Report 45

[redacted]

NATIONAL WAR PROGRAM

MONTHLY PROGRESS REPORT

June 30, 1944

Prepared by
Bureau of the Budget
Executive Office of the President

[redacted]

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) and (E)
OMB letter, 11-27-72
By SLR NARS Date JAN 22 1973

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

July 19, 1944.

MEMORANDUM:

For the personal attention of the President.

H. D. S.

Att.

Report 45

[redacted]

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CONTENTS

CHARTS

I. SUMMARY

Active Military Strengths

	Total All Classes	Date
Army	7,960,000	July 1
Navy, Marine Corps, and Coast Guard	3,577,005	June 15

The Army reported 3,818,076 overseas . . . . July 1

(Pages 10-11, 24-25)

Aeronautical Program

June airframe acceptances, 97 million lbs. vs. 102.4 in May

(Pages 2-3)

Combat planes on hand:

Army: 32,274 on July 1 — June losses 4,279
Navy: 20,937 on June 1 — May losses 953

(Pages 4, 6)

Strength on June 1:

Army Air Forces	2,372,447
Navy and Marine Corps	334,309
Total	2,706,756

(Pages 5, 7)

Navy Ship Construction

1944 completions of combatant vessels through June 20:

Battleships	1
Aircraft carriers	3
Aircraft carriers, escort	32
Large cruiser	1
Light cruiser	4
Destroyer	46
Destroyer escort	141
Submarine	37
Total	265

(Pages 14-21)

Merchant Shipping, United Nations

Gains: June thru 25th — 934,000 dwt. vs. 1,687,000 in May
Losses: June thru 25th — 183,000 dwt. vs. 85,000 in May

(Pages 26-28)

II. AERONAUTICAL PROGRAM

June Aircraft Production

Preliminary reports indicate that 97 million pounds of airframes (spares included, gliders excluded) were accepted in June, a decrease of 5 percent from the weight of May acceptances. Forty-six percent of the 1.27 billion pounds scheduled for 1944 were accepted in the first half year.

The number of military aircraft accepted in June was 8,049, as compared with 8,902 in May. There were 1,550 four-engine bombers (82 B-29's) accepted.

Aircraft Acceptances and Schedule, 1944

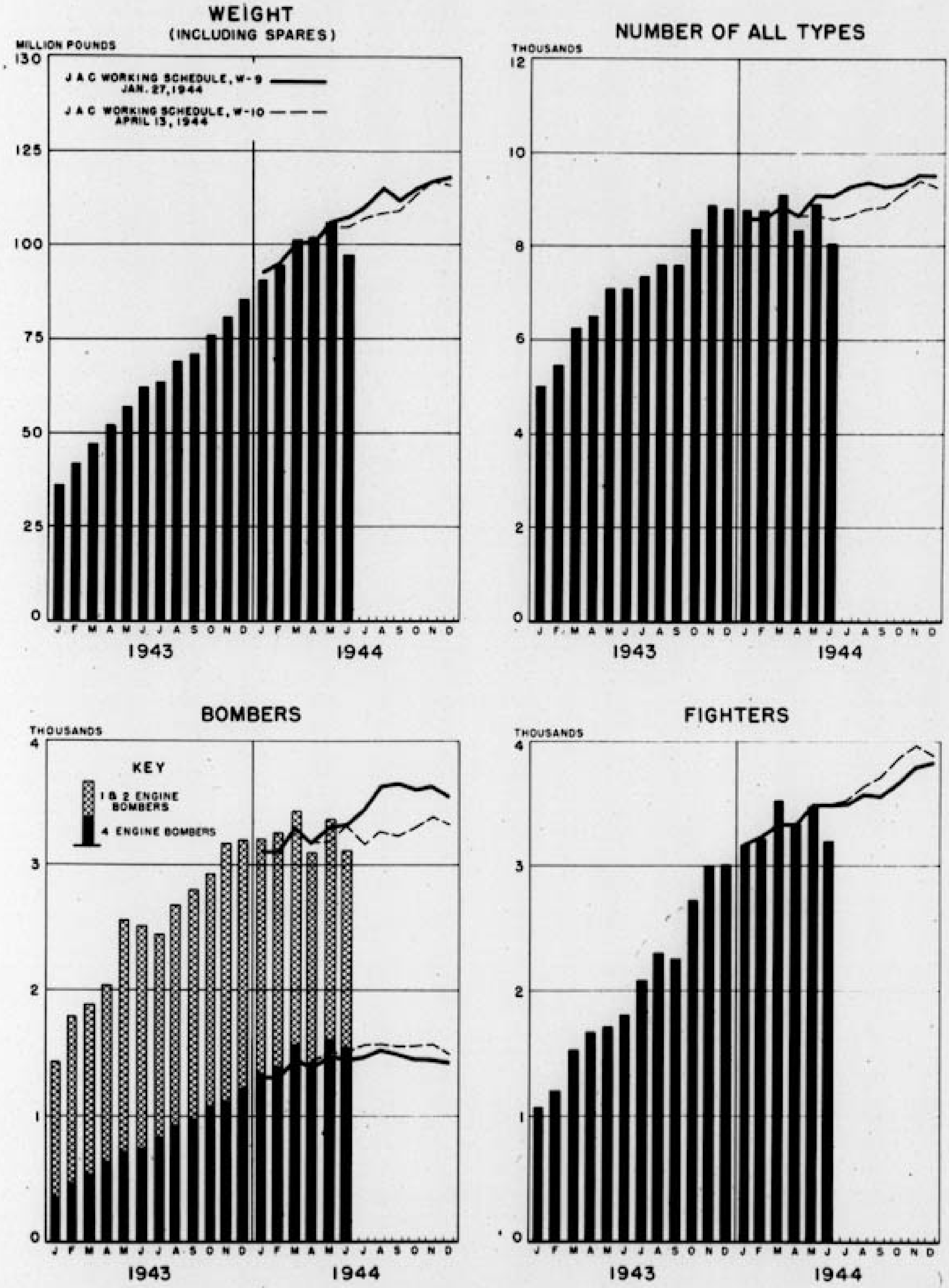
Type	Actual Acceptances			Total
	May	June	Jan. Thru June	Scheduled 1944*
Bomber, 4-engine, long-range	88	82	392	1,455
Bomber, 4-engine, other	1,493	1,468	8,462	16,519
Bomber, 2-engine	990	846	5,993	10,855
Bomber, 1-engine	801	727	4,664	9,350
Fighter	3,462	3,202	19,923	40,911
Reconnaissance	—	—	47	198
Total combat	6,834	6,325	39,481	79,288
Transport, 4-engine	47	58	248	760
Transport, 2- and 1-engine	945	851	5,038	9,745
Total tactical	7,826	7,234	44,767	89,793
Trainer	740	363	4,928	8,157
Liaison	279	307	1,905	3,694
Rotary wing	6	8	29	144
Target and drone	51	137	331	1,358
Grand total	8,902	8,049	51,960	103,146

*Actual acceptances, Jan. thru Mar.; W-10 (revised June 17) April thru Dec.

In the course of a year, the airplane production schedule for 1944 has gradually been revised downward, from 128,705 planes in the W-4 schedule of June 1943 to 103,146, the W-10 schedule revised thru June 17, 1944. This is a reduction of 25,559 or 20 percent. During this period the ratio of combat types to the total scheduled has increased from 71% to 77%.

CHART I

MONTHLY ACCEPTANCES OF MILITARY AIRPLANES



Army Air Forces

A. Airplanes. On June 30, the Army Air Forces had on hand 32,274 first-line combat airplanes. Of these, 10,740 were four-engine bombers--an increase of 416 heavy bombers during June. Of the total combat planes, 19,342 or 60 percent were overseas on June 30.

Airplanes of the Army Air Forces on Hand
May 31, June 30, and Gains and Losses in June

Type	On Hand May 31 1944	June		On Hand June 30 1944	June Net Gain
		Gains	Losses*		
Combat					
Bomber, heavy, long-range	376	82	23	435	59
Bomber, heavy, other	9,948	1,547	1,190	10,305	357
Bomber, medium	4,321	615	588	4,348	27
Bomber, light	1,493	201	96	1,598	105
Fighter	15,180	1,831	2,338	14,673	-507
Reconnaissance	872	87	44	915	43
Total combat	32,190	4,363	4,279	32,274	84
Transport					
Heavy	812	112	33	891	79
Medium	4,188	476	116	4,548	360
Light	—	377	4	373	373
Amphibian	28	0	2	26	-2
Utility	3,893	114	412	3,595	-298
Total transport	8,921	1,079	567	9,433	512
Total combat & transport	41,111	5,442	4,846	41,707	596
Trainers	27,923	279	295	27,907	-16
Communications	4,207	175	171	4,211	4
Grand total	73,241	5,896	5,312	73,825	584

*Includes losses from enemy action, survey, etc.

A.A.F. Airplanes in Continental U.S. and Overseas — June 30, 1944

Location	Bomber			Fighter	Transport	Other	Total
	Heavy	Medium	Light				
Continental U.S.	4,915	1,725	616	5,375	5,076	31,251	48,958
Overseas	5,825	2,623	982	9,298	4,357	1,782	24,867
Total	10,740	4,348	1,598	14,673	9,433	33,033	73,825

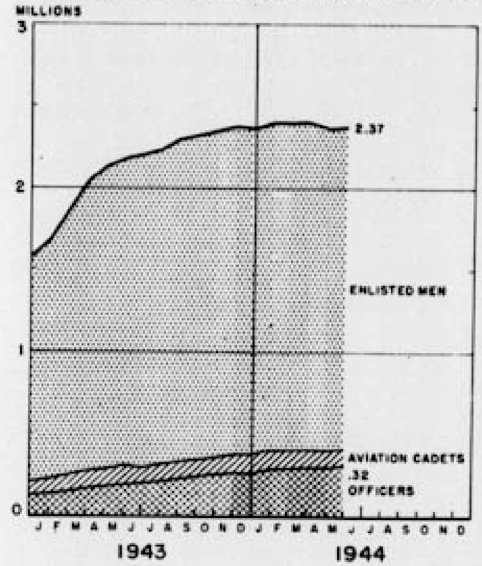
CHART 2

ARMY AIR FORCES MILITARY PERSONNEL

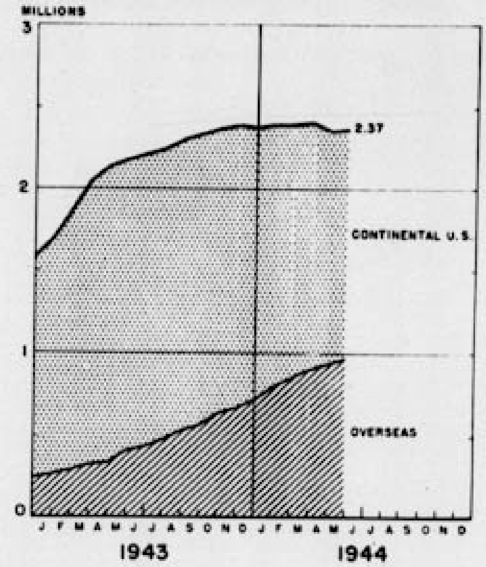
(INCLUDES PERSONNEL ASSIGNED FROM THE ASF AND AGF)

1. TOTAL STRENGTH

OFFICERS, AVIATION CADETS AND ENLISTED MEN

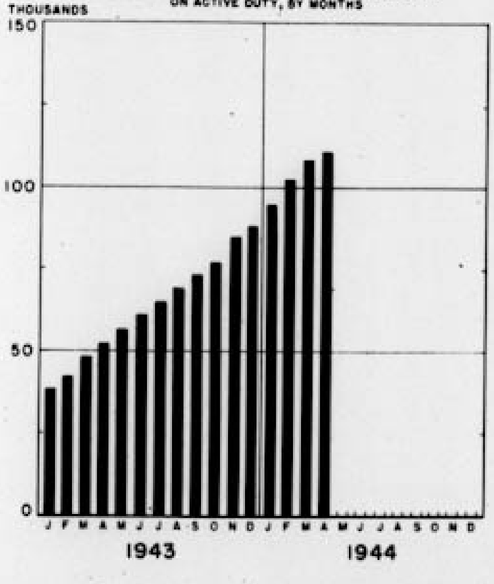


OVERSEAS AND CONTINENTAL U.S. STRENGTH

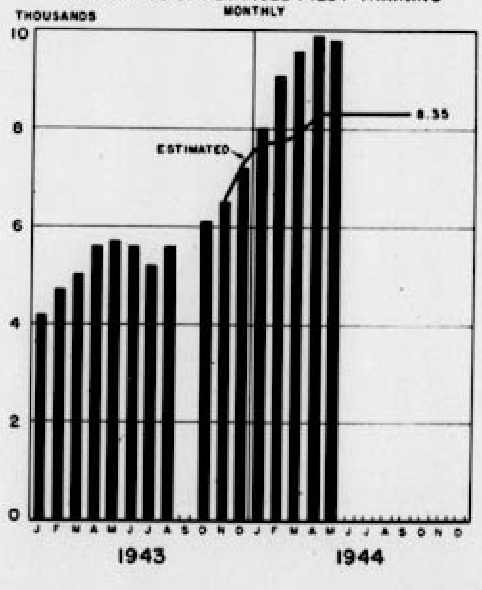


2. PILOTS AND PILOT TRAINING

COMBAT, SERVICE, AND GLIDER PILOTS
ON ACTIVE DUTY, BY MONTHS



GRADUATES OF ADVANCED PILOT TRAINING
MONTHLY



Bureau of Aeronautics

A. Airplanes. On June 1, the Navy, Marine Corps, and Coast Guard reported a total of 32,777 useful airplanes on hand. Of these, 20,937 were tactical combat types — an increase of 1,137 tactical combat planes during May.

Navy Airplanes on Hand — May 1, June 1, and Additions and Losses in May

Type	On Hand May 1	May* Additions	May* Losses	On Hand June 1
Tactical Combat				
Fighter	8,575	1,125	389	9,311
Scout bomber	4,543	552	275	4,820
Torpedo bomber	2,810	288	132	2,966
Patrol bomber--sea	1,579	42	85	1,536
Bomber--land:				
4-engine	341	34	14	361
2-engine	890	49	27	912
Observation scout	1,062	0	31	1,031
Subtotal	19,800	2,090	953	20,937
Tactical Non-Combat				
Utility	1,051	167	9	1,209
Transport	611	46	1	656
Subtotal	1,662	213	10	1,865
Training	9,407	313	89	9,631
Experimental and Miscellaneous	324	41	21	344
Grand total	31,193	2,657	1,073	32,777

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

B. Personnel. The active-duty military aviation personnel of the Navy and Marine Corps increased 12,648 during May to a total of 334,309 on June 1. This is 81 percent of the required strength by December 31, 1944. Pilots totaled 45,352 or 89 percent of requirements by December 31. These figures exclude personnel missing and prisoners of war.

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

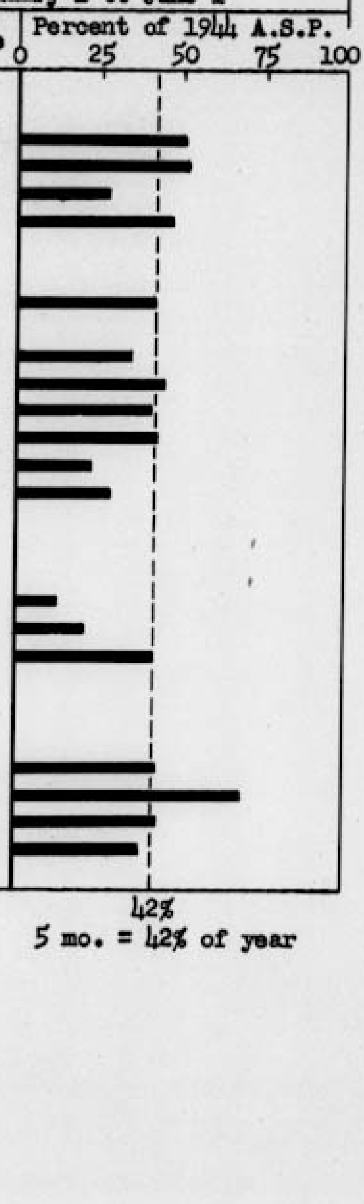
	Navy		Marine Corps		Total	
	Require-ments 12-31-44	Actual June 1	Require-ments 12-31-44	Actual June 1	Require-ments 12-31-44	Actual June 1
Pilots	41,349	35,477	9,463	9,875	50,812	45,352
Other:						
Officers	28,769	27,694	5,844	4,205	34,613	31,899
Enlisted	220,364	170,555	104,966	86,503	325,330	257,058
Total	290,482	233,726	120,273	100,583	410,755	334,309

C. Pilot Training. Student pilots in training for heavier-than-air planes on May 25 totaled 35,621, and 11,061 of these were in the last stage of training prior to commissioning. The total is a decrease of 2,224 from the number in training on April 27.

III. ARMY

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

Item	May Deliv.	1944 Army Supply Program	1944 Deliveries January 1 to June 1 Cumulative
Combat Vehicles			
Light armored car	241	3,383	1,735
Light tank	159	3,763	1,965
Medium tank	1,108	2/13,510	3,812
Universal carrier	1,000	8,200	3,822
Motor Vehicles			
¼ ton, 4 x 4 command	15,722	180,833	76,023
½ and 3/4 ton, 4 x 4 weapons carrier	3,588	57,726	20,079
1½ ton, 4 x 2 cargo	2,780	32,248	14,532
1½ ton, 4 x 4 cargo	2,396	30,851	12,722
2½ ton, 6 x 4 cargo	2,482	30,986	13,200
2½ ton, 6 x 6 dump	973	25,560	5,899
10 ton, 6 x 4 prime mover	471	8,266	2,414
Artillery 1/			
155mm gun	28	2/ 521	66
8 inch Howitzer	40	2/ 546	118
155mm Howitzer	196	2/ 1,889	814
Small Arms			
.30 cal. U.S. rifle, M1	103,803	1,246,752	550,374
.30 cal. carbine	87,919	1,954,532	1,365,587
.30 cal. machine gun	9,007	2/122,875	55,908
.50 cal. machine gun	57,820	741,937	287,364

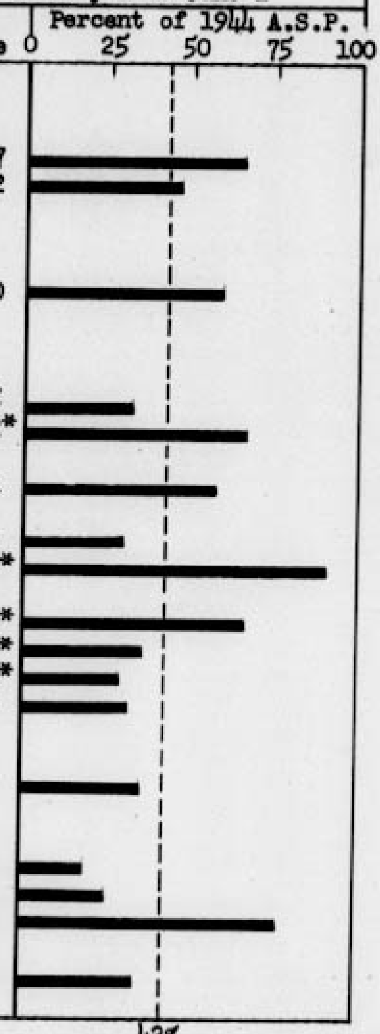


5 mo. = 42% of year

1/ Proof firing may not be completed.
2/ Revised.

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

Item	May Deliv.	1944 Army Supply Program	1944 Deliveries January 1 to June 1: Cumulative
Small Arms Ammunition (Million rounds)			
All .30 cal.	251	3,759	2,397
All .50 cal.	187	2,148	972
Antiaircraft Ammunition (Thousand rounds)			
For 40mm gun	2,237	20,224	11,810
Artillery Ammunition (Thousand rounds)			
For 60 and 81mm mortar	1,950	31,194	9,575
For 57mm gun	612	6,411	4,212*
For 75mm field, tank, and antitank gun	1,075	12,950	7,334
For 76mm tank and antitank gun	764	9,401	2,753
For 75mm Howitzer	78	4,361	3,962*
For 90mm antiaircraft, tank & antitank gun	254	3,756	2,486*
For 105mm Howitzer	3,450	37,791	13,275*
For 155mm Howitzer	341	4,427	1,241*
For 155mm field gun	197	2,457	750
Bombs (thousands)			
500 lb. G.P.	159	2,244	787
500 lb. cluster-fragmentation	—	315	—
500 lb. cluster	10	113	20
260 lb. fragmentation	76	885	213
23 lb. fragmentation	377	3,195	2,448
20 lb. and 23 lb. cluster-fragmen.	219	2,815	937



* Revised.

5 mo. = 42% of year

Military Personnel

A. Strength. The active-duty strength of the Army increased 49,504 during June to an estimated total of 7,960,000 on July 1.

Distribution of the Army Active-Duty Strength, by Class
June 1, July 1, and June Increase

Class of Personnel	June 1 Actual	July 1 Estimated	June Increase
Commissioned officers	674,665	678,891	4,226
Warrant and flight officers	34,314	34,528	214
Enlisted men and selectees	7,086,708	7,131,056	44,348
WAC	73,428	73,886	458
Subtotal	7,869,115	7,918,361	49,246
Army Nurse Corps	41,381	41,639	258
Grand total	7,910,496	7,960,000	49,504

During June the Army active-duty strength overseas increased 140,651 to a total of 3,818,076 or 48 percent of the total Army strength.

Assignment of Army Active-Duty Military Personnel
June 1, July 1, and June Increase

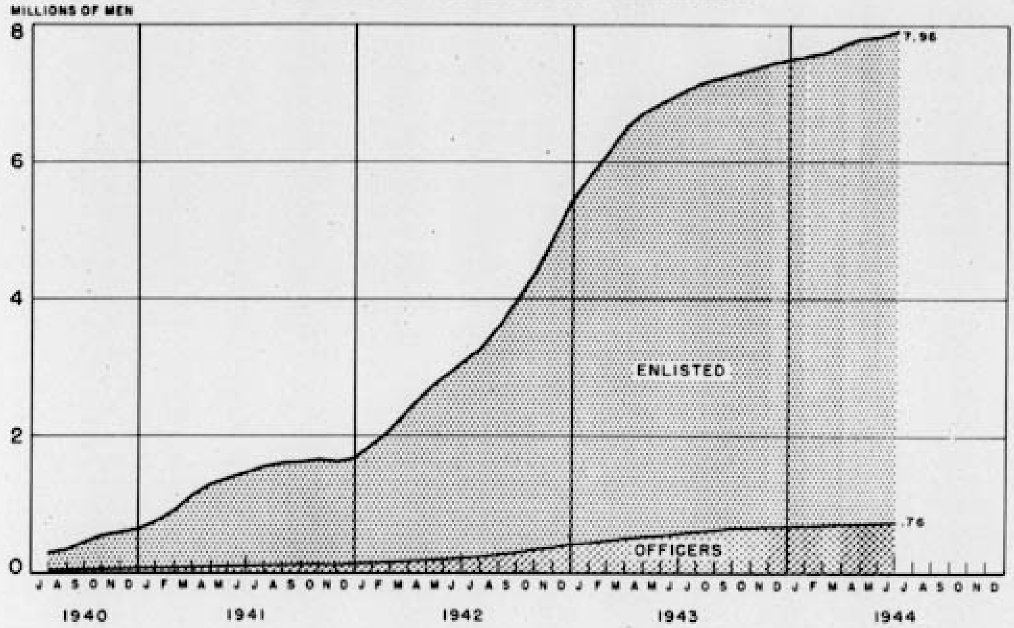
Assignment of Personnel	June 1 Actual	July 1 Estimated	June Increase
Army Ground Forces in U.S.	1,583,041	1,544,463	-38,578
Army Air Forces in U.S.	1,369,935	1,337,939	-31,996
Army Service Forces in U.S.	1,086,224	1,060,903	-25,321
In defense commands in U.S.	52,414	52,414	0
In staging areas	80,651	81,000	349
In ships	60,806	65,205	4,399
Outside Continental U.S.	3,677,425	3,818,076	140,651
Total	7,910,496	7,960,000	49,504

On July 1, the total active-duty military personnel was distributed as follows: Ground Forces, 3,358,125 or 42 percent; Air Forces, 2,348,558 or 30 percent; and Service Forces, 2,253,317 or 28 percent.

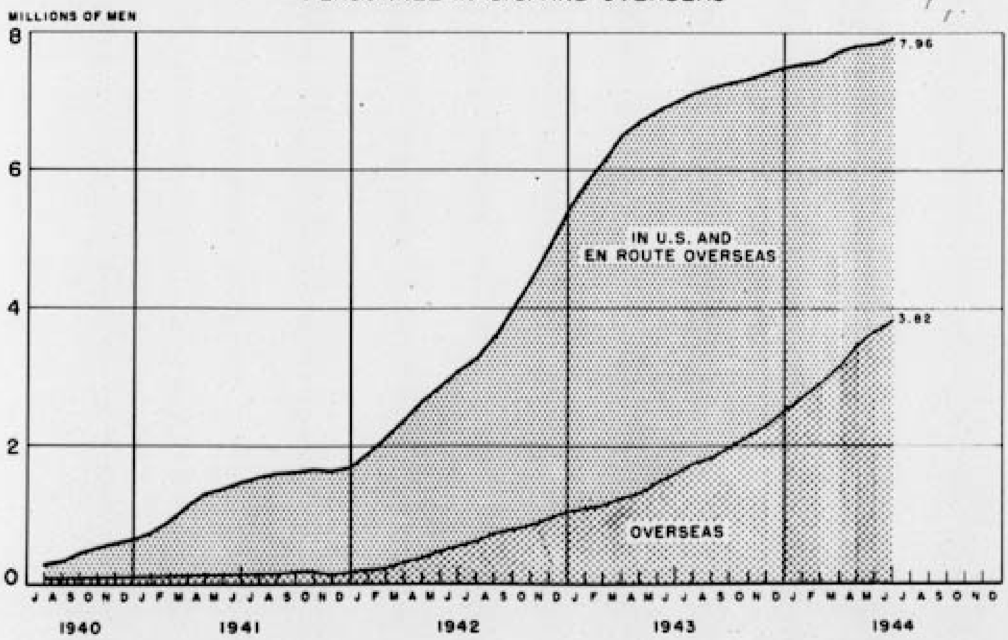
CHART 3

ARMY MILITARY PERSONNEL

OFFICERS AND ENLISTED PERSONNEL



PERSONNEL IN U.S. AND OVERSEAS



B. Army Casualties. During May, 15,497 battle casualties were reported, making a total of 175,615 between December 7, 1941 and May 31, 1944, of which 16 percent were officers. Of the total casualties, 45,639 or 26 percent have returned to duty.

The North African Theater reported the largest number of casualties -- 81,662 or 46 percent of the total, of which 32,638 or 40 percent have returned to duty.

Battle Casualties Reported, by Theater
Dec. 7, 1941 Thru May 31, 1944

	North African	Pacific and S.W. Pacific	European	Other	Total
Killed in Action	14,088	6,475	4,730	2,226	27,519
Wounded or Injured					
Died of wounds	2,154	726	124	93	3,097
Returned to duty	31,338	8,456	2,309	622	42,725
Evacuated to U.S.	7,955	3,154	298	177	11,584
Wounded	8,569	4,574	1,475	1,109	15,727
Subtotal	50,016	16,910	4,206	2,001	73,133
Captured or Interned					
Died of wounds	12	0	13	3	28
Died of disease	4	1,540	13	4	1,561
Repatriated	342	4	379	114	839
Prisoners of war	9,207	12,551	8,667	526	30,951
Internees	19	0	1,186	37	1,242
Subtotal	9,584	14,095	10,258	684	34,621
Missing in Action					
Declared dead	231	1,376	202	71	1,880
Died—cause unknown	2	189	3	36	230
Returned to duty	1,300	718	526	370	2,914
Status undetermined	6,441	16,039	10,924	1,914	35,318
Subtotal	7,974	18,322	11,655	2,391	40,342
Grand total	81,662	55,802	30,849	7,302	175,615

Preliminary Report of Casualties from Selected Areas
June 15 Through June 30, 1944

	North African	S.W. Pacific	European
Killed in action	1,874	244	2,789
Wounded in action	4,767	857	11,078
Missing in action	2,091	145	6,941
Total	8,732	1,246	20,808

IV. NAVY

Completions of Naval Vessels

The battleship WISCONSIN was completed on May 26 and the first large cruiser, the ALASKA, on June 16. A total of 265 combatant vessels have been completed in 1944 through June 20 — 47 in May and 31 more during the first 20 days of June. There are 216 additional combatant vessels scheduled for completion during 1944.

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

Type	1944				1943 Actual
	May	June Thru 20th	Jan. 1 Thru June 20	Scheduled June 21 to Dec.31	
Combatant Vessels:					
Battleship	1	0	1	1	2
Aircraft carrier	1	0	3	4	15
Aircraft carrier, escort	5	4	32	8	50
Large cruiser	0	1	1	1	0
Heavy cruiser	0	0	0	3	4
Light cruiser	1	2	4	9	7
Destroyer	8	6	46	52	128
Destroyer escort	23	12	141	86	306
Submarine	8	6	37	52	56
Total combatant	47	31	265	216	568
Patrol craft	68	21	288	286	718
Mine vessels	14	7	71	119	389
Auxiliaries	45	14	179	575	352
Landing force vessels*	199	84	606	793	649

*LST, LSM, LSD, LSV, and LCI(L)

Status of Construction of Selected Naval Vessels

Twenty-six percent of the 611 combatant vessels on order on June 20 had been launched, 25 percent were on the ways, and 49 percent had not been placed on the ways.

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

Type	New Construction on Order				Con-verting	Add'l Auth.
	Not Yet on Ways	On Ways	Launched	Total		
Combatant Vessels:						
Battleship	2	0	1	3	0	0
Aircraft carrier	7	11	3	21	0	0
Aircraft carrier, escort	13	8	2	23	4	0
Large cruiser	0	1	1	2	0	0
Heavy cruiser	15	12	1	28	0	0
Light cruiser	14	14	8	36	0	0
Destroyer	105	48	23	176	0	0
Destroyer escort	15	16	87	118	0	0
Submarine	127	45	32	204	0	0
Total combatant	298	155	158	611	4	0
Patrol craft	185	47	96	328	23	0
Mine craft	5	54	99	158	0	0
Auxiliaries	98	64	77	239	470	0
Landing force vessels*	815	165	92	1,072	0	0

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

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

CHART 4

CONSTRUCTION PROGRESS ON BATTLESHIPS AND AIRCRAFT CARRIERS

PROGRESS JULY 1, 1940 TO MAY 1, 1944 — PROGRESS FOR MAY 1944

TYPE AND NAME	Keel Laid	Estimated Completion Date
BATTLESHIPS		
NORTH CAROLINA	10-27-37	7-31-41
WASHINGTON	[illegible]-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	8-16-42
IOWA	[illegible]-27-40	3-28-43
NEW JERSEY	[illegible]	5-30-43
MISSOURI	1- 6-41	7-24-44
WISCONSIN	1-25-41	5-31-44
ILLINOIS	7-24-44	7-31-46
KENTUCKY	5-26-44	9-30-46
MONTANA	WORK SUSPENDED	
OHIO	WORK SUSPENDED	
MAINE	WORK SUSPENDED	
NEW HAMPSHIRE	WORK SUSPENDED	
LOUISIANA	WORK SUSPENDED	
AIRCRAFT CARRIERS		
HORNET (LOST)	5-[illegible]-39	10-20-41
ESSEX	4-28-41	12-30-42
YORKTOWN	12- 1-41	4-15-43
LEXINGTON	7-15-41	2-17-43
BUNKER HILL	9-15-41	5-25-43
INDEPENDENCE	1-18-43	2-25-43
PRINCETON	6- 2-41	2-25-43
BELLEAU WOOD	[illegible]-11-41	3-30-43
COWPENS	11-17-41	5-28-43
MONTEREY	12-29-41	6-17-43
LANGLEY	4-11-42	8-31-[illegible]
INTREPID	12- 1-41	8-16-[illegible]
CABOT	3-16-42	7-24-[illegible]
BATAAN	8-31-42	11-17-[illegible]
WASP	3-18-42	11-[illegible]
HORNET	8- 3-42	11- 1-44
SAN JACINTO	10-26-42	9-15-44
FRANKLIN	12- 7-42	4- 1-45
TICONDEROGA	2- 1-43	12- 1-44
HANCOCK	1-26-43	12- 1-45
RANDOLPH	5-10-43	11-29-43
BENNINGTON	12-15-42	12-15-43
BOXER	9-13-43	1-31-44
BON HOMME RICHARD	2- 1-43	5- 8-44
CROWN POINT	2-21-44	4-15-44
KEARSARGE	3- 1-44	12-31-44
ORISKANY	5- 1-44	3- 1-46
REPRISAL	7- 1-44	5- 1-46
ANTIETAM	3-15-43	2- 1-45
VALLEY FORGE	9-18-43	12-31-45
SHANGRI-LA	1-15-43	11- 1-44
LAKE CHAMPLAIN	3-15-43	3-15-45
TARAWA	3- 1-44	2-15-46
CVB41	10-27-43	8- 1-45
CVB42	12- 1-43	10- 1-45
CVB43	7-17-44	4- 1-4[illegible]
CV 45	9- 1-44	2-28-46
CV 46	11-27-44	7-15-46
CV 47	4- 1-45	7- 1-46
CVL 48	7-10-44	4- 1-46
CVL49	8-21-44	6- 1-46

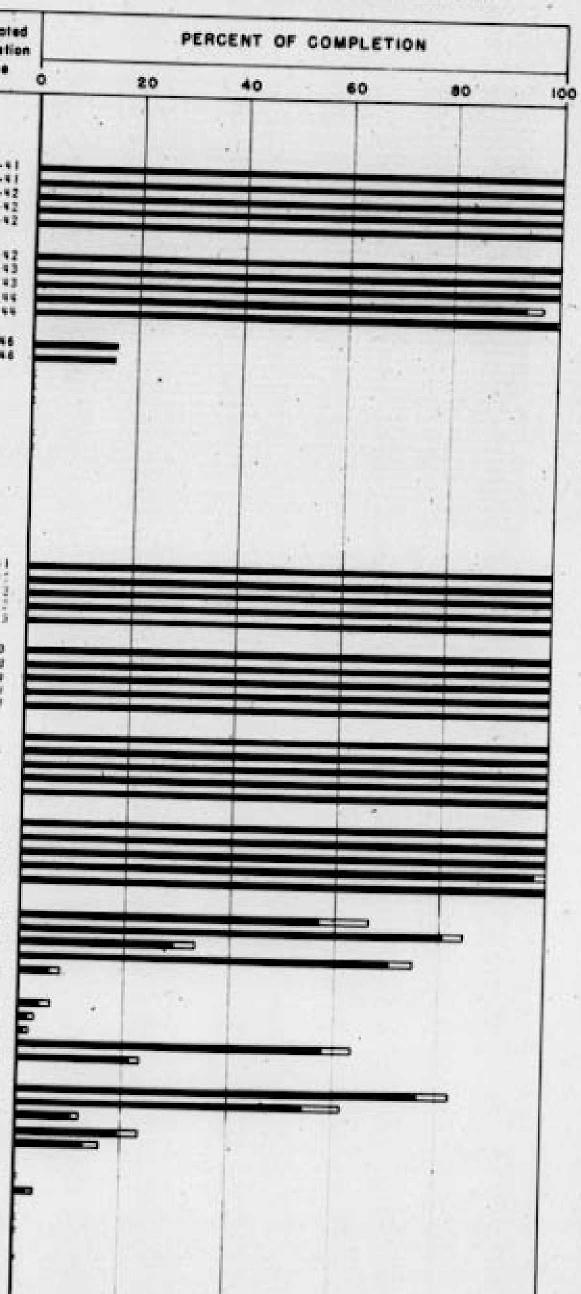


CHART 5

CONSTRUCTION PROGRESS ON AIRCRAFT CARRIERS, ESCORT

PROGRESS JULY 1, 1940 TO JUNE 1, 1944

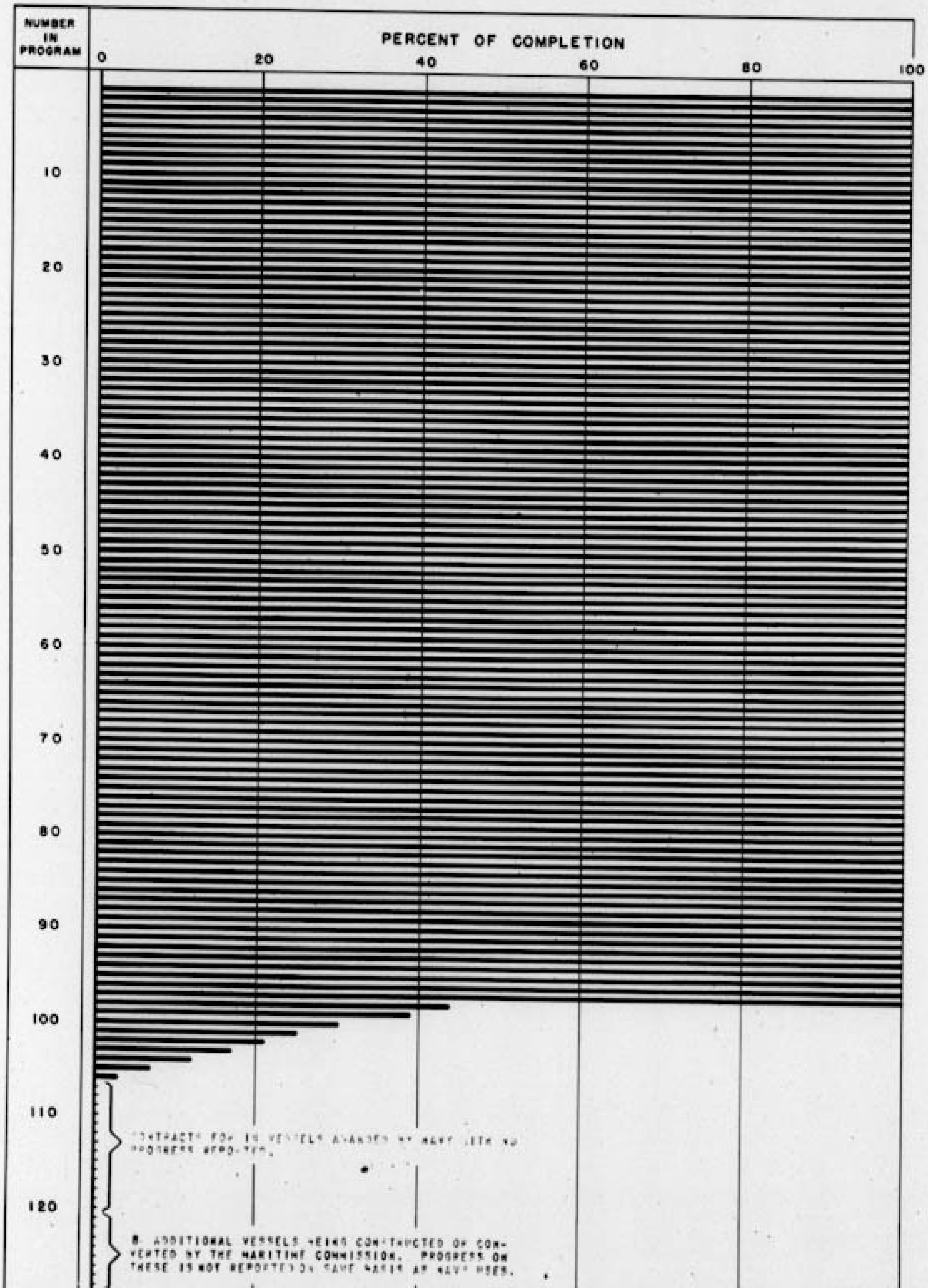


CHART 6

CONSTRUCTION PROGRESS ON LARGE AND HEAVY CRUISERS

▬ PROGRESS JULY 1, 1940 TO MAY 1, 1944 ▭ PROGRESS FOR MAY 1944

TYPE AND NAME	Keel Laid	Estimated Completion Date
LARGE CRUISERS		
ALASKA	12-17-41	6-20-44
GUAM	2- 2-42	10-30-44
HAWAII	12-20-43	2- 1-46
PHILIPPINES	WORK SUSPENDED	
PUERTO RICO	WORK SUSPENDED	
SAMOA	WORK SUSPENDED	
HEAVY CRUISERS		
BALTIMORE	5-26-41	4-15-43
BOSTON	6-30-41	5-30-43
CANBERRA	9- 3-41	10-14-43
QUINCY	10- 9-41	12-15-43
PITTSBURGH	2- 3-43	9-15-44
ST. PAUL	2- 3-43	12-31-44
COLUMBUS	6-28-43	4-15-45
DES MOINES	9- 9-43	8- 1-45
OREGON CITY	4-15-44	9- 1-45
ALBANY	3- 6-44	9-15-45
ROCHESTER	5-20-44	11-15-45
NORTHAMPTON	8-15-44	2-15-46
CAMBRIDGE	9- 1-44	3- 1-46
CA127	10-15-44	4-15-46
KANSAS CITY	11- 1-44	5- 1-46
CA129	2-15-45	8-15-46
BREMERTON	2- 1-43	3- 1-45
FALL RIVER	4-12-43	4- 1-45
MACON	6-14-43	5- 1-45
TOLEDO	9-13-43	9- 1-45
CA134	12-15-45	8-15-47
LOS ANGELES	7-28-43	12-31-44
CHICAGO	7-28-43	2- 1-45
NORFOLK	8- 5-44	10-31-45
CA138	8- 5-44	7-31-46
CA139	5- 1-45	11-15-46
CA140	6- 1-45	12-31-46
CA141	10- 1-45	6- 1-47
CA142	10-15-45	6-15-47
CA143	4- 1-46	12- 1-47
CA148		12-30-46
CA149		1-31-47

PERCENT OF COMPLETION

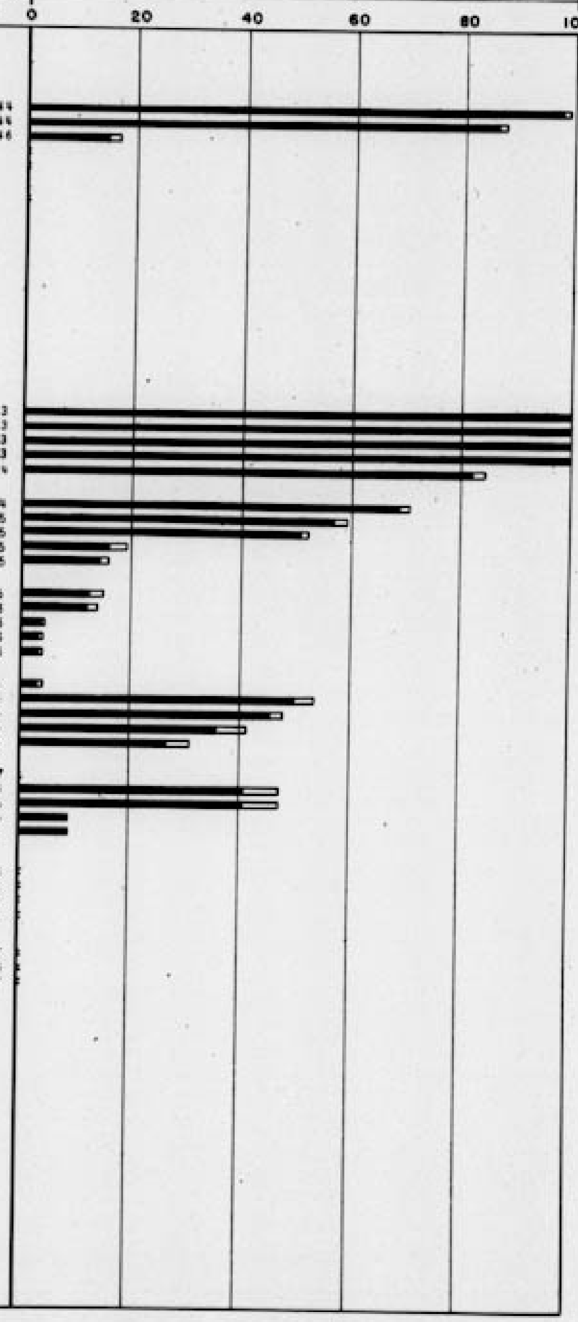


CHART 7

CONSTRUCTION PROGRESS ON LIGHT CRUISERS

PROGRESS JULY 1, 1940 TO MAY 1, 1944 — PROGRESS FOR MAY 1944

TYPE AND NAME	Keel Laid	Estimated Completion Date
LIGHT CRUISERS 6000 TONS		
ATLANTA	4-22-40	12-23-41
JUNEAU	5-27-40	2-11-42
SAN DIEGO	3-27-40	1-10-42
SAN JUAN	5-15-40	2-28-42
OAKLAND	7-15-41	7-17-43
RENO	8- 1-41	12-28-43
FLINT	10-23-42	9-12-44
TUCSON	12-23-42	12-29-44
JUNEAU	9-15-44	11-16-45
SPOKANE	11-15-44	1-18-46
FRESNO	1-28-45	3-28-46
LIGHT CRUISERS 10,000 TONS		
CLEVELAND	7- 1-40	6-15-42
COLUMBIA	8-19-40	7-15-42
MONTPELIER	12- 2-40	9- 9-42
DENVER	12-26-40	10-15-42
SANTA FE	6- 7-41	11-24-42
BIRMINGHAM	2-17-41	1-29-43
MOBILE	4-14-41	3-24-43
BILOXI	7- 9-41	8-31-43
HOUSTON	8- 4-41	12-20-43
MIAMI	8- 2-41	12-28-43
VINCENNES	3- 7-42	1-21-44
ASTORIA	9- 6-41	5-15-44
PASADENA	2- 6-43	6- 8-44
PROVIDENCE	7-27-43	3- 1-45
MANCHESTER	6-10-44	8- 1-45
VICKSBURG	10-26-42	6-12-44
DULUTH	11- 9-42	9-30-44
SPRINGFIELD	2-13-43	8-15-44
TOPEKA	4-21-43	12-20-44
OKLAHOMA CITY	12- 8-42	12- 1-44
LITTLE ROCK	3- 6-43	6- 1-45
GALVESTON	2-28-44	12- 1-45
YOUNGSTOWN	9- 5-44	6- 1-46
AMSTERDAM	3- 3-43	2- 1-45
PORTSMOUTH	6-28-43	5- 7-45
WILKES-BARRE	12-14-42	8- 1-44
ATLANTA	1-25-43	10- 9-44
DAYTON	3- 8-43	11-27-44
FARGO	8-23-43	6- 1-45
HUNTINGTON	10- 4-43	7- 1-45
NEWARK	1-17-44	10-15-45
NEW HAVEN	2-28-44	12- 1-45
BUFFALO	4- 3-44	1- 1-46
WILMINGTON	10-29-44	5- 1-46
VALLEJO	11-18-44	8- 1-46
HELENA	12-18-44	10- 1-46
CL114	1-14-45	11- 1-46
CL115	3-15-45	2- 1-46
TALLAHASSEE	1-31-44	5- 1-46
CHEYENNE	5-29-44	8-15-46
CL118	10- 2-44	8-15-46
CL144	3- 8-45	8-15-46
CL145	6-15-45	12- 1-46
CL146	8- 8-45	2- 1-47
CL147	10- 8-45	3-30-47

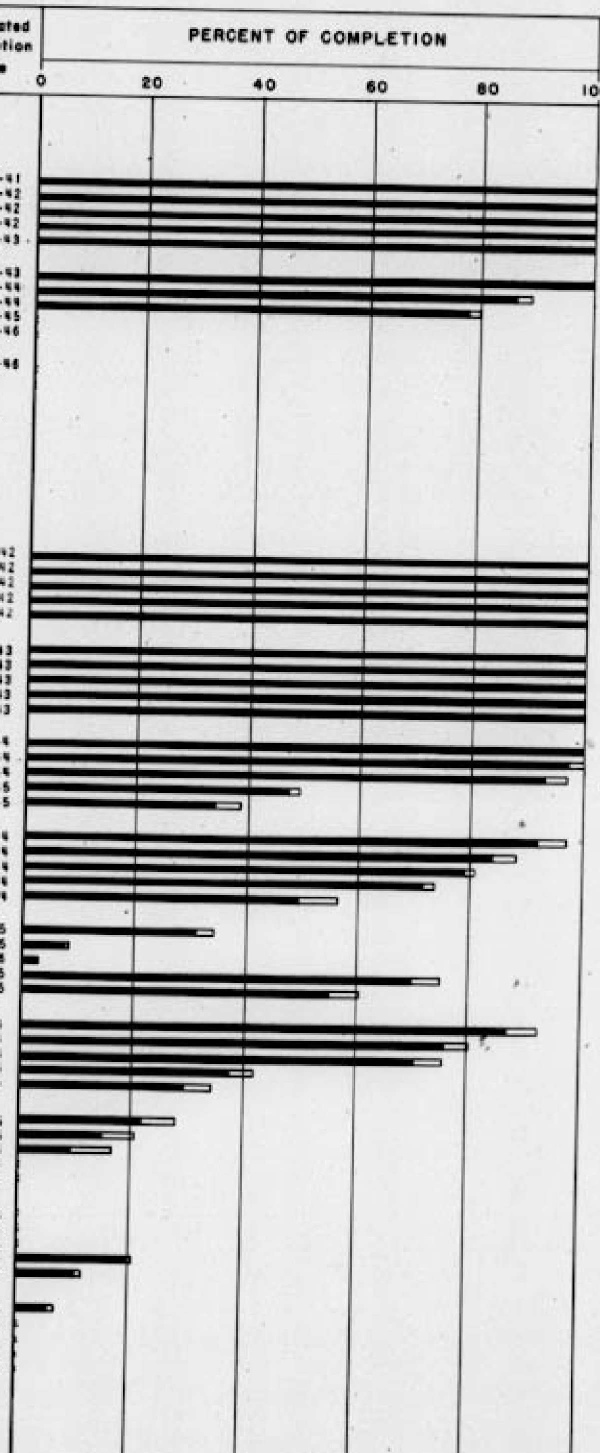
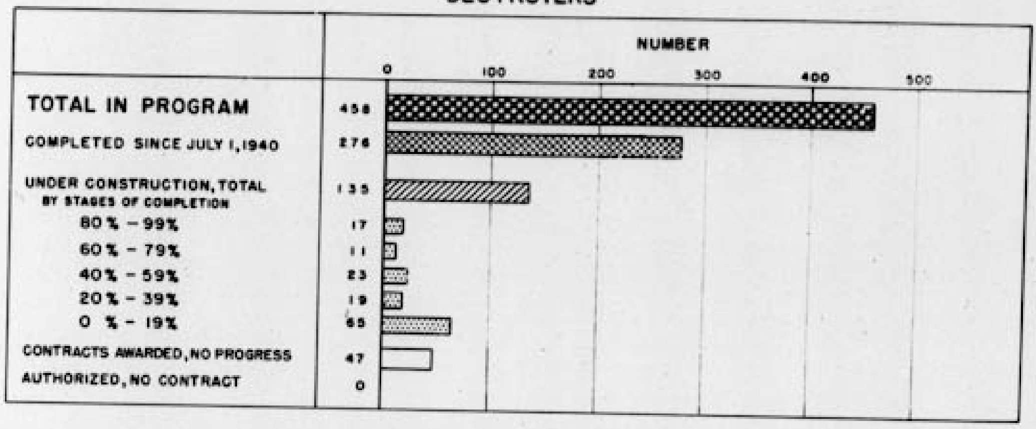


CHART 8

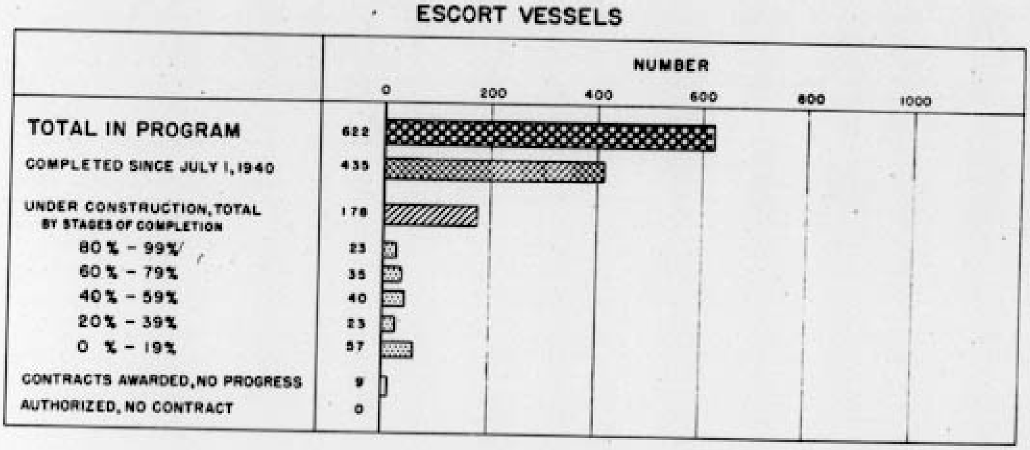
CONSTRUCTION PROGRESS
DESTROYERS, ESCORT VESSELS AND SUBMARINES

JUNE 1, 1944

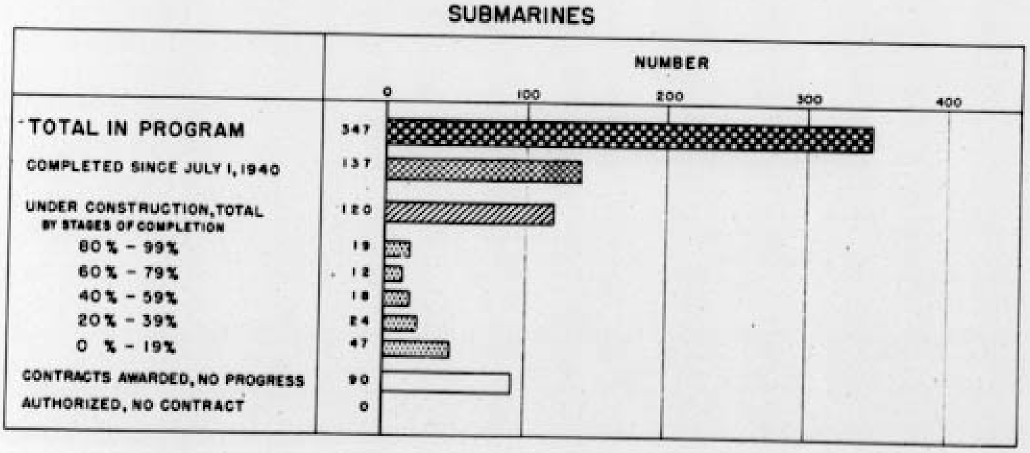
DESTROYERS



ESCORT VESSELS



SUBMARINES



Change in Vessels on Hand Since June 30, 1940

The number of combatant vessels of the Navy on June 20 had increased 719 since June 30, 1940 to a total of 1,102. These figures reflect only publicly announced losses.

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

Type	On Hand June 30 1940	New Completions	Publicly Announced Losses, Transfers, & Reclassifications	On Hand June 20 1944	Net Gain or Loss
Combatant Vessels:					
Battleship	15	9	1	23	8
Aircraft carrier	6	20	4	22	16
Aircraft carrier, escort	0	97	36	61	61
Large cruiser	0	1	0	1	1
Heavy cruiser	18	4	6	16	-2
Light cruisers	19	20	3	36	17
Destroyer	225	282	135	372	147
Destroyer escort	0	447	85	362	362
Submarine	100	143	34	209	109
Total combatant	383	1,023	304	1,102	719
Patrol craft	33	1,568	332	1,269	1,236
Mine craft	35	825	256	604	569
Auxiliaries	134	766	1/ -1	901	767
Landing force vessels 2/	0	1,410	289	1,121	1,121

1/ Added to the total on hand.
2/ LST, LSD, and LCI(L).

Analysis of Losses, Leases, Transfers, and Reclassifications

The following vessels were publicly announced by the Navy as lost during June: 1 destroyer escort, 1 submarine, 3 patrol craft, 3 auxiliaries, and 3 large landing craft.

A total of 85 combatant vessels have been announced as lost, 131 leased, 50 transferred, and 42 reclassified through June 30, 1944.

Publicly Announced Losses, Leases, Transfers, and Reclassifications — July 1, 1940 Through June 30, 1944

Type	Lost	Leased or Transferred 1/	Reclassified	Total Decrease
Combatant Vessels:				
Battleship	1	0	0	1
Aircraft carrier	4	0	0	4
Aircraft carrier, escort	2	38	2/ -4	36
Heavy cruiser	6	0	0	6
Light cruiser	3	0	0	3
Destroyer	42	50	45	137
Destroyer escort	2	84	0	86
Submarine	25	9	1	35
Total combatant	85	181	42	308
Other Vessels:				
Patrol craft	74	265	2/ -1	338
Mine craft	15	197	68	280
Auxiliaries	41	113	2/ -107	47
Landing craft 3/	19	254	105	378
Total other	149	829	65	1,043
Grand total	234	1,010	107	1,351

1/ Includes certain vessels sold, returned to owners, or transferred.
2/ Vessels added to the total on hand.
3/ LST, LSD, and LCI(L).

Production of Naval Ordnance Materiel

From January 1 to June 1, cumulative deliveries of 12 of the 18 items of naval ordnance material listed below were less than 42 percent of the total scheduled for the year.

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

Item	May Deliveries	Sched. Deliv. (12 Mo.) 1944	1944 Deliveries January 1 to June 1: Cumulative
Torpedoes 1/			
Surface craft	735	6,671	2,577
Submarine 2/	1,057	12,027	4,090
Aircraft 2/	687	7,312	3,804
Surface Fire Guns			
Heavy, 12" and 16" turrets	2	12	9
Medium, 8" and 6" turrets	6	100	45
Light, 4"	14	171	51
Antiaircraft Guns			
Heavy, 3" and 5" mounted barrel	912	9,618	4,516
Light, 40mm and 20mm mounted barrel 3/	4,738	55,719	23,667
Fire Control Equipment			
Gun directors	530	8,199	2,138
Radar fire control	97	1,771	339
Gun sights, Mk. 14	3,679	39,000	14,330
Ammunition			
Heavy surface fire	8,061	122,933	38,183
Medium surface fire	40,183	648,358	193,158
Light surface fire	474M	7,244M	2,483M
Antiaircraft:			
Heavy	627M	8,041M	3,036M
Light:			
20mm HE, HEI, HET	28,072M	408,334M	192,334M
40mm HE, HET, HEI, HEIT	6,705M	95,981M	28,731M
1"1	276M	5,451M	1,951M

5 mo. = 42% of year

M = 1,000 rounds
1/ Turned into store
2/ Excludes the British-type torpedo
3/ Excludes 40mm singles which are procured from the Army.

Personnel

The active-duty strength of the Navy, Marine Corps, and Coast Guard increased from 3,457,482 on May 15 to 3,577,005 on June 15 — an increase of 119,523 or 3 percent. The total on June 15 was composed of 648,246 regulars, 2,839,554 male reserves, and 89,205 female reserves.

Strength of the Naval Services
May 15 and June 15, 1944

	Navy	Marine Corps	Coast Guard	Total
Officers	272,228*	32,608	11,626	316,462
Officer candidates	113,623	7,770	300	121,693
Enlisted personnel	2,551,894	429,546	157,410	3,138,850
Total, June 15	2,937,745	469,924	169,336	3,577,005
Total, May 15	2,829,271	458,083	170,128	3,457,482
Increase	108,474	11,841	-792	119,523
Percent incr.	4%	3%	--%	3%

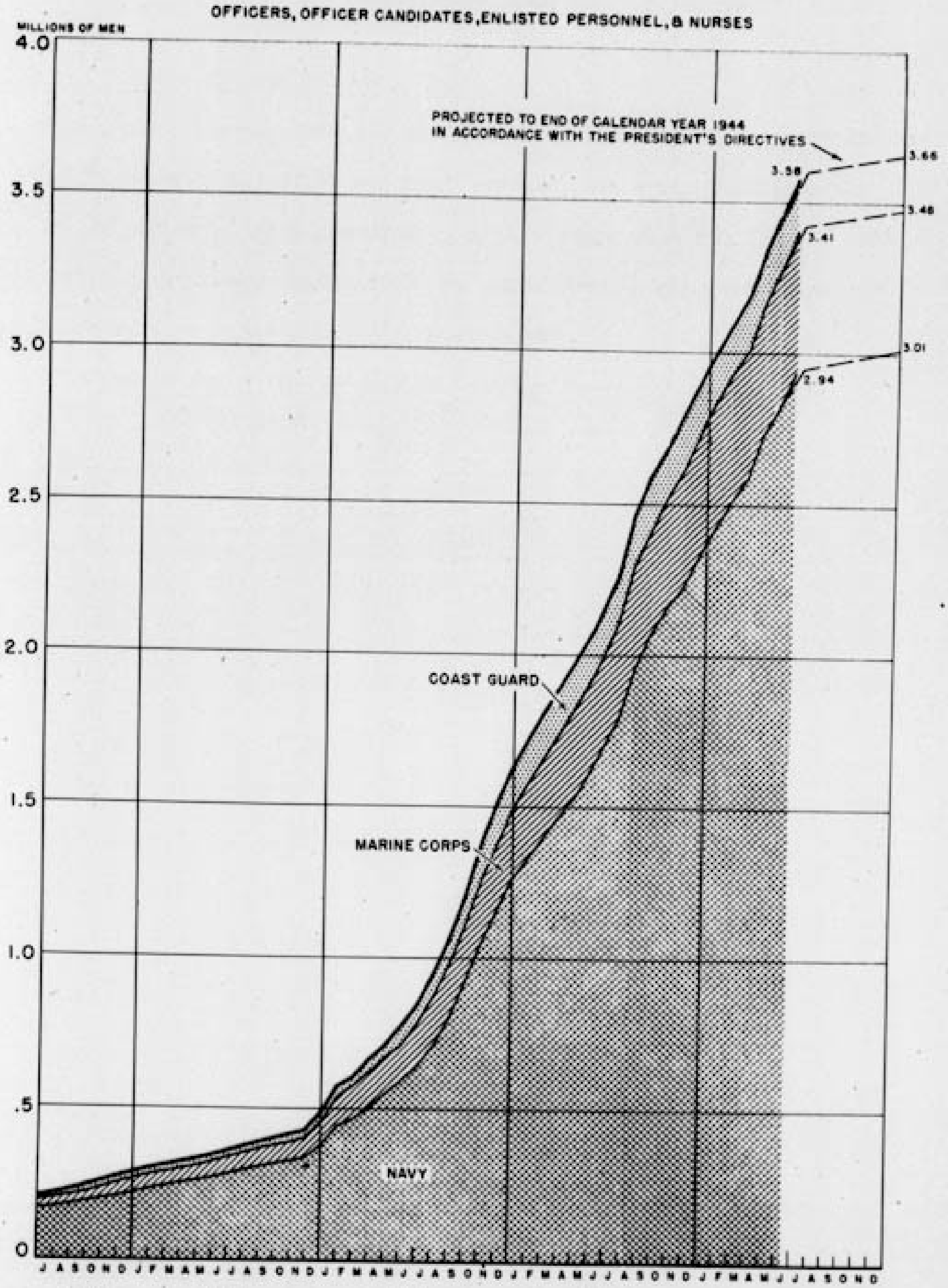
*Includes 8,211 nurses.

Note: Strengths approved by the President are:
Navy .... 2,947,500 by June 30, 1944
Navy .... 3,006,000 by Dec. 31, 1944
Marine Corps ...... 478,000 thru calendar year 1944
Coast Guard .... 174,000 thru calendar year 1944

CHART 9

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

OFFICERS, OFFICER CANDIDATES, ENLISTED PERSONNEL, & NURSES



V. MERCHANT SHIPPING

Gains and Losses, United Nations

From June 1 through June 25, the United Nations reported construction of 934,000 deadweight tons of merchant vessels, while reported losses totaled 183,000 dwt. From December 1, 1941 through June 25, 1944, a total of 41 million dwt. were constructed, as compared with reported losses of 19 million dwt. — a net gain of 22 million dwt.

Gains and Losses of United Nations' Merchant Vessels
Reported Dec. 1, 1941 Through June 25, 1944
(000 Dwt.)

	Dec. 1, 1941 Through Apr. 30, 1944	May	June Through 25th	Total Through June 25
Gains	38,786	1,687	934	41,407
Losses	18,777	85	183	19,045
Net gains	20,009	1,602	751	22,362

Deliveries by U.S. Shipbuilders

In June, U.S. merchant shipbuilders delivered 131 major-type vessels at 1,336,013 dwt., including 28 vessels for military use. The May deliveries were 141 vessels at 1,488,265 dwt.

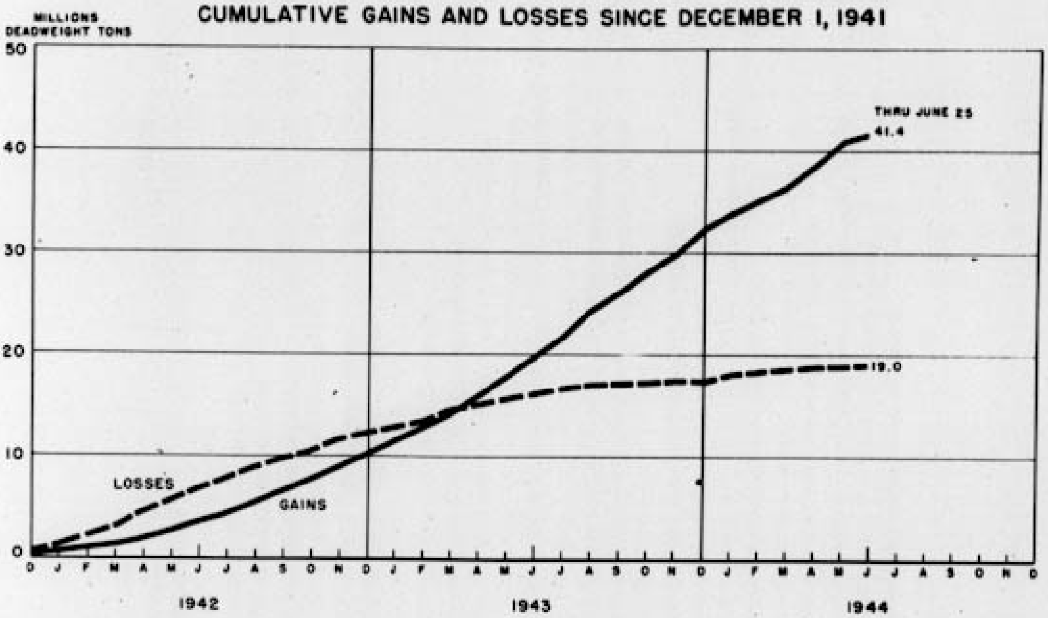
Vessels Delivered by U.S. Merchant Shipyards
May and June, 1944

Type	May		June	
	Number	Dwt.	Number	Dwt.
Dry cargo	97	1,035,242	83	881,825
Tanker	21	351,337	20	336,489
Military	23	101,686	28	117,699
Total	141	1,488,265	131	1,336,013

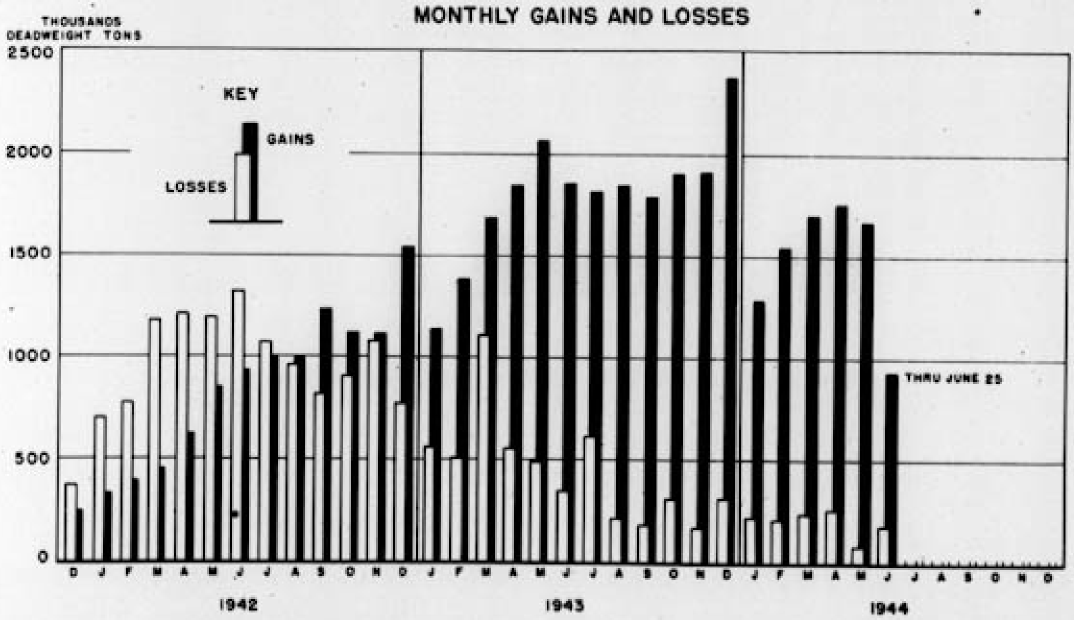
CHART 10

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

CUMULATIVE GAINS AND LOSSES SINCE DECEMBER 1, 1941



MONTHLY GAINS AND LOSSES

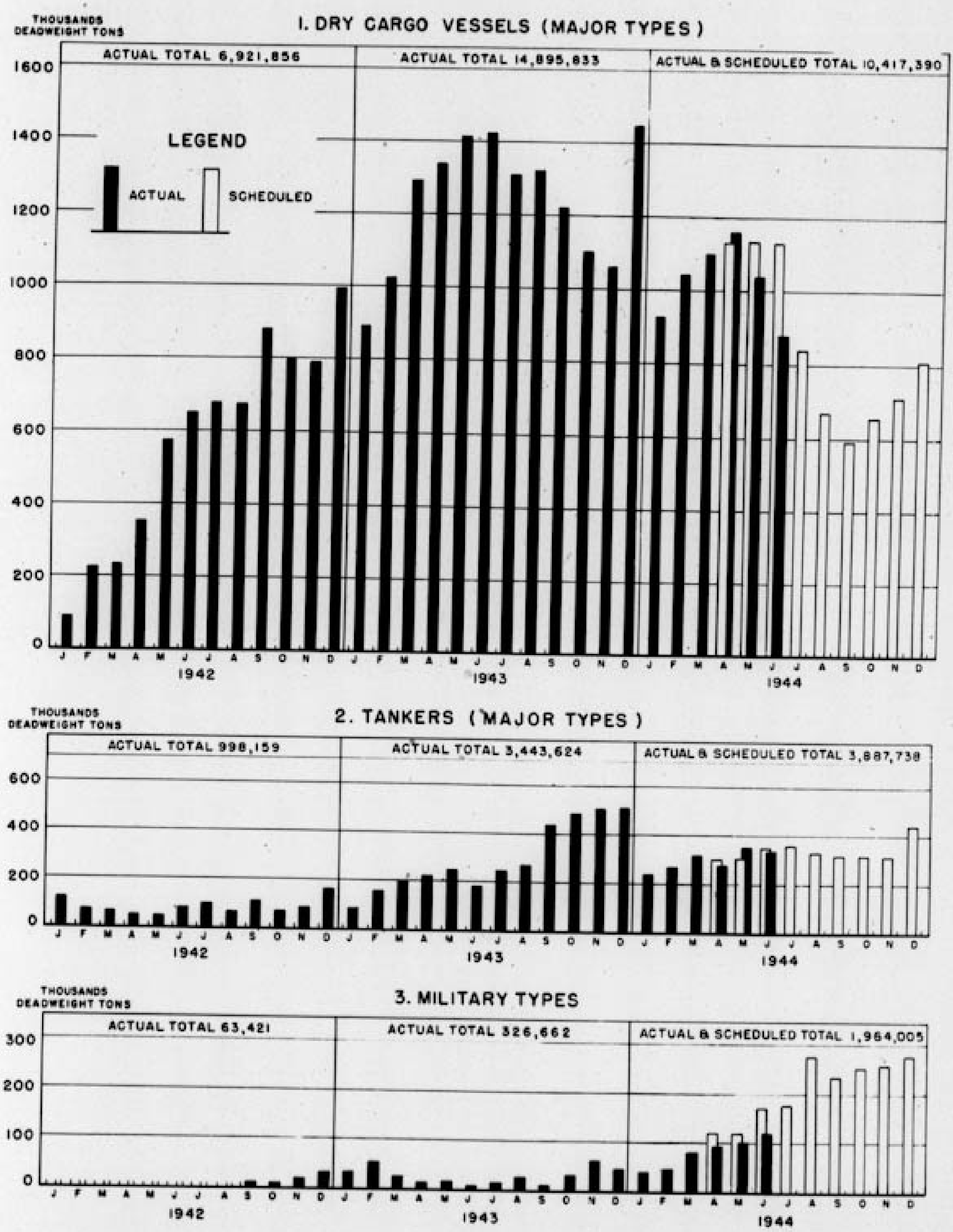


*BEGINNING WITH AUGUST 1943, MERCHANT VESSELS COMMISSIONED FOR MILITARY SERVICE ARE INCLUDED. LOSSES ARE ON A NOTIFICATION BASIS.

SOURCE: WEEKLY REPORT OF THE COMBINED SHIPPING ADJUSTMENT BOARD

CHART II

DELIVERIES OF SHIPS BY U. S. MERCHANT SHIPBUILDERS



SOURCE: MARITIME COMMISSION - SCHEDULE AS OF 4-1-44

VI. REVIEW OF PRODUCTION IN SELECTED WAR INDUSTRIES
(By the War Projects Unit of the Bureau of the Budget)

Buna-S synthetic rubber is estimated to furnish 80 percent of the total supply of rubber for 1944. Production of Buna-S now exceeds three-fourths of rated plant capacity, and for the first and second quarters of 1944 the schedules have been met. Production for the third and fourth quarters may be below schedule due to lack of butadiene from petroleum.

Buna-S synthetic rubber is being counted on by the Rubber Director to provide 765,000 tons, out of a total rubber supply of 959,000 tons. Other synthetic rubber will amount to 104,000 tons, and new crude imports are estimated at 90,000 tons.

Rubber requirements for 1944 are estimated at 982,000 tons or nearly double the 1943 consumption. With supply at 959,000 tons, it will be necessary to draw from stocks. The stockpile at the beginning of 1944 consisted of 44,000 tons of synthetic and 147,000 tons of crude rubber. The crude rubber stockpile will be drawn on heavily in spite of new imports and may be reduced to only 55,000 tons by the end of 1944, while stocks of synthetic rubber may be increased to 113,000 tons. The change in crude is on account of the fact that a certain amount of crude is required in the processing of synthetic rubber.

The Buna-S plant construction program is now virtually complete, and all plants are capable of full production. There are 15 Government-owned plants in the United States and one in Canada, with a designed capacity of 741,000 long tons annually. Experience since the last review (report of December 1943) has shown that the actual rated capacity averages nearly 25 percent higher than designed capacity and amounts to a total of 920,000 tons. It may be increased still further by the ingenuity and enterprise of individual operators.

Buna-S Production and Schedule, 1944
(Thousand Long Tons)

	Northeast	Southwest	Pacific	Total
Rated Capacity (Qtr.)	94.1	106.4	29.2	229.7
Production				
1944 1st Qtr.	85.9	50.4	8.9	145.2
2nd Qtr.	90.5	77.8	17.0	185.3
3rd Qtr.(Sched.)				210.0
4th Qtr.(Sched.)				225.0
Percent of Capacity				
1944 1st Qtr.	91%	47%	30%	63%
2nd Qtr.	96%	73%	58%	81%

Shortage of butadiene, the principal component in the manufacture of Buna-S, has been responsible for a loss of at least 50,000 tons of Buna-S below available capacities during the first five months of 1944. Buna-S plants in the Southwest and Pacific areas are programmed to be supplied regionally with butadiene manufactured from petroleum, while those in the Northeast area are supplied with butadiene from alcohol. The butadiene-from-alcohol supply has been sufficient to maintain the northeastern Buna-S plants at nearly full rated capacity, and in addition some has been sent from this source to the southwestern plants. The butadiene-from-petroleum program has experienced many difficulties and has not yet overcome them, although the situation is improving from month to month. Full production of butadiene from petroleum is not expected until January 1945.

Corrosion of equipment has become a serious problem in the Buna-S plants and may soon hinder production. Various process changes and preventives are being tried by several operators to overcome this problem, and some appear to be successful. It is expected that the Rubber Reserve Company will require proved methods to be passed on to the rest of the industry.

VII. AGRICULTURE AND WAR FOOD ADMINISTRATION

Civilian food supply will be at least as good this summer as it was a year ago.

The cooperation of American housewives in advance buying of eggs has made it possible to save 25 million dozen that were in danger of spoilage early in June.

Farm employment in June 1944 was 3 percent below June 1943. About 1,664,000 men have received agricultural deferments, and approximately 600,000 of these were under 26 years of age.

Civilian food supply adequate: Civilian supplies of all the principal foods will be at least as large this summer as they were last summer, but for most foods they will be somewhat below the relatively high levels reached in the April-June quarter. The total quantity of meats available to civilians in the July-September period is expected to be less than in the past few months but above last summer's supply. The total supply of fats and oils, with the exception of butter, will be relatively large in the next two or three months and only slightly smaller quantities of butter are expected to be available to civilians in July and August than in May and June. Prospects for fresh fruit and vegetable supplies are good this summer and show a marked improvement over last summer. The unusually large wheat crop, now estimated at 1,035 million bushels, should provide considerable wheat for livestock feed and perhaps some for alcohol production.

Surplus foods disposed of: Food stocks in excess of known requirements were disposed of during June, including those no longer needed to meet military requirements and those released to prevent deterioration. Sales included rice, tomato puree and paste, evaporated milk, tomato catsup, canned corn, and a few other canned foods. Civilian supplies of cheese were increased by the release of 595,000 pounds of American cheddar. A considerable quantity of dried fruit, including prunes, apricots, and peaches, are being prepared for release to civilian trade channels.

Livestock and meat situation improves: The end of June saw a definite improvement in the hog market, with fewer hogs being held over from day to day at the terminal stockyards. Cattle marketings have held around 23 percent above marketings of a year ago.

New York civilians benefiting from release of beef: Civilians in New York are benefiting directly from the release of 3,048,000 pounds of beef which had been scheduled for overseas. Ships were not available because of the invasion, and the beef, largely commercial grade, was released to civilian trade, principally in New York City.

Butter and cheese ordered set aside: The War Food Administration has reserved 45 percent of July and 30 percent of August butter production as well as 60 percent of July and August cheddar cheese production for direct war uses. The action continues the plan of the armed services and other Government agencies to buy during the heavy producing summer months enough butter and cheese to meet their winter needs. This plan makes it possible to maintain a relatively stable civilian supply throughout the year. Adherence to a similar plan last year has made it possible to reduce the set-aside below that in 1943. Something less than 20 percent of the total estimated supply of butter during the next twelve months will go to the armed services and other war claimants. The percentage of nonfat dry milk solids to be set aside during June was reduced sharply because of a temporary, but severe, shortage of new barrels.

Egg crisis relieved: Through cooperation of American housewives and the trade in moving more eggs, the storage problem that threatens serious losses has been solved, at least temporarily. This cooperation has made it possible to save all of the 25 million dozens that were in danger of spoilage in early June. In addition, the campaign to increase egg consumption reduced the need to divert eggs to livestock feed so as to avoid wastage and helped to hold such diversions to a total of only about 225 carloads. We appear to be over the hump for the year, both in production and in price supporting buying. As of June 28, approximately 6,200,000 cases of shelled eggs have been purchased by War Food Administration since January 1. This amounts to approximately 10,000 carloads. Disposal of these eggs is now of considerable concern to the trade, but methods of disposal now in use and proposed for the future are expected to give the trade all necessary assurance that there will be no dumping of WFA stocks.

Lend-Lease food deliveries up: Lend-Lease shipside deliveries totaled 654,301,209 pounds, compared with 590,234,920 pounds put down at shipside the previous month. These shipments were approximately 77 percent of total April deliveries of food and other agricultural products.

Natural cold storage being studied: In view of the tight situation in cold storage facilities, the possibilities of using several caves and mines for this purpose are being studied. A worked-out mine near Atchison, Kansas is being given particular consideration, since it is reported to be in excellent condition, contains about 1 million square feet of space, has a normal year-round temperature of about 50 degrees Farenheit, and is replete with railroad sidings. A study is being made of the feasibility of installing sufficient refrigeration equipment to bring the temperature down to

30-32 degrees. It is estimated that the mine will have a storage capacity of approximately 12 million cubic feet, large enough to hold from 3,000 to 3,500 carloads of foods. It would provide excellent storage for such commodities as fatbacks, dried eggs, smoked meats, and other foods that require cooler rather than freezer storage and it is believed would avert any possible storage crises this fall.

Farm machinery production improves: During May the production of farm machinery and equipment has shown a decided improvement over previous months. The chief difficulties which still confront manufacturers are a shortage of labor and restricted supplies of malleable castings, steel, and malleable chains. Of the items of rationed farm machinery scheduled for production between July 1, 1943 and July 31, 1944, the following percentages have been completed: For spring use, corn and cotton planters, 86.5%; potato planters, 98.1%; grain drills, 71.2%; listers, 101%; beet and bean drills, 84.3%; disc harrows, 86.4%; soil pulverizers, 81.1%; rotary hoes, 78.6%; midseason use, combines, 57.9%; mowers, 60.5%; side delivery rakes, 52.1%; hay loaders, 66.1%; pick-up balers, 66%; irrigation pumps, 95.2%; grain and rice binders, 43%; potato diggers, 29.1%; fall use, corn binders, 19.4%; corn pickers, 32.2%; stationary balers, 97.2%; feed grinders, 94.2%; year-round use, manure spreaders, 82.3%; tractors, 84.8%; garden tractors, 54.3%; milking machines, 86.6%; milk coolers, 62.6%; well systems, 81.3%; windmills, 83.2%.

Supplies of farm construction materials improve: Supplies of merchant trade products (e.g., fence nails, staples, bale ties) have increased and are generally sufficient to meet current farm needs. The situation with respect to farm gardner and mechanics hand tools has similarly improved. Metal roofing and screen wire, however, continue in short supply. Approximately 11 percent of the national production of lumber for the third quarter of 1944 will be allocated for farm construction.

Supplies of fertilizers up: Current estimates of supplies of fertilizer materials indicate a substantial increase in the quantity of plant food which is expected to be available to farmers in the 1944-45 season. These estimates show increases over 1943-44 of 6.3% nitrogen, 23% phosphoric acid, and 21% potash.

Farmers accept soil conservation: A recent survey of 9,244 farms in all parts of the country indicates that farmers are accepting soil conservation methods. Practically all farmers interviewed said they found conservation measures effective in controlling erosion, and over 96 percent said conservation practices had increased production. Two-thirds of the farmers interviewed said that an additional 38,836 neighbors and friends had installed soil conservation practices as a result of seeing them successfully applied, and one-third of the farmers interviewed had helped neighbors install soil conservation practices on their farms.

Farm employment below year ago: June farm employment, according to the Bureau of Agricultural Economics, was an estimated 11,285,000. This was 3 percent below June 1943, due mainly to a decrease in the number of hired workers. Family labor, totaling 8,845,000, comprised 78 percent of the total farm labor force in June. The Selective Service System reported the number of men with agricultural deferments as of June 1 approximated 1,637,000 in classifications 2-C and 3-C, and 27,000 in 2-CL and 2-CF. About 600,000 of the deferred farm men are under 26 years of age.

Index of prices received by farmers down slightly in June: The index of prices received by farmers for farm products was 193 for June 1944. This is 1 point under May and 2 points under June 1943. During the past year, the index of crop prices has risen 7 points and was 197 in June, while the index of prices of livestock and livestock products has declined 10 points to 189. The index of prices, interest, and taxes paid by farmers has remained constant at 170 for the past five months.

Basic commodity prices continue to advance: In contrast to recent trends in prices received by farmers, the daily index of prices of 28 basic commodities and raw materials has been advancing for the past two months. The index was 180.5 on May 1, 1944, and 182.8 on June 28.

Total cash receipts up 4 percent: The preliminary estimate of total cash receipts in May of 1,464 million dollars was 4 percent greater than the income of 1,402 million dollars in April and 5 percent above the total receipts in May 1943. The decline in receipts from crops in May 1944 was about the same as usual, but income from livestock and livestock products made more than the ordinary increase.

VIII. WAR HOUSING

Publicly Financed

To June 1, 1944 a total of $2.3 billion had been made available for the construction of public war-housing projects.

Including the Home Owners' Loan Corporation conversion program, to June 1 a total of 807,160 family dwelling units, dormitories for single persons, and trailers had been programmed, of which 722,626 or 90 percent had been completed.

Status of Public War-Housing Program — June 1, 1944

	New Construction				HOLC Conversions	Total Program
	Family Dwelling Units	Dormitories	Stop-Gap and Trailers	Total	Family Dwelling Units	
Completed	477,707	159,100	53,634	690,441	32,185	722,626
Under construction	37,766	3,910	10,335	52,011	13,092	65,103
Not started	7,408	1,566	2,580	11,554	7,877	19,431
Total	522,881	164,576	66,549	754,006	53,154	807,160

Privately Financed

In addition to the public war-housing program, Title VI of the National Housing Act provides for insurance by the Federal Housing Administration on mortgages, not to exceed $1.6 billion in the aggregate, on houses designed for the use of war workers. To June 1, a total of 342,934 mortgages on privately financed war housing had been accepted for insurance and 324,609 new homes had been started. Approximately 386,600 dwelling units can be insured under available funds.

IX. WAR FINANCES

Expenditures

Total expenditures for war purposes in fiscal year 1944 amounted to $89.9 billion. June expenditures were $8 billion, or at an annual rate of $95.7 billion.

	May	June	F.Y. 1944
	(Billions)		
Monthly rate	$7.9	$8.0	$7.5 (average)
Adjusted annual rate	91.8	95.7	89.9

Appropriations

Appropriations, other Congressional authorizations, and commitments of Government corporations for war purposes increased $51.2 billion in June to a total of $399.2 billion. Net expenditures against this amounted to $199.8 billion.

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

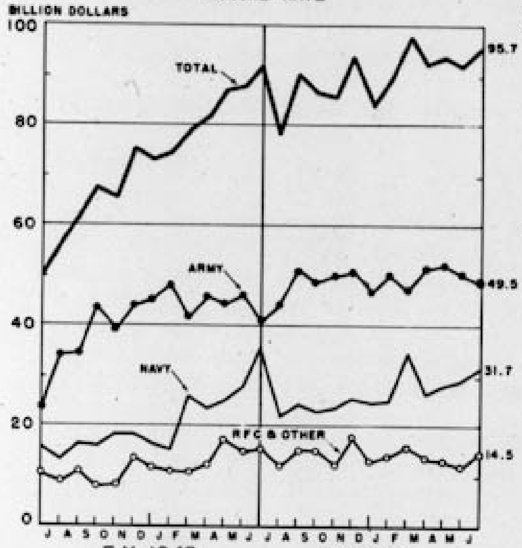
	Appropriations & Authorizations				Expenditures
	F.Y. 1941 Through F.Y. 1943	F.Y. 1944	F.Y. 1945	Total	F.Y. 1941 Through F.Y. 1944
War Department	$126.6	$59.0	$15.4	$201.1	$109.4
Navy Department	47.5	29.8	29.2	106.4	58.3
Maritime Commission	11.0	.03	5.7	16.7	7.6
Govt. Corpns. (commit.)	19.9	4.3	—	24.2	8.4
Other	32.7	3.9	5.5	42.0	16.1
Est. approp. required beyond F.Y. 1945 for completion of Navy	—	—	—	8.8	—
Total	$237.7	$97.0	$55.8	$399.2	$199.8

CHART 12

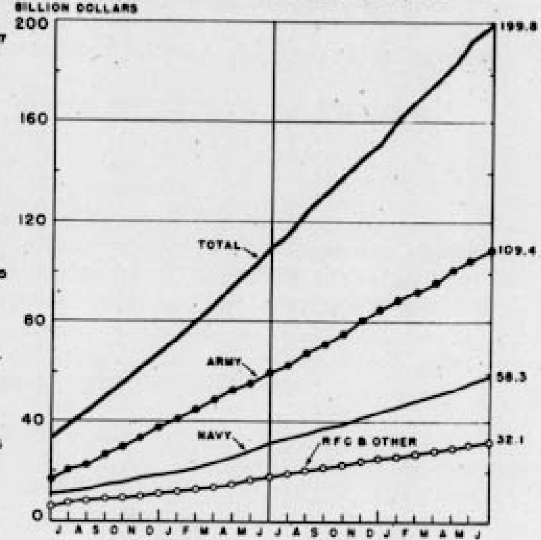
RECEIPTS, EXPENDITURES AND PUBLIC DEBT*

WAR EXPENDITURES

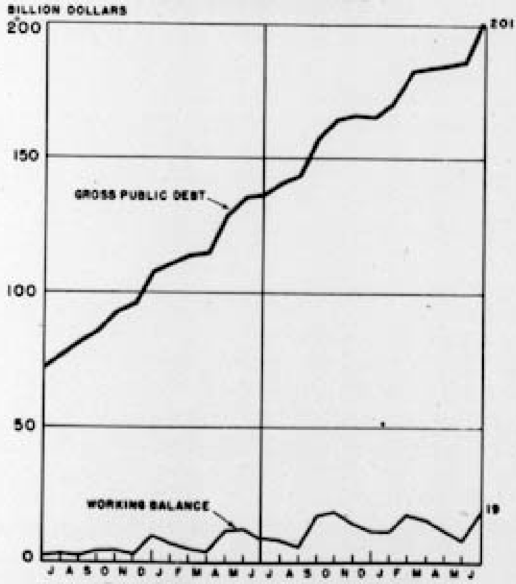
ANNUAL RATE



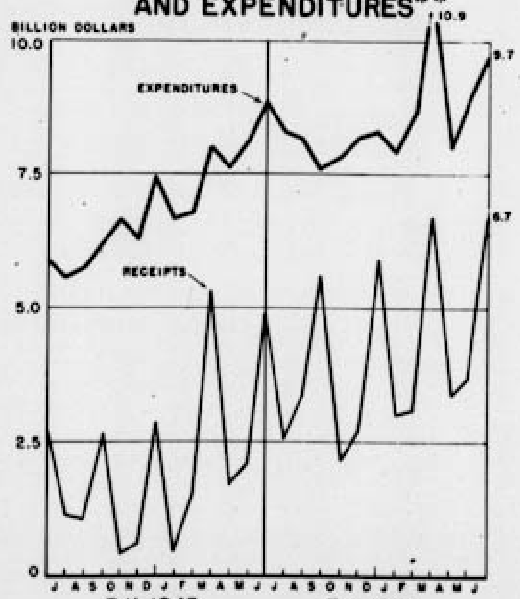
ACTUAL CUMULATIVE SINCE JUNE 30, 1940



THE PUBLIC DEBT



TREASURY RECEIPTS AND EXPENDITURES**



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

**EXCLUDES PUBLIC DEBT ACCOUNTS

X. ECONOMIC STABILIZATION PROGRAM

Extension of the Stabilization Act without substantial impairment to June 30, 1945, assures legislative basis of the stabilization program, although adaptation of OPA program to new restrictions of Act poses difficulties.

Prices--Cost-of-living: The cost of living rose 0.4 percent between mid-April and mid-May, due largely to seasonal advances for food and higher house-furnishing prices. The new requirement of the Stabilization Act that ceiling prices on each major cotton textile item separately considered must reflect the parity price of cotton will add to difficulties in holding the line on cotton clothing prices. Also, dilatory legal procedures made possible by Act may hamper price enforcement.

Prices--farm: Prices received by farmers declined by about 1 percent, while prices paid remained constant between May and June. Increase in mandatory loan rate for cotton from 90 to 92.5 percent of parity, effected by the Stabilization Extension Act, may be the initial reflection of a move to raise the level at which the prices of other agricultural products are to be supported for a period extending two years after the war.

War Bonds: By the end of June, subscriptions of $13.7 billion had been received on a total quota of $16 billion for the Fifth War Loan. Saving bonds sales reported, however, totaled only $1.8 billion. Redemptions of saving bonds continued on a high level.

Taxes: Net receipts in Fiscal 1944 totaled $44.1 billion, nearly $3 billion above estimate of last January. The increase is attributable to new revenue legislation as well as to an underestimate of the yield of taxes in force in January. The Congressional Joint Committee on Internal Revenue taxation in collaboration with Executive agencies has initiated a study of postwar tax problems preparatory to the formulation of a tax program for postwar.

Wages: The Report of the Technical Committee appointed by the Chairman of the President's Committee on the Cost of Living upheld the accuracy of the BLS index as a summary measure of retail price changes--an issue in the controversy over the Little Steel wage formula. The Report further implies that wage-rate changes must be compared with retail price changes, not, as critics of the BLS index would have it, with changes in total expenditures for living.

XI. MANPOWER

Seasonal needs for workers in agriculture were reflected by a 1.1 million increase in agricultural employment in May over April. This increase was partially offset by a 400,000 decline in nonagricultural employment and an increase of 110,000 in the unemployed. The total civilian labor force was 700,000 below the May 1943 level. Factory employment continued to decline from the November 1943 peak as the result of production adjustments and further decreases in consumer goods production. Munitions employment is expected to decline by an additional 500,000 workers by the end of the year, but labor shortages can be expected to continue in some areas.

Average weekly hours of factory workers were slightly lower in April than in March, but an increase in average hourly earnings left average weekly wages almost unchanged. A substantial increase in man-days lost from strikes resulted from large strikes in the Pacific Northwest and Detroit areas in May. Employee separation rates in manufacturing were lower in April but still higher than accessions.

Labor Force and Employment

The civilian labor force increased by almost 800,000 between April and May 1944 as the seasonal labor requirements of agriculture expanded. The gain of 1,100,000 agricultural workers--slightly greater than between April and May last year--was accompanied by large reductions in nonagricultural employment. Unemployment increased by 110,000, returning to about the level of February and March.

The estimates of the civilian labor force for May and April of 1944 and for May 1943 are as follows:

Employment Status	Persons 14 Years of Age and Over		
	May 1944	April 1944	May 1943
Civilian labor force	52,840,000	52,060,000	53,550,000
Employed	51,960,000	51,290,000	52,630,000
Unemployed	880,000	770,000	920,000

Women accounted for practically the entire increase in May 1944 of 780,000 in the total civilian labor force. Many who entered the labor force had undoubtedly been in school in April, but there is evidence that the majority of these women had previously been engaged in home housework. Less than one-fifth of the increase in the female labor force took place among women under 18 years of age, while the greatest increases were made among women 35 years of age or older. Many of these women, regardless of age, must be considered only seasonal additions to the labor force. This is particularly true of the recently added women workers who are farm residents and whose entrance into the labor market is dictated by the demands of agriculture.

Nonagricultural employment totaled 43.4 million in May as compared with 43.8 million in April and 43.7 million in May 1943. Agricultural employment was up to 8.6 million in May from the 7.5 million reported for April. May 1943 agricultural employment was 8.9 million.

The number of factory wage earners in May was 165,000 less than in April, thus continuing the decline from the peak reached last winter. Employment also declined between the two months in mining, construction, and trade. Slightly increased employment was reported for public utilities, government, and miscellaneous establishments.

Manpower Shortages

The aggregate unfilled labor requirements in critical industries look relatively small when compared with the probable additional declines by December 1944 of at least 500,000 in over-all requirements of the munitions industries whose employment has already dropped 600,000 since last winter. The remaining unfilled requirements are qualitatively significant, however, since they are concentrated geographically and are predominantly for able-bodied male workers.

The problem of filling male labor shortages is further complicated by the public reaction to production cutbacks and resumption of civilian production. Cutbacks have uniformly resulted in withdrawal from the labor market of some women workers who could be employed in other essential work. However, as yet, there is no evidence of any net loss of women from the labor force. The number of women entering non-munitions employment is still large enough to offset losses in munition industries.

The War Manpower Commission reclassified eleven areas as a result of increasing labor shortages, and two other areas were reclassified to reflect reductions in labor requirements. Thirty-six areas were dropped from the classification as no longer meeting basic criteria.

Hours and Earnings

Average weekly hours worked by factory workers declined from 45.4 in March to 45.0 in April. Average weekly earnings were practically unchanged at $45.56. Average hourly earnings increased from $1.006 to $1.012 between the two months. The drop in average weekly hours was due almost entirely to a shorter work week for workers in nondurable goods factories. The range of average weekly earnings in manufacturing was from $19.43 for certain types of cotton textiles to $64.71 for the manufacture of locomotives.

Industrial Accidents in Shipyards

Intensified safety programs in shipyards under contract to the Navy and Maritime Commission resulted in a decline in the volume of work injuries during the latter part of 1943. The average injury-frequency rate for the year 1943 was 31.2, which was 6 percent lower than the industry's average for the preceding year. During 1943, shipyard employment was higher than in previous years, reaching a peak of 1,723,300 workers in November. The rate of injuries in shipyards is half again as high as the rate for all manufacturing industries combined, but is lower than the preliminary 1943 averages for other heavy industries, such as foundries and plants producing fabricated structural steel, iron and steel forgings, and plate-fabrication and boiler-shop products.

Strikes

There was a further increase in the number of strikes and man-days lost from strikes in May. For this month 610 new strikes were recorded, involving 290,000 workers and 1,400,000 man-days lost. Corresponding figures for April were 435 strikes, 155,000 workers involved, and 580,000 man-days lost. The increase in number of workers and man-days lost was due principally to the lumber workers' strike in the Northwest and the foremen's strike in the Detroit area.

Labor Turnover and Absenteeism

The average monthly separation rate in manufacturing industries decreased from 7.33 per 100 employees in March to 6.77 in April. The quit rate for April was slightly lower than the March rate, and the lay-off rate was substantially lower. The accession rate in April at 5.51 was again below the separation rate. The highest separation rates were reported for aluminum and magnesium smelting and refining at 10.9 and the small arms ammunition industry at 11.83. A substantial part of the separations in the latter industry was due to production adjustments resulting in lay-offs.

Absenteeism rates in important war production plants showed practically no change between March and April. The April average rate of 6.8 was only slightly higher than the rates of the preceding three months.

CHART 13

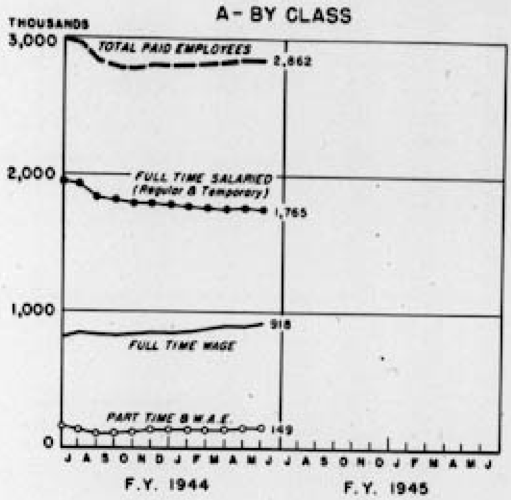
FEDERAL CIVILIAN EMPLOYMENT

CONTINENTAL U. S. ONLY EXCLUDING ALASKA AND PANAMA CANAL ZONE

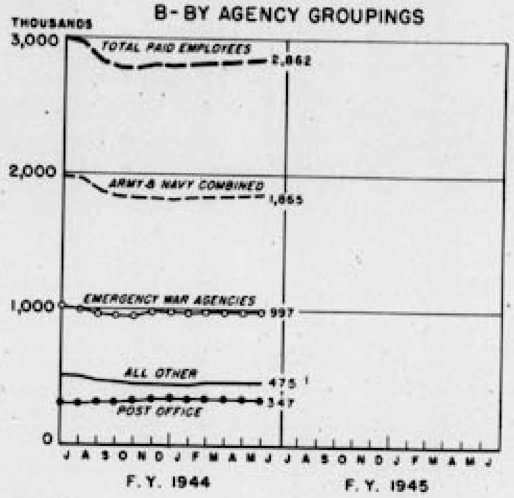
(PAID EMPLOYEES ONLY)

1- DEPARTMENTAL AND FIELD

A- BY CLASS

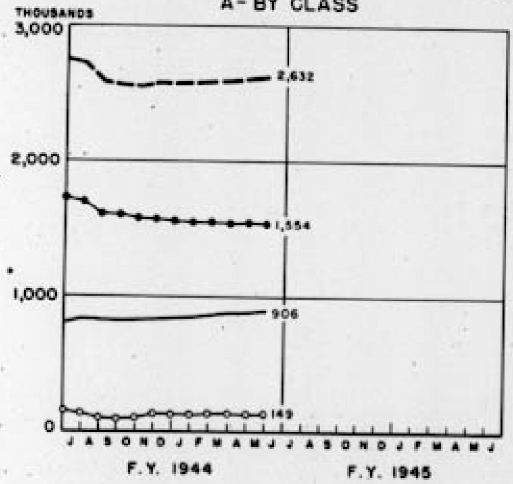


B- BY AGENCY GROUPINGS

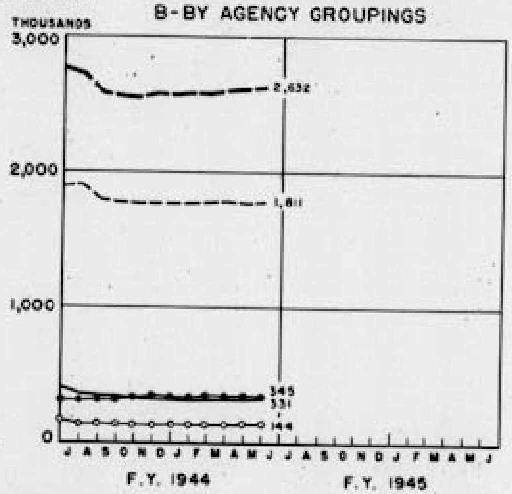


2-FIELD

A- BY CLASS

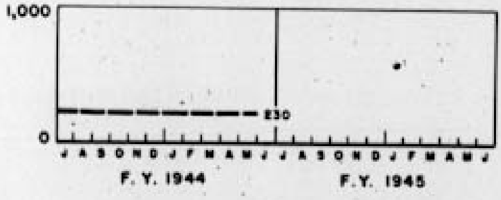


B- BY AGENCY GROUPINGS



3-DEPARTMENTAL

A-BY CLASS



B- BY AGENCY GROUPINGS

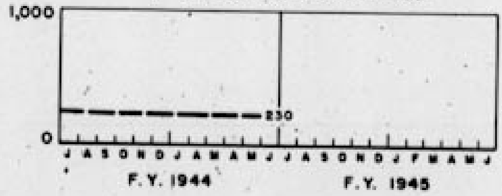
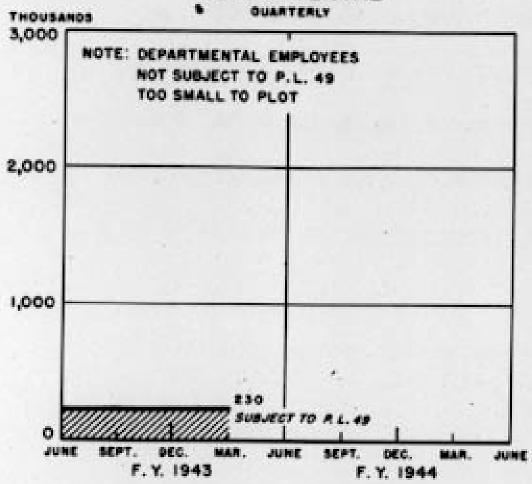


CHART 14

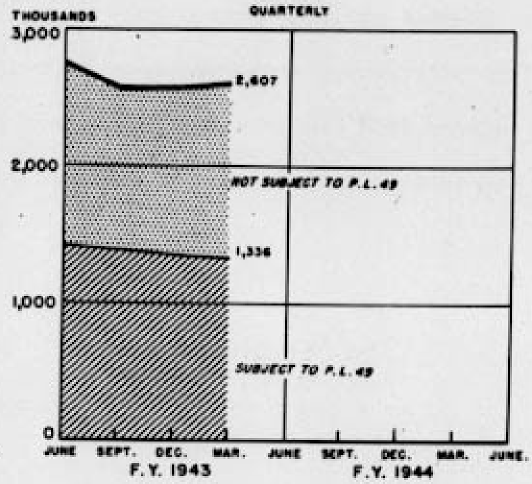
FEDERAL CIVILIAN EMPLOYMENT

AS RELATED TO P. L. 49

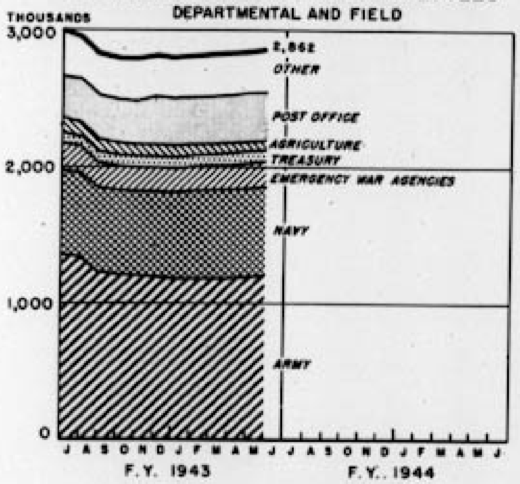
DEPARTMENTAL
QUARTERLY



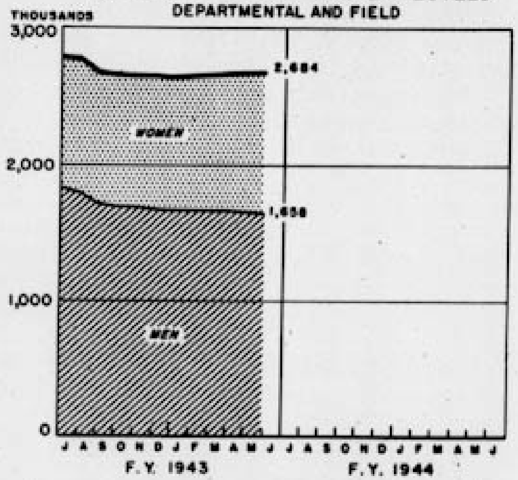
FIELD
QUARTERLY



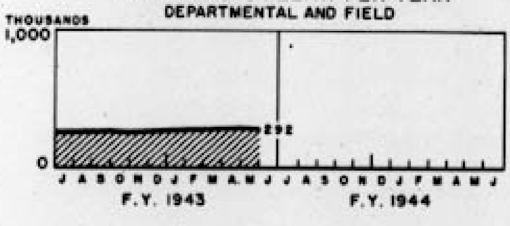
BY MAJOR AGENCIES - PAID EMPLOYEES
DEPARTMENTAL AND FIELD



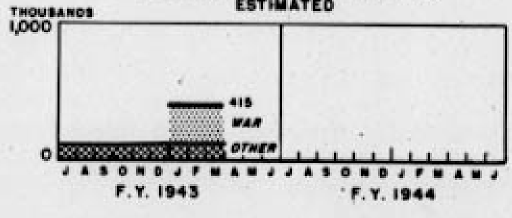
BY SEX - FULL TIME PAID EMPLOYEES
DEPARTMENTAL AND FIELD



W.O.C. AND DOLLAR PER YEAR
DEPARTMENTAL AND FIELD



OUTSIDE CONTINENTAL U. S.
ESTIMATED



XII. ADMINISTRATIVE DEVELOPMENTS

The chief administrative developments during June were the attempt of the War Production Board to make definite arrangements for revival of production of civilian goods as war production declines, and the passage of the Stabilization Extension Act of 1944 which added to the administrative difficulties of price control.

Office of Price Administration

The Stabilization Extension Act of 1944, passed during June, modified certain OPA procedures as set forth in the Emergency Price Control Act and the Price Stabilization Act. Changes with significant administrative implications are as follows:

1. The Act requires the OPA to adjust specific rentals where the rent or maximum rent date for any housing accommodations is, "due to peculiar circumstances," substantially higher or lower than rents generally prevailing in the defense rental area for comparable housing accommodations. Adjustments must also be made where "substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs." These adjustments will require a considerably enlarged staff and will complicate the administrative problem of rent control.

2. The requirement of the Act that on each individual item manufactured from cotton or cotton yarns OPA fix prices in such a manner as to enable the manufacturer to pay parity prices for the raw material will increase considerably the work of the Office.

3. A Board of Review must be established in the Office of the Administrator to review protests which have been denied by the Enforcement Department of the OPA.

4. The district court is permitted to stay enforcement proceedings, pending complaints filed with the OPA against regulations in both civil and criminal cases. This provision could possibly delay proceedings in individual cases as long as 8 to 14 months.

5. The enforcement authority of the OPA will be strengthened through authority to purchase commodities in order to obtain evidence of violations of OPA regulations. Another improvement is the authority vested in the Administrator to bring treble damage suits for violations of OPA price regulations. Under the previous law, only the consumer had such authority.

While the full effect of the changes made in the statute has not been fully determined, it was evident that a deficiency estimate will be required to finance the additional cost resulting from legislative changes.

Two developments in price control announced during June will involve serious enforcement problems. One is a national used-car regulation, to become effective July 10, establishing a ceiling on all used cars. This regulation will bring under price control all passenger and commercial vehicles. The second new program is a national restaurant regulation requiring restaurants to base prices upon levels existing April 4-10, 1943. It will become effective July 31. Both programs have been developed in close consultation with the industry.

OPA proceeded during the month with plans for the rationing of textiles. Although there was still confidence that rationing will probably not be required, a joint program was worked out between OPA, OES, and WPB whereby WPB will allocate materials and establish specifications for a large number of low-cost clothing items. In case rationing becomes necessary, this program is expected to result in considerable improvement in the supply of low-cost clothing within a few months. OPA will price each of these items at each stage in the manufacturing and distributive process.

War Production Board

During June the Production Executive Committee Staff, which was announced in May, devised its work methods and began operation. The Staff reviews forthcoming cutbacks in war production, as reported by the procurement agencies, for the purpose of seeking alternative uses of released resources. The operation is in its infancy and cannot yet be fairly judged, but it is already apparent that it will be difficult to handle any substantial over-all cutback on a case-by-case basis. Nevertheless, the new system is a step toward better coordination of the activities of the procurement agencies.

An important announcement was made by the WPB Chairman looking toward reconversion. Three principal points are:

1. Any manufacturer would be permitted to acquire materials and components to make and test a single working model of any product planned for post-war production.

2. Restrictions would be removed from the use of aluminum and magnesium to permit the manufacture of items as the manpower situation permits.

3. Manufacturers would be permitted to purchase machinery, tools, and dies for civilian production for use if and when interference with war production would not occur.

In the application of these rules, it was said, no effort would be made to limit producers to their pre-war share of the business or to exclude new producers.

By the end of the month, administrative arrangements to carry out these policies had not yet been made. Considerable opposition, particularly by the Army, had been expressed to the policies on the ground that interference with war production might result, while within the War Production Board support was somewhat cool because of the deviation from the custom of limiting competition. The question of what agency and what people will guide reconversion appears to be one of the issues.

Office of War Information

As a result of the action taken by Congress in June, the Office of War Information abolished the Surveys Division of the Domestic Branch as of July 1, 1944, and the auditing ledgers of OWI were transferred to CAS.

Office of Defense Transportation

ODT is now assuming at a local level the task of screening applications for new vehicles. Until recently this job was performed for ODT by the field staff of the ICC Bureau of Motor Carriers.

Effective July 1, the major responsibility for rationing trucks for civilian purposes is being transferred from WPB to ODT.

State-FEA Relations

The friction between the State Department and FEA regarding the extent of control that State should exercise over FEA programs and operations led to the setting up by Mr. Crowley and Mr. Stettinius of a special Joint Committee. The Committee is engaged now in examining specific cases of conflict in order to determine the proper functions of State and FEA, and ways of avoiding disputes in the future. Bureau of the Budget staff is working closely with both agencies and with the new Joint Committee.

State Department

The State Department continued to delay the establishment of a Division of Administrative Management, called for by the reorganization of January 15. Consequently, no systematic carrying out of the reorganization has been possible. The administrative gains made by the reorganization are seriously threatened. Following renewed insistence by the Bureau of the Budget, the Under Secretary intervened and there may be action within the next month.

The Executive Committee on Economic Foreign Policy made good progress during June. Attendance at its meetings was excellent, an evident recognition of the importance of the Committee's work. Several policy statements were cleared with general approval. The subcommittees were being geared into the main committee through the work of a competent central secretariat.

The United Nations' Monetary and Financial Conference

The United Nations' Monetary and Financial Conference at Bretton Woods, N.H., raised a number of important organizational questions (on which Budget Bureau staff have been developing recommendations). These relate to the coordination of policies of the proposed International Monetary Fund and the United Nations' Bank for Reconstruction and Development; integration of the programs and membership of these two organizations with any proposed over-all economic organization; coordination of instructions to U.S. representatives on the Fund and the Bank; cooperation between the staffs of the proposed Fund and Bank and with the staffs of any proposed international economic or security organization; relationships between the staffs of the two proposed bodies and the staffs of appropriate U.S. agencies.

If the proposed Monetary Fund and World Investment Bank are created, decisions will need to be made regarding the future of the Bank for International Settlements; also the functions of the Export-Import Bank as a national lending agency; and the future of the U.S. Stabilization Fund itself.

United Nations Relief and Rehabilitation Administration

With the passage by Congress of the UNRRA Participation Appropriation Act, Bureau of the Budget staff held discussions with FEA, State, and UNRRA regarding distribution of responsibilities for use of the funds. General agreement was reached by the end of the month, and drafts of an executive order and a policy letter were being put in order for the President's signature as the month closed.

Foreign Economic Administration

The Foreign Economic Administrator has appointed a general manager for surplus war property disposal, which has raised extremely difficult problems of internal administration. Disposal of surplus property should be closely integrated with the other FEA functions, but the Administrator has not made clear how such integration will be achieved.