

RESPONSIBILITIES OF THE COMBINED AND JOINT
CHIEFS OF STAFF WITH RESPECT TO ALLOCATION
OF MUNITIONS.

16 SEPTEMBER 1946.

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Students

THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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RESPONSIBILITIES OF THE COMBINED & JOINT CHIEFS OF STAFF
WITH RESPECT TO ALLOCATION OF MUNITIONS

SEPTEMBER 16, 1946.

CAPTAIN WORTHINGTON:

The speaker this afternoon is Captain D. J. Sinnott, U. S. Navy. Captain Sinnott graduated from the Naval Academy in 1918; served in the U. S. Navy on usual line officer assignments in the rank of Ensign, 1918; in the rank of Lieutenant Commander in 1934. His duties included Gunnery Officer, Destroyer Ammem; Anti-Aircraft Officer of the USS Arkansas; Gunnery Officer of the USS Birmingham; Commander of the USS Sea Gull and later the Montgomery. Shore Assignments included duty in the Canal Zone, aid to the Commandant of the Third Naval District, and course of instruction at the Post Graduate School at the Naval War College. In 1934 he retired as Lieutenant Commander.

From 1934 until 1940, he was engaged in a mercantile business on the West Coast. He was recalled to active duty in 1940, and since that time has served on various joint and combined allocation committees, and has been intimately associated lend-lease matters in the Office of the Chief of Naval Operations. At the present time he is Secretary of the Joint Munitions Allocations Committee.

Captain Sinnott will give a worm's eye view of allocation procedures as seen by him during the period 1940 to 1945. The subject of his lecture is "Responsibilities of The Combined and Joint Chiefs of Staff with Respect to Allocation of Munitions." Captain Sinnott.

CAPTAIN SINNOTE:

Captain Worthington, Gentlemen: It is an honor to be invited to address the faculty and the students of The Industrial College of the Armed Forces on the "Responsibilities of the Combined and Joint Chiefs of Staff with Respect to Allocation of Munitions." It is a particular honor to have Admiral Reeves present to hear what I have to say.

In view of the fact that one of the points that the faculty desires me to discuss is suggestions of plans for coordinating logistics of all requirements with the needs of possible future allies, I consider it necessary to briefly review the situation on the allocation of munitions to foreign governments as it existed before the Combined and Joint Chiefs of Staff came into being.

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In 1940, when I was recalled to active duty, I was assigned to the Munitions Clearance Section in the Office of the Chief of Naval Operations. The head of this section was the Navy member for Operations of the Army and Navy Munitions Board Clearance Committee. From this assignment, through a process of evolution, consonant with the development in the legal, political, and military situation in the United States, I have continued to be connected, on a working level, with the assignment of munitions to foreign governments.

Briefly, the mission of the Clearance Committee of the Army and Navy Munitions Board, which was established in June 1939 by the President upon recommendation of the Secretaries of Navy and War, was to cooperate with foreign representatives in connection with orders to be placed with American manufacturers; second, to suggest where foreign orders could be placed to serve the best interests of our own national defense; third, to secure military information from these foreign sources; and fourth, to confer with other government departments in carrying out the functions of the committee.

Under the procedure established, the foreign representative contacting the State Department would be referred to the War and Navy Department Clearance Committee. The Committee took up the matter of clearance for military security and furnished information as to sources of procurement. It was early realized that a large amount of purchasing was not subject to the definition of "arms and ammunition" and it was not subject to export licenses under the provisions of the then existing neutrality act. But it was realized that the large volume of foreign purchasing was having a great effect on the United States' own military procurement.

In 1939, the Arms Embargo Act amended the early neutrality act by allowing the carrying of prepaid munitions in foreign bottoms. That, as you know, was the era that was referred to as "cash and carry". This made possible the sale of surplus United States military and Naval equipment. I might emphasize the word "surplus" because it was pretty hard finding anything at that time that was surplus. It allowed the United States' military equipment to be sold to foreign governments through a civilian intermediary, provided the material was declared not to be essential to the defense of the United States by the Chief of Naval Operations for Navy material and the Chief of Staff for Army equipment.

The provisions of the existing law were cumbersome as far as the Navy was concerned, since under existing statute the War Department was the only department that could dispose of surplus munitions to civilians, so the Navy transferred its material to the War Department in the hope of sometime getting something back in return. The War Department sold it to a civilian agency, the most active one of which was the U. S. Steel Export Corporation. They in turn sold it to a foreign representative who had to pay cash before the material could be exported to the foreign government.

To my mind, this was all preliminary to munitions allocation as we knew it during the war. Shortly after the cash and carry provisions in the Arms Embargo Act were established, on December 6, 1939, the President's Liaison Committee was formed. Its function was to serve as the Executive Liaison with reference to procurement methods between this government and the interested foreign governments. In June 1940 the Liaison Committee established the system of the so called Preliminary Purchase Negotiation Reports for foreign governments procuring materials in the United States which at that time included the United Kingdom, Netherlands, China, Brazil, and some few others.

In order to visualize why these reports came into being, it is only necessary to note that about this time France had fallen and the French contracts in the United States were being taken over by the British government, and the situation was becoming more critical as far as procurement was concerned, but also the political situation in the country permitted the political side of the government to take more positive action. It might be said, in reviewing this lead up to the Combined Chiefs of Staff organization, that the political situation in the country must always be born in mind as it has a profound effect on what people can do.

The "Negotiation Reports" were circulated to the Clearance Committee who distributed them either to the War or Navy Department for recommendation as to whether or not the foreign government would be permitted to place an order for that material in the United States productive system. The placing of the order was given clearance provided no interference with the United States defense program was involved, and a contract or letter of intent for a contract was placed by the foreign government within 45 days, and copies of the contracts were filed with the Army and Navy Munitions Board.

While there were disadvantages to the system, as it worked in particular instances for the Army and Navy, there was a distinct advantage in the procurement of foreign materials in the United States because it expanded American industry for those purposes when the War or Navy Department were in no position either to induce industry to do it on its own account, or to get freedom of appropriations from Congress to do it for themselves. The one disadvantage would be the number of contracts which might be let for materials of foreign design which later on could not be integrated with an American program.

On June 15, 1940, Public Resolution 83 was passed by Congress to authorize the Secretaries of War and Navy to assist the governments of the American Republics to increase their military and naval establishments, and for other purposes. I am going to read part of the procedure involved in trying to implement that resolution to point out some of the difficulties that are involved in getting such a program started. After a conference with the Secretaries of State, War, and Navy, a joint memorandum on the procedure to carry out the above resolution was issued. I am going to be very frank in speaking here this afternoon because I fear that if I am not frank I will be wasting your time and mine. As stated, I was on the working level and the operating end of this thing, and as that came out of the roost, it was a terrific job to try to operate under the procedure evolved because the

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United States was still in the "I-want-to-do-something stage, but let us not make it public," or let us not have any criticism on what we are trying to do. Furthermore, all agencies of the government were engaged in trying to get their share of the industrial production of the United States and none of them were shaking loose.

Here is how it went: Requests for materials were sent to the State Department, which furnished the Secretary of the Navy with a copy of the request. The State Department referred the request to the President's Liaison Committee, which Liaison Committee then referred such requests to the Clearance Committee of the Army and Navy Munitions Board. When the request came in it was screened in the same manner as a "Purchase Negotiation Report," as to availability of material from surplus navy stocks, or availability by manufacture in naval plants, or a recommendation for procurement from other government sources, or recommendation as to procurement in a commercial plant, the estimated cost of time and delivery and the recommendation on the release of design for military security purposes, and whether the services of naval personnel or agencies were required, and, if so, to what extent and in what locality. The same procedure applied on the Army side.

After this, when a tentative agreement was reached on a contract between the various agencies concerned--not the foreign government--the Secretary of the Navy was to inform the Secretary of State. Then, if the agreement was approved by the President, the Secretary of Navy would direct the Chief of the Bureau of Supplies and Accounts to make appropriate contracts with accredited representatives of the foreign government, at the same time notifying the President's Liaison Committee and the "Advisory Council of National Defense" as to the details of the contract. Needless to say, with the time allowed under the development of the organization, except for that material which was actually on hand, there were not very many productive results as a result of Public Resolution 83. However, I want to point out that it will become clear later how all this procedure and the building up of legal authority to do things had a great effect, a short time later, when the Lend-Lease Act was passed. Public Resolution 83 served a very useful purpose for the training of the people who had to conduct the procurement for the defense of the United States and at the same time provide for the support of foreign governments.

On March 11, 1941, when the Lend-Lease Act was passed, the personnel of the President's Liaison Committee, from the Treasury side, became part of the administration of the Lend-Lease Act. Mr. Hopkins was the first administrator. This was known as the Office of Lend-Lease Administration. The Executive Order of the President for the administration of the Act placed all control over the funds under the Act in the hands of the Lend-Lease Administrator. The unfulfilled foreign orders were absorbed by the United States and converted into lend-lease requisitions.

These requisitions actually took the form of the original "Purchase Negotiation Reports," and in the War and Navy Department, in filling the requisition, the same people who had been screening the purchase negotiation reports handled the lend-lease program when it became effective. Consequently, the Section that I was in became the Lend-Lease Office of record. The Army and Navy Munitions Board was transferred as a separate section and we became

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the Office of Record for Lend-Lease under the Chief of Naval Operations. At the same time, in the Secretary's Office, the Office of Lend-Lease Liaison was established under the direction of Admiral Reeves.

One of the first decisions made in the Navy Department with the passage of the Lend-Lease Act was that the existing Navy Department organization was the proper organization to handle lend-lease from the Navy Department view, that no separate agency was required to administer the Lend-Lease Act within the Navy Department. And as events turned out, I believe that that was one of the finest decisions ever made.

The first requirements that came in were naturally based on the requirements of the foreign governments as they existed in the United States industry before the passage of the Act. One of the first orders issued by the Secretary of the Navy concerned the interchange of information between Navy Department agencies and representatives of the British Supply Council of North America. Now I am only going to talk about the Navy part of it and as I saw the picture work; the War Department acted on a similar basis.

The section of the British Supply Council that we were particularly interested in was the British Admiralty delegation which handled their Navy requirements, and, to a certain extent, the British Air Commission which handled their air requirements; but the British Navy, having no Naval Air Forces as such integrated with the navy as we had, the interests of the British Air Commission were handled chiefly through the Bureau of Aeronautics in combination with the Army Air Forces. The Secretary said that the Supply Council was anxious to maintain informal contact through its authorized representatives with the bureaus and offices of the Navy Department, particularly in the discussions of technical details and with respect to the progress being made in the procurement of items requisitioned, under the provisions of the Lend-Lease Act. It is considered that this method of exchanging information is preferable to that of a more formal one. The bureaus and offices of the Navy Department were authorized and directed to complete mutually satisfactory arrangements with properly designated representatives of the British Supply Council of North America to facilitate the exchange of this information.

With reference to touching the process of requisitions submitted for defense aid items, the following types of entry are representative of what could be expected from the British authorities: The date of the receipt of the requisition, the date upon which the procurement was approved by Presidential directive, and the method of procurement, (the provision for Presidential directive was because all the requisitions at that time were screened and controlled within the Office of Lend-Lease Administration,) the date upon which directions were given, preparation of material for shipment and the location of the materials, also advance notice of dates upon which the delivery would be made in order to permit shipping arrangements; if the material was to be procured by contract, the date upon which the contract or letter of intent was executed by the bureau, the delivery as contained in the contract schedule, periodic reports of progress showing variations from the original

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estimates, giving details as to the actual delivery prospects, advance notice upon which delivery would be made in order to permit shipping arrangements to be completed and advice that material was ready for delivery or had been shipped.

I took the time to read that letter on "information" because basically the consultation on that level continued throughout the war, and it was an explanation of why a large staff did not exist in the Office of the Lend-Lease Liaison Officer or in the Lend-Lease Office of Record. We used all the then existing facilities of the Navy Department as the Navy Department organization existed.

There were no assignments by a board as such at that time, but incoming requisitions had to be approved by the representatives of the Secretary of the Navy. The requisitions were sent from the Lend-Lease Office into what became the Logistics Plans Division of the Office of Naval Operations, for comment as to the effect of the procurement of the material on our own logistics procurement; they were sent to the Office of Naval Intelligence for screening as to the effect of the release of the particular material on the secrecy of design; to the particular bureau which was responsible for the procurement of that type of material for the actual procurement and its recommendation on how the procurement of that material would affect its own program.

These requirements were made Navy requirements. They became additive to the total requirements of the Navy Department. In this way the impact on the material resources of the United States of the procurement of these materials for foreign governments was transmitted through the Material Divisions in the Secretary's Office, to the Army and Navy Munitions Board, through the various allocations agencies to the Office of Production Management, and later, to the War Production Board.

The above system indicates how the logistics of the supply of the Lend-Lease program were absorbed in the Navy Department and did not require or did not necessitate the building up of large staffs of statisticians in competition with those in our own bureaus who were already doing the same work.

When a requisition was recommended for disapproval, the Lend-Lease Administration was so informed with the reasons therefor. Generally, the disapproval was based on the fact that it was an uncommon design or that the particular production line in the United States at that time was filled up. In effect, this procedure eventually became known as a "retention" which term I will explain later.

In the beginning the requirements came in on a haphazard basis. Naturally they were quite indefinite because nobody knew at the beginning, in March 1941, whether or not the act would be passed. However, from March 1941 until December 1941, the policies and procedures under which negotiations were to be implemented were pretty clearly defined.

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After Pearl Harbor, the Lend-Lease Liaison Officer, at the instigation of the Secretary of the Navy, addressed the Lend-Lease Administrator requesting a change in the procedures. At that time, Mr. Stettinius was head of the Lend-Lease Administration. In his reply, on December 8, he wrote as follows:

"Dear Admiral Reeves: By direction of the Secretary of Navy you have requested in your letter of December the 8th authority to retain for use in the United States Navy any defense articles which are vitally necessary to the defense of the U. S. and which have been directed to be procured or transferred to foreign governments through lend-lease requisitions.

"You state that only such defense articles will be retained as are urgently needed by the U. S. Navy in the present emergency and that a report of such articles will be made to this office as soon as time permits.

"I hereby authorize and direct that any lend-lease articles which are vitally necessary to the defense of the U. S. and which have been procured or authorized for release by the Navy Department may be retained for the use of the U. S. Navy as noted above.

"Sincerely,

"E. R. Stettinius, Jr."

At the same time that that letter was received, the Secretary of the Navy was informed of the creation of the Munitions Assignment Board. I would like to read the original order from that Board.

"The Secretary of Navy. My Dear Mr. Secretary" (Now while this letter is actually dated February 9, the actual procedures under the Board were being established before that time.) "At the direction of the President and the Prime Minister and with the approval of the Combined Chiefs of Staff, there has been created a Munitions Assignment Board. You are, no doubt, familiar with the organization and purposes of this board. There is enclosed a copy of the order establishing it. Under this authority, the Board has adopted the procedure and organization indicated in the attached inclosure.

"The Navy Department has three responsibilities under this procedure and organization: The organization of the Navy Department Munitions Assignment Committee, the preparation of recommended transfer schedules in accordance with directors of the Munitions Assignment Board, and the submission thereof to the Board and the executions of the transfer schedules approved by the Board."

The Board itself, as you well know, consisted of three committees: One was the Munitions Assignment Committee for the Ground Forces, the second for the Air Forces, and the third the Assignment Committee for the Navy.

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At about the same time, Public Law 441 was passed which appropriated transfer authority--not funds but transfer authority--to the Navy Department to use their existing appropriations for the procurement of lend-lease material.

Between the period of March 1941 and February 1942, there was considerable delay in executing foreign requisitions because no requisition could be approved by the Navy Department and the contract let until funds were allocated, and the Lend-Lease Administration had a system of allocating funds in bits and pieces to cover each requisition. In some instances it would take from a week to six or nine weeks before funds were allocated. It was agreed by all hands that everything possible should be done to eliminate that administrative delay. Consequently, when Public Law 441 was passed, requisitions ceased coming from the Lend-Lease Administration and went directly to the Lend-Lease Liaison officer in the Navy Department. In accordance with an agreement with the Lend-Lease Administration, they were informed of what requisitions were coming in and what was going out, for their fiscal records, in order that they might check to see that what we were doing was in accordance with the established lend-lease policy and that it was legal.

At that time, the "Lend-Lease" program became known generally as a "defense aid" program. Frequently, these were used interchangeably. However, "Lend-Lease" program really referred, in the minds of the people who worked with it, to that part of the program which was financed by funds appropriated by Congress to the President for the Lend-Lease Administration, and the "Defense Aid Program" to that financed by funds directly appropriated by Congress to the War Department in its appropriation bills and to the Navy Department in the Navy appropriation bills.

With the authority to retain articles, and the authority to make assignments through the Munitions Assignment Board, no change in the procurement program as it existed was necessary. However, the procedure and time element involved making decisions on the transfer of materials was considerably shortened. The foreign government would put in a program to cover their estimated requirements for a year. This program would be handled in the same manner as the Navy Department's own program and articles would be accepted or rejected on the basis for procurement planning and budget estimate purposes only. Each requisition that came in was related to this particular program.

In the case of vessels, the Munitions Assignment Committee issued orders that a vessel should be brought up for assignment six months before it was completed, while other defense articles should be brought up for assignment one month before they were completed.

Up to this point, no commitments were made to deliver material. The commitment was actually made by the Munitions Assignment Board under recommendation of the Munitions Assignment Committee for the Navy. When the material was in existence, its assignment was based on the then existing strategic and tactical situation and not on a situation which existed when procurement was started, in some cases six months, a year, or 18 months beforehand. When a particular article was ready for delivery and the Navy requirements agency, in the opinion of the Chief of Naval Operation and the Chiefs of Staff, required its use in our own forces rather than that of the foreign government,

the committee acted on the situation as presented to them by both the foreign government and the United States. If no agreement could be reached in the committee--and I might say that lack of agreements were very few and far between and only in most important cases--the situation was presented to the Munitions Assignment Board, where an Ad Hoc Committee was usually appointed, on which the Munitions Assignment Committee had already agreed.

In such cases the situation was presented to the Combined Chiefs of Staff as the final authority because, as we know, the Munitions Assignment Board was an agency of the Combined Chiefs of Staff.

I hope I am not giving the impression that all this resulted in a lot of difficulty in executing the program. As I look back on it when the organization was well established, I honestly can't visualize a more harmonious system for carrying out the policy of the Combined Chiefs of Staff, nor one that could have worked, on the whole, with more amicable relations between all parties concerned. However, it became apparent in some of the meetings of the Combined Chiefs of Staff that there might be more coordination on the west side, in presenting its case, before entering a combined meeting. As it became evident that the other side of the combination approved conferences of their own, the purchasers of their requirements were better prepared to support their case.

Eventually, in order that the position of the Army, Navy, and Air Forces relative to our own requirements might be better coordinated, there was created the Joint Munitions Allocation Committee, which Committee was a function of the Joint Chiefs of Staff rather than the Combined Chiefs of Staff.

The membership of the Joint Allocations Committee paralleled exactly the membership of the Combined Munitions Assignment Board except that it was a joint membership. It is a little confusing because the Joint Committee had joint allocations for Army, Navy, and Air which paralleled the combined Munitions Assignment Committees of the Combined Munitions Assignment Board.

The Joint Munitions Allocation Committee under its charter from the Joint Chiefs of Staff allocated finished munitions to the forces of the United States in accordance with overall logistic plans; maintained close liaison with the Joint Logistics Committee in order that assignments and allocations of Munitions to United States forces be in harmony with approved plans; maintained information concerning the munitions requirements and resources of the United States necessary for the effective functioning of the committee.

In screening the requirements of the United States, the committee also acted on the recommendations of the Departments which were to be presented to the Combined Munitions Assignment Committee. In other words, it created a place where there was a meeting of minds on the American side before they passed into the combined committee.

The Munitions Assignment Board naturally received its directives as to policy from the Combined Chiefs of Staff, and the Joint Munitions Allocations Committee received its directives from the Joint Chiefs of Staff.

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The Munitions Assignment Board naturally received its directives as to policy from the Combined Chiefs of Staff, and the Joint Munitions Allocations Committee received its directives from the Joint Chiefs of Staff. These directives, as they affected us in the Lend-Lease Office, furnished information as to the areas in which particular groups or nations were to be supported and planned for in operations, in order that when the requisitions came in they could be screened to see that the material related to an approved program of the Combined Chiefs of Staff.

There were two functions of the Joint Munitions Assignment Committee to which, I think, it very wisely gave blanket authority for the Department to act without reference to itself except in an informative capacity. These were the repair of battle damage of vessels in the U. S. Navy Yards and, on authority, automatic flow of spare parts for vessels based on the number of vessels already authorized for transfer by the Board itself. In other words, they tied in the maintenance of material which had been transferred to a foreign government on the same basis and under the same equities as adhered to in the maintenance of vessels of the U. S. fleet. This arrangement resulted in a very cordial relationship with the people afloat. I am not sure whether I should say I was dealing with them or they were dealing with me; I had better say that I was working for them--I always held the viewpoint that that which was done should be done for the support of an operating fleet, and the orders and directives were always issued with an eye as to how the person issuing them would look at them if he had to receive them on the operating end.

I know, despite the careful thought that I have given to this short talk, I have missed many points that I had intended to bring out and brought out others. I have tried to give it to you as I saw it; and I have been looking at it for about six years. In order to show what this amounted to, for purposes of the study you are making in the Industrial College, from the Navy's side alone, the transfer of materials and services amounted to \$7,935,925,000. I think that was approximately 8 percent of the Navy's total program.

As reciprocal aid we received a total from all countries of \$322,543,000.00 in the Navy, approximately 85 percent of the receipts being in services and fuel and provisions.

I want you to realize I quoted those two figures, not as a comparison of effort on the part of anybody because, as we know, the foreign governments were really putting forth effort in fighting long before we got into it, but as a comparison of what the impact on our industrial mobilization may be in the future. They gave us all they could, and, I think, in many instances, more than we really expected.

I have not commented on the functions of the Joint Chiefs of Staff or the Joint Logistics Committee because I had nothing to do with them. But in determining the requirements of the Lend-Lease Program, I hope I have indicated that those requirements sent to our office as a Liaison Office, or as a Central Clearance Office, or as an Office of Record were presented to the responsible agencies within the Navy Department, both in Operations and Material Bureaus,

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FOR determining their ability to meet the foreign requirements. I am convinced that it is better to do the job this way, rather than establish a separate organization for determining foreign requirements and another organization for determining our own requirements.

In conclusion, I am personally convinced that we will be called upon in the future for greater support by other countries in the event of another war than we have been in this one, and that any development of United States plans which do not take into consideration--particularly for industrial mobilization--this requirement for foreign governments will be defective. I believe that, considering the status of the legal situation and the political policy of the government and the development in the international situation, the present policies and procedures for combined actions as represented in the system finally established through the Combined Munitions Assignment Board--as carried out by the Munitions Assignment Committees of the Army, Navy, and Air Forces--should be activated in an emergency and, in the interim, should be kept in being, the procedures perhaps modified with the advantage of peace-time study of the situation as it existed in war.

I said in the beginning that it was an honor to be invited to talk to you. I hope you have gotten something out of it and I am quite frank in saying, in conclusion, that it was a pleasure.

I will be glad to try to answer any questions.

A STUDENT:

As I understood it, the Munitions Assignment Board allocated available material. Where did the Munitions Assignment Board get its information as to what the capacity of the country was to produce the material? What was the linkup between the Munitions Assignment Board and the capacity of the United States to produce what was needed by everybody?

CAPTAIN SINNOTT:

The Munitions Assignment Board had attached to it a Strategic Resources Committee. However, in the actual operation of the Board, there being, as you know, a Board in London and one in Washington, it is my opinion from where I looked at it--and I am only giving you an opinion--that that Resources Committee was more or less a duplication of those already existing within the War and Navy Departments; that in making the decision, the Board made no decisions on the assignment of munitions except in those cases which were in dispute, and the committee itself used the judgment of the logistics plans organizations and the bureaus of their departments in determining what material were available to manufacture and put up for assignment of munitions.

I hope I have answered your question. I can't conceive anyplace of where an over-all board could be created over one already functioning efficiently in the lower levels. Does that answer your question?

A STUDENT:

Not quite.

A STUDENT:

Did the Munitions Assignment Board have a function to screen the original requisitions; didn't it simply allocate what was already produced?

CAPTAIN SINNOTT:

No, the Munitions Assignment Board had the function of screening the requisitions through the committee, but the office that I was in was the Staff of the Munitions Assignment Committee in the Navy Department. Those over-all requirements, on an annual basis, were approved on the same basis as the Navy Department requirement. The Navy Department took the planned requirements of the foreign government as its own, proceeded through the Materials Division into the Army and Navy Munitions Board, and got the allocation for the capacity and materials to manufacture on an increased complement on a particular Navy contract, or if the material was already in existence, to make a diversion from that contract.

The Board itself did not function as determining what requirements would be allocated to any particular requisition. That was the function in the Navy Department.

A STUDENT:

Where was the limit of Lend-Lease determined?

CAPTAIN SINNOTT:

Sir?

A STUDENT:

Where was the limit in the amount of Lend-Lease determined for each country?

CAPTAIN SINNOTT:

Congress, in the first Lend-Lease Act, appropriated seven billion dollars, when Public Law 441 was passed; this went into the Defense Aid Program and placed the responsibility on the Navy Department through the Assignment Board to deliver materials. The limit was placed in that act where eventually it said that the Secretary of the Navy under the provisions of the Lend-Lease Act made plans for information, services, and materials from its appropriations up to the limit of three billion dollars exclusive of vessels.

Now the requirements for the three billion dollars were worked out in consultation, not through the Munitions Assignment Board but through the direct representatives of the British Admiralty delegation in Washington and the Navy Department bureaus and offices responsible for the Navy procurement program in conjunction, naturally, with the Chief of Naval Operations.

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For instance, the first requisition we saw, as a matter of fact, the first British Admiralty Delegation Requisition 1001 was for 17 hundred and 99 vessels. The fact that you added 17 hundred and 99 vessels to the procurement program indicated the additional amounts of material you had to ask of the total war production in the United States through the War Production Board. It wasn't until six months before those vessels were ready for delivery that the Munitions Assignment Board entered into the picture.

MR. PIERCE:

How did you screen your items on a Lend-Lease naval request in relation to requests going to the War Department and to the Office of Lend-Lease Administration to prevent duplication? The same item might have been requested from the War Department or from the Office of Lend-Lease Administration?

CAPTAIN SINNOTT:

How do we prevent duplication of procurement between competing departments for Lend-Lease?

MR. PIERCE:

Right.

CAPTAIN SINNOTT:

One of the policies established by the Munitions Assignment Board was that items for naval use would be presented to the Navy Department, items for ground use would be presented to the War Department, and items for air use would go to the Army Air Forces and the Joint Aircraft Committee. Now each requisition that went into each department had a statement on it that no other U. S. government agency had been asked for the same material.

When requisition came into the Navy Department, from the foreign navy, for 30 caliber ammunition or 50 caliber ammunition, as an example, which was all procured for the Navy by the Army, that allocation was met out of the Navy Department's allocation of material from the Army.

I don't believe there was any duplication of effort in the sense that you asked.

CAPTAIN WORTHINGTON:

I want to thank Captain Sinnott for his very fine talk which will add much to our studies here. I want to thank Admiral Reeves for making Captain Sinnott available.

(To Admiral J. M. Reeves, former Commander-in-Chief, U. S. Fleet):
Would you care to comment, Admiral Reeves?

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ADMIRAL REEVES:

I can only say that I approve of Captain Sinnott's very clear, lucid, and comprehensive talk. He had a subject that is very complicated and if some of you haven't grasped all the details, it is for that reason.

There is one question that apparently wasn't quite cleared with the gentleman who asked how the Combined Munitions Assignment Board knew the productive capacity of the country. The Board had nothing to do with production. The Combined Munitions Assignment Board was for the purpose of assigning, that is distributing, between governments, finished material of war. The assignment would be made shortly before the material was completed. The board was informed of the progress of production. We would know a month ahead the estimated progress for that month and we would make the assignment usually a month in advance so that immediately upon completion the munitions could be shipped.

Relative to the limit of lend-lease to any nation; there was no prescribed limit. Our limit of lend-lease depended first on the quantity of munitions available and later it couldn't exceed the sum appropriated by Congress. We never got up to that full value. The assignment was made on the basis of strategic need at the moment. If a campaign mounted in one area that was being conducted largely by one government, our munitions and ammunition went to that government and to that area--all we had. The assignments were always, as I say, made on strategic need for the best interests of the war effort in Germany.

I hope I have cleared up the question of production. The Board wasn't concerned with production or with contracts, but we were informed of how much munitions, how much material, was available to be used by our own forces and by foreign forces, and our function was to distribute it where it would be most valuable.

CAPTAIN WORTHINGTON:

Thank you, Admiral Reeves.

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