	55
Pending settlement	330	163	149	18
Total	723	477	173	73

X. SURPLUS PROPERTY

Surplus property costing in excess of \$2 billion awaited disposal on January 1, 1945. One-half of this was still held by the Army and Navy and the balance, estimated to cost \$1,041,711,000, was in the hands of the six disposal agencies.

Change in Inventory of the
Six Surplus Property Disposal Agencies
Seven Months--June 1, 1944 to Jan. 1, 1945
 (Cost or Appraised Values - Thousands of Dollars)

	Inventory June 1 1944	June 1, 1944 to Jan. 1, 1945		Inventory Jan. 1 1945
		Acquisitions	Disposals	
Procurement Division	\$30,221	\$152,649	\$77,029	\$105,841
Reconstruction Finance Corporation	43,460	953,754	80,621	916,593
Maritime Commission	--	23,908	4,975	18,933
Foreign Economic Administration	--	95	2	93
War Food Administration	--	323	238	85
National Housing Agency	--	166	--	166
Total	\$73,681	\$1,130,895	\$162,865	\$1,041,711

Aircraft, airplane engines, and equipment accounted for 67 percent of the year-end inventory, as the table on the following page shows.

Distribution of Inventory by Classes of Commodity
Dec. 31, 1944

	Cost	% of Total
Aircraft, airplane engines and equipment	\$ 704,149,000	67.6
Plants and real estate, industrial	58,236,000	5.6
Metalworking machinery	55,245,000	5.3
Steel	19,059,000	1.8
Ships and maritime property	18,933,000	1.8
Motor vehicles and automotive parts	16,798,000	1.6
Construction materials, miscellaneous	16,054,000	1.6
Communication equipment	15,876,000	1.5
Real estate other than industrial	15,760,000	1.5
Misc. end products of mfg. industries	9,033,000	.9
Apparel, including footwear	8,705,000	.8
Construction, mining, and related mach.	6,155,000	.6
Professional and scientific instruments, etc.	5,470,000	.5
Miscellaneous capital and producers' goods	32,380,000	3.1
Miscellaneous consumer goods	59,858,000	5.8
Total inventory	\$1,041,711,000	100.0

During the first seven-month period, ending December 31, 1944, sales under SWPA regulations brought \$114,879,000 or 71 percent of cost.

Summary of Sales of Surplus Property
June 1, 1944--Jan. 1, 1945

	Cost	Sales Price	Percent Recovered
Procurement Division	\$ 75,680,000	\$ 62,761,000	83%
Reconstruction Finance Corp.	80,621,000	48,528,000	60
Maritime Commission	4,975,000	3,444,000	69
Foreign Economic Admin.	2,000	2,000	100
War Food Administration	238,000	144,000	61
National Housing Agency	-	-	-
Total	\$161,516,000	\$114,879,000	71%

XI. AGRICULTURE AND WAR FOOD ADMINISTRATION

Civilian food consumption during 1944 was the highest in history. During the same period 14 percent of our total food production went for military use, and 7 percent was exported. Lend-lease food deliveries for 1944 were 36 percent less than the prior year.

Prices received by farmers in mid-January averaged more than twice their pre-World War I level.

Customers of the REA system increased 10 percent during the year ending June 30, 1944, bringing the total served to 1,152,000. The increase was made despite wartime limitations.

Food Supplies. Civilian food consumption in 1944 was the highest in history--9 percent above the level of the prewar years 1935-39 and 3 percent above 1943. In addition, nearly 14 percent of the total amount of food utilized went for military use and 7 percent to lend-lease, exports and shipments. Total food production in 1944 was 37 percent above 1935-39. Food supplies in prospect for civilian consumption in 1945, on the basis of present indications of military and export takings, are expected to be about 6 percent above 1935-39 but 3 percent below 1944 and about equal to civilian consumption in 1943.

Commodities for which civilian supplies for 1945 are expected to be smaller than in 1944 include: beef 2 percent, veal 8 percent, lamb and mutton 3 percent, pork (excluding lard) 17 percent, chickens 11 percent, butter 11 percent, lard 13 percent, citrus fruit 5 percent, apples and other fresh deciduous fruit 1 percent, fresh vegetables 5 percent, and sugar 12 percent.

Commodities for which civilian supplies are expected to be larger in 1945 than in 1944 include: eggs 3 percent, turkeys 6 percent, cheese 2 percent, condensed and evaporated milk 3 percent, fluid milk and cream 2 percent, margarine 9 percent, shortening 3 percent, corn syrup 19 percent, corn sugar 2 percent, coffee 1 percent, cocoa beans 3 percent, and peanuts 5 percent.

Livestock Outlook. Throughout the first half of 1945, prices of all meat animals are expected to be near the maximum levels permitted by wholesale meat ceilings and ceilings on live animals. Total meat output in 1945 is

expected to be about 22.4 billion pounds -- 2.3 billion or 9 percent less than the record established in 1944 but 6.2 billion or 38 percent more than the 1935-39 average. Beef output is expected to be 3 percent larger in 1945 than in 1944, veal 6 percent smaller, pork 19 percent smaller, lamb and mutton 11 percent smaller, and lard 26 percent smaller. The reduction in the output of pork and lard will be somewhat less than the decline in the number of hogs slaughtered (about 23 percent) in 1945, because hogs will be fed to heavier weights on account of the large corn crop which contains an unusually large proportion of high moisture content corn.

Final Farm Production Goals for 1945. Continued full production is the over-all food goal for 1945. Crop acreage goals call for production above the high levels of 1944. Material increases are being asked for flaxseed, sugar beets, and cover crop seeds; moderate increases for dry beans, potatoes and tobacco; and the maintenance of the 1944 level for legume seeds and soybeans. The goals call for an increase in milk production by 1,382 million pounds and for a 3 percent increase in the slaughter of cattle. A goal of 57,500,000 spring pigs, representing about 11 percent over the number planned as indicated by the December pig crop report, has been set for hog producers. The price support period on hogs has been extended to March 31, 1946 to cover the marketings of this greatly needed increase. The egg production goal for 1945 is 4,350 million dozen, which is slightly less than the 1944 record production. This goal will provide for all military and lend-lease requirements and 347 eggs for each civilian.

Butter Set-aside Increased. Civilian supplies of butter for the first quarter of 1945 will be slightly less than during the previous quarter. While the U.S. armed forces were originally allocated 30 million pounds of butter for the January-March quarter, requirements have recently increased. On January 10, WFA announced that, to meet these needs, 20 percent of the creamery butter produced in February and 25 percent produced in March will be set aside for sale to Government agencies. On the whole, however, more than 95 percent of the total supply available for January through March will go to Americans in and out of the services.

Lend-Lease Food Deliveries Down in 1944. Deliveries of food and other agricultural products for shipment to the Allies under lend-lease during 1944 totaled 7.3 billion pounds compared with 1943 deliveries of 11.5 billion pounds, a decrease of 36 percent. Food exports to Puerto Rico, Virgin Islands, and Hawaii, made on a cash sale basis, totaled 874 million pounds in 1944.

Farm Income Declines in January. The tentative estimate for total cash receipts from farm marketings during January is \$1,560 million--8 percent below the estimate for December of \$1,704 million, but 2 percent above January 1944. Receipts from crops dropped 15 percent from December, which was about equal to the regular seasonal decline.

Agricultural Prices at Twice 1909-14 Average. Prices received by farmers in mid-January averaged more than twice their pre-World War I level for the first time since August 1920. At 201 percent of the August 1909 to July 1914 average, the January index of prices received by farmers was 1 point above a month earlier and 5 points above a year ago. The parity index (prices paid by farmers for commodities, interest, and taxes) at 172 was also 1 point above the previous month and 4 points higher than at the beginning of 1944. Parity prices were at the highest level since 1920, and prices received averaged well above parity.

Rural Electrification Expanded in Fiscal Year 1944. Despite wartime restrictions, at the end of fiscal year 1944 (June 30, 1944) REA systems were providing service to 1,152,013 consumers--an increase of 110,210 over those served a year previously.

The debt-service record of REA borrowers continues good. By June 30, 1944 \$58,482,400 in principal and interest had fallen due on the borrowers' notes. Actual payments totaled \$74,970,319, with \$16,807,254 paid in advance of due dates. Amounts overdue more than 30 days on repayment schedules totaled about \$277,000.

Sale of Federal Land Bank Bonds Oversubscribed. In January the Federal Land banks sold an issue of \$114,000,000 consolidated land bank bonds, bearing $2\frac{1}{4}$ percent interest, for issue on February 1, 1945, payable February 1, 1955, and callable February 1, 1953, at 100 $\frac{3}{8}$. The issue was several times oversubscribed. Since the sale was made, these bonds have sold on the market at about 1 point above the issue price.

Farm Machinery Production Retarded. Manpower shortages continue to be a limiting factor to farm machinery production. Eight thousand persons are needed in farm machinery plants in the Chicago area. However, a recent ruling of the War Manpower Commission lists farm machinery production as a critical activity. This may slow induction of men employed in the industry. A supplemental program for large tractors (30 h.p. and over) was denied by the Program Adjustment Committee, WPB. The supply of farm and garden tools is expected to be smaller in 1945 because of increased military requirements, but the supply of hand service tools will be greater.

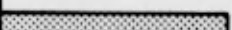
Surplus Property Requested for Tests. The War Food Administration has completed arrangements with the Chemical Warfare Service and the U.S.A. Quartermaster Corps whereby it will be notified when commodities suitable for agricultural use will be declared surplus.

Inventory of Conservation Needs Completed. A nation-wide inventory of conservation needs was completed by Soil Conservation Service during the year, indicating the location and extent of areas needing various kinds of soil and water conservation treatment. This is the first study of this type ever made on such a comprehensive and detailed scale and will be a dependable guide to future work of protecting the country's soil resources.

U. S. S. R. Lend-Lease Food Program

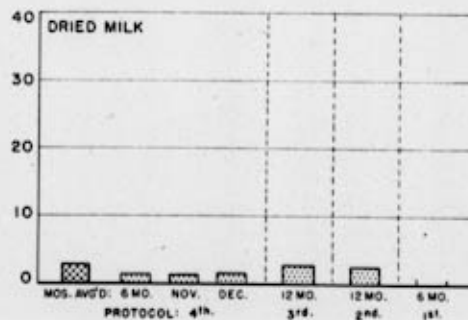
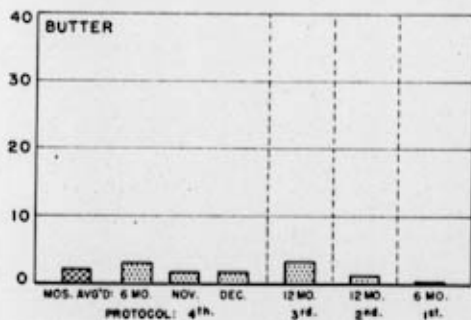
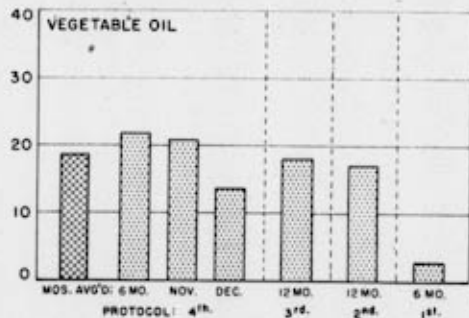
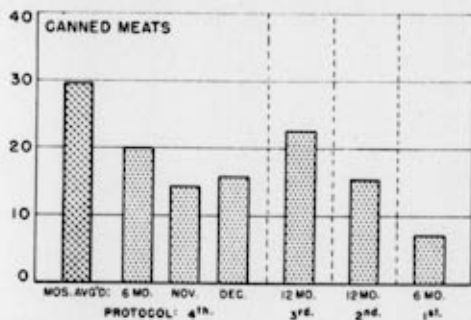
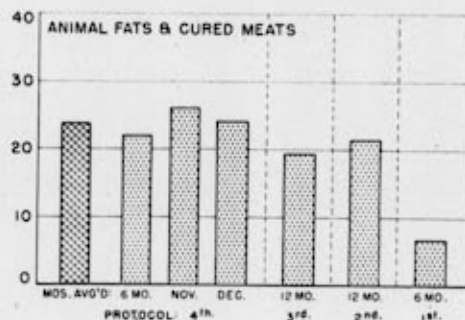
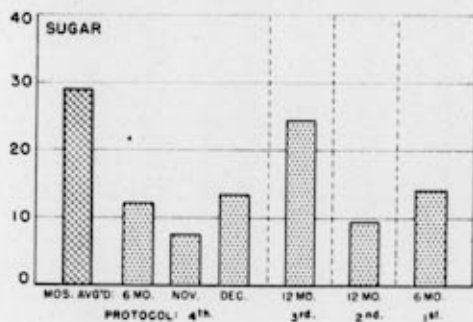
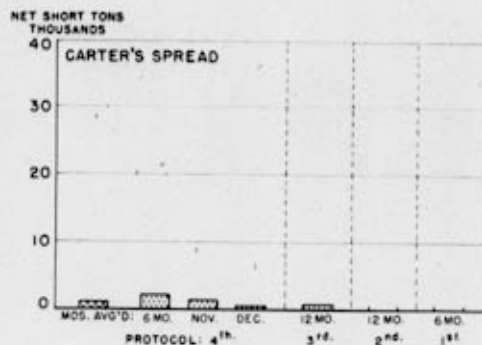
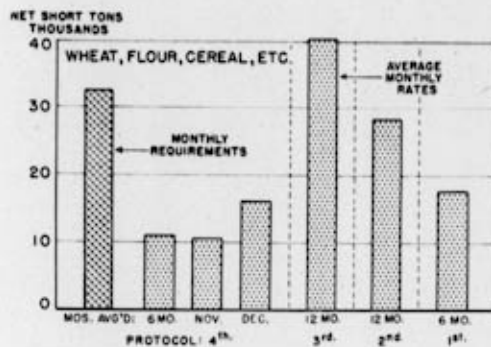
Lend-lease deliveries of food and agricultural commodities during the six-month period ending December 31, 1944, totaled 635,000 net short tons. This represents an average monthly rate of 106,000 tons as compared to 146,000 tons per month under the third protocol for the twelve-month period ending June 30, 1944. The Russians continue to place foodstuffs low on their priority list for shipping space.

Shipments of Agricultural Commodities to the U.S.S.R.
(Thousands of Net Short Tons)

Protocol	Period	Total Deliveries	No. Mos.	Average Monthly Rate of Deliveries			
				0	50	100	150
1	Dec. 1941-June 1942	309	6	 52			
2	July 1942-June 1943	972	12	 81			
3	July 1943-June 1944	1,760	12	 147			
4	July 1944-Dec. 1944	635	6	 106			
	Nov. 1944	102	1	 102			
	Dec. 1944	102	1	 102			
	Monthly Requirements	161	1	 161			

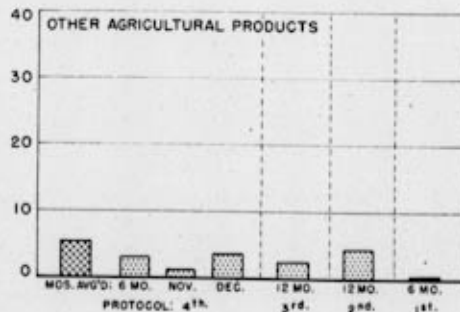
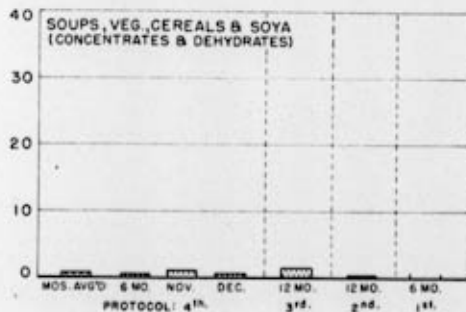
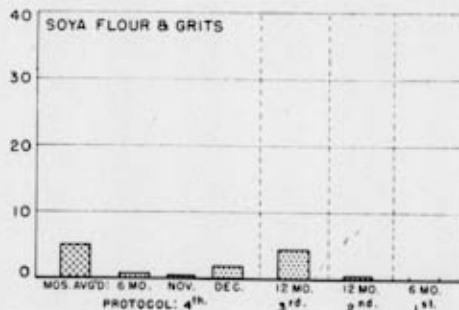
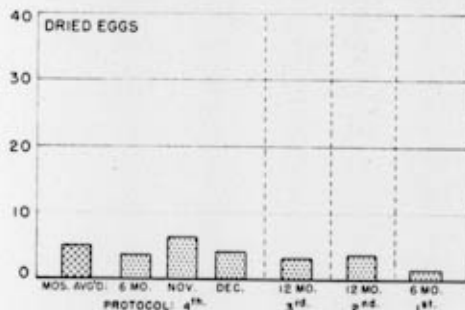
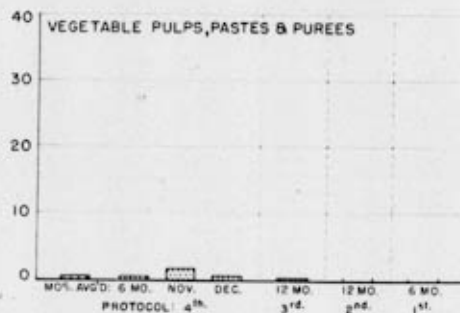
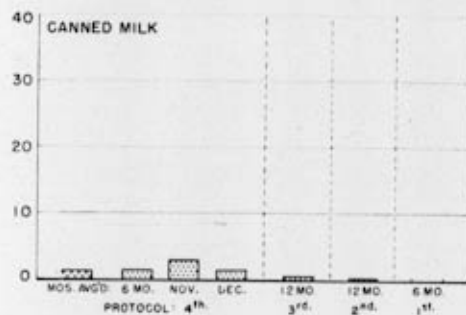
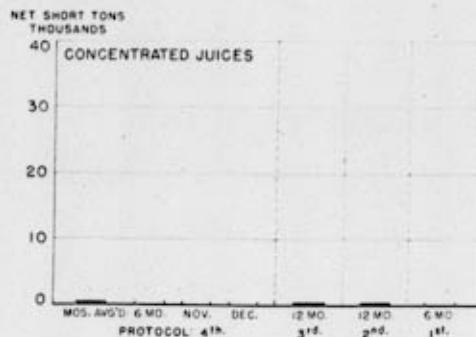
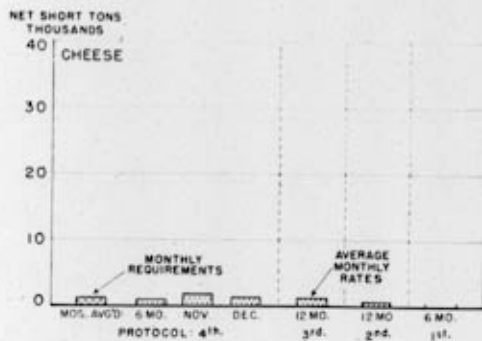
Charts on the following two pages show average monthly rates of deliveries by commodities.

SHIPMENTS OF AGRICULTURAL COMMODITIES TO U.S.S.R. AVERAGE MONTHLY RATES



SHIPMENTS OF AGRICULTURAL COMMODITIES TO U.S.S.R.

AVERAGE MONTHLY RATES



XII. WAR FINANCESExpenditures

War expenditures in January were \$7.6 billion, or at an adjusted annual rate of \$88 billion. Total expenditures for war purposes in the first seven months of fiscal year 1945 amounted to \$52.2 billion, or 59 percent of the \$89 billion estimate for the fiscal year.

	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Total</u> <u>F.Y. 1945</u>
	(B i l l i o n s)			
Actual	\$7.6	\$7.5	\$7.6	\$52.2
Adjusted annual rate	90.7	93.6	88.0	89.4 (aver.)

Appropriations

In January, commitments of Government corporations for war purposes increased \$700 million, while the estimate of appropriations required beyond fiscal year 1945 for completion of the Navy was reduced \$600 million, leaving a net increase of \$100 million in appropriations and authorizations for war purposes, which totaled \$399.3 billion on January 31, 1945. Net expenditures against this amounted to \$252.1 billion.

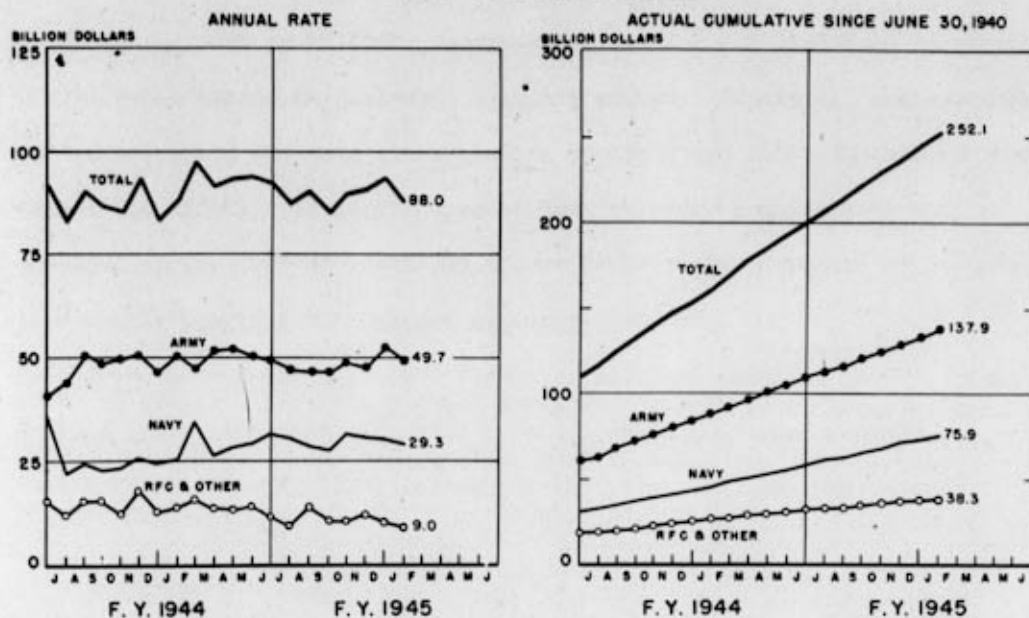
Appropriations and Expenditures, F.Y. 1941 Thru Jan. 1945
(Billions)

	<u>Appropriations & Authorizations</u>				<u>Expenditures</u>
	<u>F.Y. 1941</u> <u>Thru</u> <u>F.Y. 1943</u>	<u>F.Y.</u> <u>1944</u>	<u>F.Y.</u> <u>1945</u>	<u>Total</u>	<u>F.Y. 1941</u> <u>Thru</u> <u>Jan. 1945</u>
War Department	\$126.7	\$59.0	\$15.4	\$201.1	\$137.9
Navy Department	47.5	29.8	27.2	104.5	75.9
Maritime Commission	11.0	.2	5.7	16.9	9.5
Govt. Corpns. (commit.)*	19.9	4.3	2.3	26.5	9.0
Other	32.7	3.9	5.7	42.3	19.8
Net approp. required beyond F.Y. 1945 for completion of Navy	—	—	—	8.0	—
Total	\$237.8	\$97.2	\$56.3	\$399.3	\$252.1

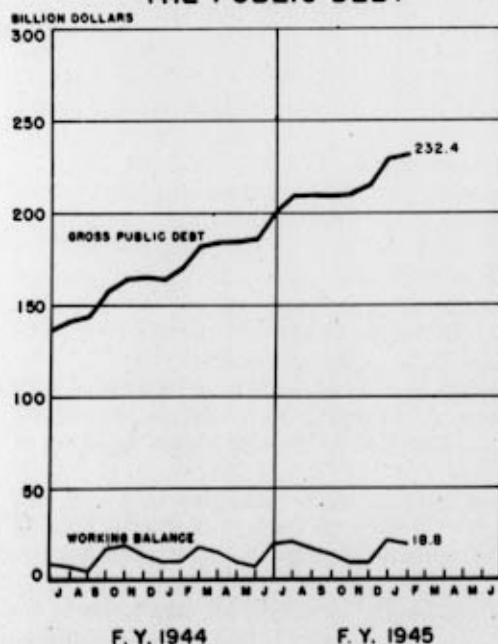
*Commitments do not reflect receipts (rents, repayments, and sales) totaling \$9.4 billion.

RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

WAR EXPENDITURES

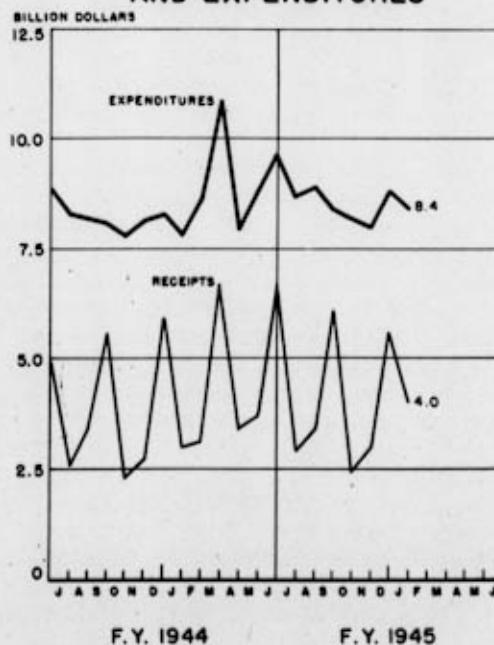


THE PUBLIC DEBT



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

TREASURY RECEIPTS** AND EXPENDITURES



** EXCLUDES PUBLIC DEBT ACCOUNTS

XIII. ECONOMIC STABILIZATION

The increase in military requirements for men and munitions in recent months approximates an "all-out" military effort. Industrial and manpower mobilization and economic stabilization controls are still far behind such an all-out effort. If it is expected that military requirements will continue on the present level for a considerable time, drastic adjustments in domestic programs will become necessary.

Prices -- cost-of-living. As a result of seasonal advances in the prices of fresh fruits and vegetables and continued scarcities of lower-priced textile goods, the cost of living rose 0.3 percent between mid-November and mid-December. A new program "designed to close the most serious breach in price control" by increasing the supply of low- and medium-priced essential garments is being instituted jointly by WPB and OPA.

Prices -- farm. Prices received by farmers in mid-January averaged more than twice their pre-World War I level for the first time since August 1920. In terms of the parity index, farm product prices averaged 117 percent on January 15, the same as a month earlier and a year ago. Price ceilings have been imposed on live cattle for the first time by order of the Director of Economic Stabilization in a twin move to eliminate the black market and end the price squeeze on wholesale and retail meat dealers. House and Senate committees are considering a measure which would remove or modify the subsidy limitations as they apply to the Commodity Credit Corporation contained in the Stabilization Extension Act of 1944.

Wages. On the basis of a new wage index measuring changes in basic wage rates, it is estimated by the Department of Labor that wage rates in manufacturing industries rose by 30 percent from January 1941, the base date of the Little Steel formula, to October 1944. The cost of living rose by approximately the same percentage during this period. The increase in wage rates revealed by the new index has been caused by the raising of sub-standard wages permitted under the War Labor Board policy, the liberalization of piece rates notably difficult to control, merit increases, automatic seniority increases, and other types of individual adjustments within the same job classification, as well as by general wage rate increases permitted under the Little Steel formula.

War Bonds. January sales of war savings bonds totaled \$1,074 million, a beginning-of-the-year spurt reflecting the purchases of large buyers who customarily buy up to the annual limit. January redemptions of \$341 million were less than for any month since the inauguration of the new redemption plan in October but still considerably higher than September redemptions.

XIV. ADMINISTRATIVE DEVELOPMENTS

During January several significant steps taken to solve administrative problems gave indication of more systematic interagency cooperation: To deal with manpower shortages, WPB and WMC controls over materials and manpower were more closely integrated; more realistic steps to control manpower were adopted; OPA and WPB launched a joint program to increase the supply of low- and medium-priced clothing; and OPA and WFA, for the first time, took combined action to control cattle prices.

Manpower and Materials Controls

To meet the continued increase in manpower demands for industrial phases of the war (while Selective Service requirements were also growing), the War Manpower Commission launched a three-point program: (1) manpower ceilings became more restrictive; (2) authorized direct hiring was reduced and Employment Service placement was extended to control transfers and to take full advantage of the reduced ceilings; (3) improved measures to secure compliance with the manpower program were taken through arrangements for inspection by the Wage and Hour Division and through the application of sanctions by the WPB in its controls of materials. There was also greater cooperation among the procurement agencies, WPB, and WMC in identifying plants where labor was most needed.

To strengthen its internal organization, the War Manpower Commission split its top operating position of Deputy Chairman and Executive Director into two positions—a Deputy Chairman for liaison work with other agencies and an Executive Director who will take full control of the operating organization. Two experienced Regional Directors were chosen to fill these positions, and it was expected that their operating experience in the field would give new realism to the War Manpower Commission's programs.

A supporting four-point program in the WPB, designed to assure use of manpower in the most essential war production, was announced: (1) Area Production Urgency Committee approval will be required for placing of prime contracts over \$100,000 in Group I labor shortage areas; (2) the same restriction will apply to subcontracts of \$100,000; (3) the ban in Group I labor areas on the "spot authorization" procedure for enabling manufacturers with labor and materials to make specified civilian goods

will be extended to Group II areas; and (4) new construction for all purposes will be authorized only if it passes the most stringent tests of essentiality.

During January the Director of War Mobilization and Reconversion clarified and strengthened the WPB responsibility for planning and coordinating adjustments resulting from changes in the military programs. The Procurement agencies were directed by OWMR to report all changes in requirements to WPB.

Stabilization

A far-reaching joint program to increase the supply of essential low- and medium-priced apparel and to reduce the cost-of-living index for clothing was put into effect by OPA and WPB. The program embraces cotton, rayon, woolen goods, and apparel made from these fabrics. It will extend from the textile mills and intermediate processors through garment manufacturers to wholesalers and retailers. WPB will give priority ratings to manufacturers willing to produce essential low- and medium-priced garments. Where feasible, controls will be established over quality. Garment manufacturers and textile mills will be required to observe a "maximum average price" for each category of civilian fabrics and garments during the first half of 1945 which will not exceed the maximum average price of the first half of 1943. Unnecessary inflationary wholesale markups will be reduced by prohibiting jobber sales which serve no useful purpose. It is hoped that clothing prices under this program will be reduced by about 6 or 7 percent, with a saving to consumers of about one-half billion dollars.

At the direction of the OES, the OPA established control of live cattle prices for the first time. The program fixed an "over-riding" ceiling of \$18 per hundred weight at Chicago until July 2, 1945, when the ceiling will be lowered to \$17.50. The WFA was directed to delegate authority to the Price Administrator to issue an order establishing the maximum percentage of good and choice cattle that any slaughterer may slaughter or deliver over a month's time.

State Department

Considerable reorganization was under way at the "office" and division levels within the Department of State. Although ultimate patterns still were not clear, a much better-integrated economic organization was in prospect.

It was also proposed that present CIAA functions in Latin America be continued indefinitely on an expanded basis and perhaps permanently.

State and Other Agencies

The Secretariat of the interagency Executive Committee on Economic Foreign Policy (ECEFP) was attached to Mr. Clayton's office, which should eliminate long-standing disputes concerning its competence in the fields of aviation and shipping.

Organization of interdepartmental work in the field of international finance and U.S. relations to the proposed Fund and Bank are still unsettled. An earlier proposal for a Cabinet-level foreign financial policy board, separate from the Executive Committee on Economic Foreign Policy, fortunately did not materialize. A more appropriate arrangement, a Foreign Financial Committee under the ECEFP, was still to be established. This remained an interagency problem of high priority. There was also need for creating an interdepartmental committee on aviation and an interagency shipping committee under the ECEFP. The addition of these committees to existing policy-formulating machinery was long overdue.

Real progress was made by the Departments of Labor and State in negotiations over their responsibilities in the formulation of foreign labor policy and in directing the work of labor attaches. A final agreement was expected to be reached during February. There were some special difficulties in determining the responsibilities of these agencies to the International Labor Organization.

Civilian Supply for Liberated Areas

The Foreign Economic Administrator requested the Bureau of the Budget to review existing arrangements for civilian supply to liberated areas, and proposed that all appropriations, procurement, and claimancy responsibilities be consolidated in FEA during fiscal 1946. These responsibilities now are split between the War Department and FEA under an agreement reached last spring by these agencies and the State Department.

The FEA proposal and related matters were being discussed by the Bureau with the agencies involved, in order to (1) make adequate adjustments in responsibilities to meet new conditions, and (2) evolve a clear, consistent, and over-all program for presentation to Congress in connection with 1946 appropriations for liberated areas.