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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

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LECTURE TO BE GIVEN BY GENERAL HARDIGG, INDUSTRIAL COLLEGE, 7 May 1947.

I have been asked to talk about the operations of subsistence during the war, and especially to discuss (1) allocation methods used in connection with the food requirements of the military and civilians during World War II, (2) the techniques involved in issuing food set-aside orders and other controls, (3) coordinated procurement achieved in subsistence in World War II.

I shall not attempt to cover the many changes in food control during the war. The power to allocate food for all purposes was delegated to the Secretary of Agriculture by Executive Order 9280 of 5 December 1942.

REQUIREMENTS:

These are probably an old story to you, but, as in all other supply programs, the first essential to success is an accurate forecast of requirements. This includes not only requirements for consumption but also supplies to establish and maintain stocks and to cover those supplies in transit.

The first step in subsistence requirements is to establish menus for overseas theaters and for the zone of the interior. I assure you that the soldiers will eat better if the menus dictate the supplies purchased rather than have the supplies purchased dictate the menus. From the menus we easily determine the quantity of each item of subsistence needed for 1,000 rations. The menus do not have to remain rigid, but can be changed to suit climatic conditions or to suit combat conditions.

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Some requirements, such as canned fruits and vegetables, must be forecast more than a year in advance, as fruit and vegetable canning is seasonal and they are packed only once a year. Other items, such as fresh fruits and vegetables, are purchased from day to day on the open market and requirements are stated only a month in advance for procurement purposes.

The forecasts of subsistence requirements worked very well, indeed, when we consider the constant changes that were made in the projections of men to be in the Army.

One important element in subsistence requirements is the high degree of substitution that is possible. Canned pears are equally as acceptable as canned apricots, and roast turkey is as acceptable as roast chicken, if the soldier does not get any item so often as to tire of it.

ALLOCATION METHODS:

While the allocations were not the same for all items, the principles did not vary. Each claimant agency (the War Department, Navy Department, Marine Corps, Department of Agriculture, War Shipping Administration, Veterans Administration, etc.) submitted its requirements to the Department of Agriculture. These were compiled and compared to the total of the estimated supply of the item. A meeting of the Requirements Committee was then held to make any necessary adjustments that appeared necessary before the formal approval of the allocation was made.

Perhaps it will be well to discuss the allocations of canned

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fruits and vegetables that were actually made in the Subsistence Division, although the approval of the allocations and the issuance of the War Food Order were under the Secretary of Agriculture.

Canned fruits and vegetables are an extremely important item of food supply for the armed forces overseas. We can and did limit the use of them in the zone of the interior, where the fresh products were available for supply to the armed forces. Their great importance to the armed forces was recognized by all concerned, and at no time did we have difficulty in securing the allocation of our requirements.

Since it is important to have the set-aside order in effect at the beginning of the packing season, the requirements of all agencies from the season's pack would be called for in the spring. These would be tabulated and the totals compared with the anticipated production for the season. Representatives of all agencies would then attend a meeting, where the requirements were adjusted. Few people realize that the pack of fruits, and to a considerable extent the pack of vegetables, depends on nature and the season, and cannot be changed at will. Try as we may, we cannot increase the pack of cherries, peaches or any other tree fruit beyond those available from existing trees. We can influence the proportion that goes to jam and to frozen fruit, but we cannot increase the total.

Each claimant had his favorite fruit. The Navy likes canned figs, and was always given the lion's share. The British always wanted all the apricots they could get, and we always had to

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trim the allocation to the War Food Administration which included the British requirements. The Army liked pie cherries. The representatives in the meeting would adjust their requirements between items, so that each received his total requirements of fruit in pounds and as nearly as possible in the varieties desired. At the same time, the balance available to the civilian requirements was kept in view, in order to insure that the supplies available to them were reasonably balanced in the major items. When the requirements had been agreed upon, they were taken to the Department of Agriculture, where the actual allocation was made, and the Department issued the War Food Order calling for the set-aside of the necessary percentages to cover the requirements of all agencies.

In the year 1942, the set-aside percentages were applicable to the amounts of the 1942 or current pack. Due to a deliberate increase in the set-aside percentages to provide against any shortage in the estimated production and to provide for any increase in the mobilization rate, and also due to an excellent season and a pack exceeding the goals in several items, the Army found itself as the purchasing agent for all Government agencies in possession of supplies in excess of its needs in many vegetable items. Each of the other agencies had been apportioned only the amounts included in the requirements; consequently, the Army was in possession of all of the excess. The actual mobilization was far in excess of the program on which the requirements had been based, but the additional amounts needed for the additional men were not sufficient to absorb the excesses in some items of vegetables. The excesses were the cause

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of considerable publicity and criticism, but were absorbed the following year without noticeable loss. For 1943, and succeeding years, the set-aside percentages were applied against the previous year's packs. This worked well, as it gave each producer the exact amount of his set-aside at the beginning of his packing season, and furnished the Government agencies the exact amounts of their requirements. It will be confusing to you if you attempt to follow the percentages of the set-asides and the production of the same year, as the percentages always apply to the previous year.

The allocation of other items followed a similar pattern, although the timing varied with the item.

The Army was always able to obtain the allocation of food supplies to meet its requirements. Only once was its allocation seriously threatened on any item. That case was on its requirements of meat for the second quarter of the calendar year 1945. An attempt was made to cut the allocation of meat to the armed services, and it was necessary to appeal the cut to Mr. Justice Byrnes, who was the Director of Economic Stabilization. He confirmed the allocation of the full requirements to the armed services, as otherwise it would have been necessary to cut the rations on this most important item.

In submitting its requirements, the Army followed certain fundamental rules:

1. It kept informed on the supply situation and, insofar as possible, reduced its requirements of short items by substituting items in more plentiful supply.
2. Its requirements were honest requirements, exactly what was needed - no more and no less.

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3. It was always ready to make the basic data on stocks and requirements available to those making the allocations and to give and take where the soldier's ration was not impaired.

Since the armed forces enjoyed first priority on their food needs, it was necessary that only the soldier's ration be included in the requirements. Early in the war, the policy was established that officers and soldiers living with their dependents and maintaining homes would be rationed on exactly the same basis as the civilians. Many amusing incidents arose. A Sergeant at West Point, living with his family in Highland Falls, wanted his coffee rationing coupons increased to the soldier's ration allowance, but did not insist when it was suggested that if his coffee was so important he should eat with his organization. The post exchanges, post restaurants, war plant cafeterias, etc., etc., were constantly trying to get their wants of sugar, meats, coffee, and other scarce items from the armed services allocations.

The sales of rationed items in sales commissaries throughout the war were governed by the same ration regulations as governed the commercial stores. Strict orders were placed in effect to insure that Army dependents and those employed by the Army did not enjoy special privileges. It would have been difficult, if not impossible, to have maintained the priority enjoyed by the armed services if the special and large allowances in the soldier's ration had not been reserved for those actually in uniform and actually subsisted in messes. Actually, those of us living at home were working and living under the same conditions as the civilians and were not entitled to any special consideration.

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TECHNIQUES INVOLVED IN ISSUING THE FOOD SET-ASIDE ORDERS AND OTHER CONTROLS:

The method of arriving at the total requirements of all Government agencies has been explained. These were compared with the supplies expected to be available and the percentage of the set-aside necessary to make the required amounts available to Government purchasing agencies was determined. The Department of Agriculture then issued the set-aside order or authorized the purchasing agency to use priorities to the amounts of its requirements. In general, it is much more equitable to industry to use set-aside orders than priorities. The set-aside bears equally on the whole industry, where a priority may be used by a purchasing agency against only a few firms or individuals.

As a general rule, set-aside orders should be used whenever an item is in short supply and the total requirements of all agencies is 10% or more of the total supply. Special cases arise where there are a very limited number of suppliers and the priorities can be effectively used, but in general the 10% is a good rule.

COORDINATED PROCUREMENT:

Prior to the war, the Army stocked no subsistence in its depots, except canned meats and a few special items. It purchased its needs from month to month for direct handling to the port or the using station. This was a sound business policy. With 150,000 men in the Army, scattered from Portland, Maine, to Manila, it would have cost more for the Army to have installed a distribution system of its own than it did to pay the profits of the distributing industry. As soon as the mobilization was well under way, it became apparent

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that the Army could not be efficiently served by local or even regional procurement, since the large concentrations of men were in the areas of small production and of small distribution facilities. Steps were taken in 1941 to stock the depots with those items that did not require refrigeration or special handling to prevent deterioration.

Even in World War I most items of subsistence requiring refrigeration were purchased locally. A few major items, such as beef, potatoes, etc., were centrally purchased for direct delivery to the using station. This did not permit a flexibility of menus, and resulted in the use of a high percentage of canned foods in Army messes.

In 1941, the Quartermaster Corps set up a Market Center System for the purchase and distribution of fresh fruits and vegetables, dairy products, poultry, eggs, meat, and other perishable foods. It later became necessary to establish large storage stocks of seasonal items, such as beef, butter, eggs, and cheese, so that the armed forces' large procurement could be made during the season of high production and they could reduce their purchases or stay out of the market in the seasons of low production. Its business promptly reached very large proportions. As a matter of fact, the Army used a higher proportion of perishables during the war than it had in time of peace. The Market Center System made it possible for troops to obtain better foods than they could have obtained from local dealers if they could have obtained them, and to buy them at a price that allowed the liberal use of citrus and other fruits, fresh vegetables, melons, etc., in the messes. It also made large savings in transportation facilities and prevented the disturbance of local civilian markets when large

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quantities were required. I shall not attempt to go into the organization and operation of this very interesting organization.

It was in the Market Center System that the Army and Navy started their coordinated buying of foods, which gradually spread to canned fruits and vegetables, coffee, canned meats, canned milk, flour, and other items, until between 80 and 90% of all the foods for the Navy and Marine Corps were purchased through the subsistence buying organization.

There are several reasons for the success of the joint purchasing of foods. Probably the most important is that of personnel. It was possible for the individuals in charge of the programs in the services to cooperate to the benefit of all concerned. Of next importance is probably the sound organization. At the beginning of the joint effort, the Navy was asked to place a Navy officer in each Market Center serving Navy stations. The duties of this officer were to present the requirements of the Navy and to see that requirements were filled on time and with suitable supplies. Where purchases were made for direct delivery to the Navy, this officer was also in charge of paying the invoices and accounting for the supplies. Where the supplies came from stocks, it was necessary for them to be transferred in the usual manner. The Navy officers had no responsibility for the operation of the Market Center or for the purchasing of the supplies, as this would have resulted in a division of responsibility in the Market Center. Storage stocks beyond the capacity of the Navy facilities were stored by the Army and transferred to the Navy as required. In some cases where the Army was short, the Navy would transfer supplies stored in its establishments for Army use.

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The joint holding of stocks reduced the total reserves necessary for the armed services and made possible a better rotation of stocks for everybody.

It seems to me that some of the more important lessons to be derived from the experience of the war are:

1. The tremendous assistance of the men from industry, first from the War Production Board and later from the men who came to the Army in uniform. Much of their business experience was applicable to the very large program necessary to properly supply the armed forces. I shall not attempt to name names, as the list would be too long.
2. The joint supply of all supplies that are commercial or have immediate commercial counterparts will, in my opinion, work equally as well as did the joint supply of subsistence.
3. The armed forces must control the procurement, storage, and distribution of their foodstuffs if they are to be properly supplied. No other branch of the Government is equipped with the experience or organization to do this task effectively.
4. Any office charged with the responsibility for supplies which are as perishable as foodstuffs and which vary in availability from day to day should be organized on the commodity basis and not on the functional basis, as the functional basis inevitably leads to delays and lack of decision.

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