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FOOD AND AGRICULTURE IN WAR

8 June 1948

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LT. COLONEL TEMPLE: This morning our speaker will deal with the subject of food and agriculture. In peace or in war, this is an element that touches all of us rather personally, whether it is three square meals a day or the clothes on our backs. Mr. Meyer has long been in the field of agriculture and has had extensive experience in wartime, which, I am sure, gives him a fine background from which to draw. Mr. Meyer.

MR. MEYER: Colonel Temple, members of the Industrial College: If you are expecting a philosophical lecture, you are going to be disappointed. It is my hope that by talking together here for a half hour, I can provoke some thinking and also give you the benefit of experience which I had during the late war.

Now, not so that you will know more who I am or what I am, but so that you will properly interpret my statements on some of these matters, I would like to tell you that I was born and raised on a farm, and for twenty years I was in food processing and food distribution. If far enough away from home, they might call me an expert, but that has to be quite a distance.

I was on a nice vacation in the fall of 1941 when a supposedly good friend of mine suggested that I should come to Washington for six weeks--he had a little job. It was at the time we were expanding our production on processed foods to meet the requirements of Great Britain and other nations. So I came down here at that time and I am still here.

One thing that I will say is that I have always been in the food field. I mean even while I have been here in Washington. I have been in eight different agencies and have just moved around with the food program.

Now, I give you that background so that when I make some statement about a development or happening, you will know how much information I had as background and how much I had to learn.

One other thought that must go into the record is that I served gallantly in the First World War in the Quartermaster Corps at Camp Taylor, Louisville, Kentucky. I didn't realize then that my Quartermaster experience there might be utilized here in Washington later on.

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it that the program could have been worked out much better and would have required much less effort.

One specific example that I think affected all of us was the stabilization of wages and price control. If we had been set up to do that in 1941 before everything left the ground, we could have given inch by inch during the next four or five years, and, in the end, the level would probably have been not more than two-thirds of what it was. But if you ever want to try anything difficult in this country, just try this thing that we call "roll back." You had better sign the decree before you try it, however. You can stop something going up, but my advice, from experience, is never try to roll back because you just get into complete confusion and complications.

Why didn't we put stabilization in? Why didn't we put price control, or whatever it should have been, in, before the time it was put in? We just couldn't get ready for we didn't have the authority; we didn't have the power. Congress didn't act. The President wouldn't grant anybody the authority. I don't want to be critical, but I can see now if that could have been done a year earlier or two years earlier, how much simpler it would have been. When we stepped across the border to Canada, we were amazed at the control, at the level of prices, and the stabilization they had. The one answer to that is that they put the freeze on when prices were at a point where they could give a little bit and still be at a reasonable level. But we got in too late, and then we had to roll back, which was something very difficult to do. As I go through the few comments I will make I think you will see that is a part of the program that some of us hope at any future time we will be better prepared for.

The War Food Administration had three real claimant agencies. The first one, of course, topping them all was the military requirements; the second was for civilian requirements; and the third was the food required by our allies, and the food for lend-lease. It was soon obvious that we needed all-out food production.

I would like to list a few of the favorable things that we did in this country prior to the war. Whether they were by design and carefully planned, I am not so sure, but they happened anyway. One was that we had some fairly large stock piles of basic foods. The burdensome supplies of wheat, the burdensome supplies of cereals, and the burdensome supplies of other foods, of course, came in as a very nice tide-over.

Second, years back, we started what we call "soil conservation." We started a system of spending money--and in some cases I will admit it was not too wisely spent--in teaching farmers how to build up their soil, going so far as to supply them with fertilizer, to supply them

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I could think of a lot of little changes that were made. One was the requirement for chewing tobacco when we went into Africa. Why should we switch from cigarettes to chewing tobacco in just 24 hours? Well, somebody tells me that was because we changed some plans from a European program to an African program. I could go on and on and tell you of these changes, and I might say that that was one of the real problems which we faced, the switching of production, lend-lease, and the requirements of the Air Corps where they came in for food requirements. If we had wanted to, we might have said, "This is fantastic; this is silly. Why have them packaged like this? Why do this?" But there were no questions. We had no reason to, and we didn't. When the requirements came through, we set out some way of getting them. So we did have some problems in the adjustment and flexibility of equipment.

Here I will explain very briefly the formation and the work of the Combined Food Board. Right about at this time in 1942, things didn't look too well in regard to the supply of some very important commodities. Things weren't going a bit well in the Near East. It looked as though rice, copra, and all those things from those areas were just out of the picture. Things weren't going too well in some of the other sections, and the food supplies were being cut, and cut terrifically. So it was decided that this whole international food program needed some coordination. In June 1942, therefore, President Roosevelt and Mr. Churchill announced the formation of the Combined Food Board. About six months later, Canada became an official member of the Combined Food Board.

The United States representative on the Combined Food Board was the War Food Administrator; the United Kingdom representative on the Combined Food Board was the head of the British Food Mission here in Washington; the Canadian representative was the Canadian Minister of Agriculture. The headquarters were here in Washington, D. C. They maintained a secretariat and they formed commodity committees. The meetings of the Combined Food Board were held in Washington, London, and Ottawa.

On those commodity committees were representatives of all the claimant agencies, the Army, the Navy, the Air Corps, Marine Corps, and civilian agencies. People from all those agencies sat in on these meetings. This body did not have authority, but it did have the power of making recommendations to the operating people on the basis of the best information in regard to supplies and requirements.

Now, having the military requirements come through the respective military organizations, the civilian requirements coming up through the Civilian Production Administration, and the international requirements coming through the Combined Food Board, we then had what we called our steps of claimant agencies that would present to us the needs of their respective agencies. You can imagine the problems, the priority

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In normal times, when the farmer gets nothing other than being a good citizen for following out the goals, I can tell you that sometimes they are not effective, because quite often the farmer thinks, "Well, if everybody is going to cut, this is the year for me to plant". And sometimes he goes out and says, "It is a good thing for you folks to cut your acreage this year," and then goes home and increases his. So in normal times I would admit to you that the goals program is not too effective.

Why during this period of war were the goals more effective? First of all, we had price support programs. I don't want to take you through all the legislation that we have in this country, but we have--and had in effect before the war--price supports on basic commodities--wheat, cotton, tobacco, peanuts and corn. The purpose of the price support was to keep agriculture from being ruined.

When the war came on, in order to increase production, Congress raised those price supports to 90 percent of parity. Parity is something that we use as a measuring stick, and it is supposed to be a cost-of-living factor, cost of things farmers buy. The old basis was 50 or 52 percent. In order to get this increased production, the Department of Agriculture said, "Now we will guarantee 90 percent of parity to farmers who will grow wheat. If you can't sell it for a higher price, the Government will take all you raise at 90 percent of parity price. But in order to do that, you must comply with our goals program. If you were to go out and just say, 'Forget about this program; I will do as I please,' you are not in the party, but if you comply with this program, you will be protected."

In addition to the basic commodities, there were some other foods that were called Steagall foods. One of them has caused us many headaches, namely, potatoes. Potatoes, peanuts, and five others were considered Steagall foods, which means they must be supported during this period at 90 percent of parity.

The President had the authority of proclaiming--through the Secretary of Agriculture--any other foods as Steagall foods. A food designated as a Steagall item at the beginning of the year would have the benefits of price support. These price support programs will expire two years after the official close of the war, which will be December 31, 1948, if the present Congress does not do something before it goes home.

The second reason for farmer participation in this program during the war and not at any other time was because of the priority system. If you as a farmer wanted any fertilizer, we gave you a priority to get it. If you as a farmer wanted any farm machinery, you could get it through the division that was controlling that in the Department of Agriculture. So all of those things had a tremendous influence in getting these folks to comply with the program.

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Now, all of this was done under the impetus of full protection, full assurance of a profitable basis, practically a no lose game and a chance of making good profits--the food industry made its share of profits whether they made too much or not.

I would like to refer to a few other fields in which we worked. One was the supplying of labor. When I speak of labor, I don't mean imported labor only, but the labor obtained by inducing high school students, housewives, and people generally to go out and work. That is public relations, of which, of course, the Military did the greater part. The importation of labor, involving as it did housing and the building of camps was probably very extravagant and very costly, but it was the only thing that brought the necessary supply of labor.

There was the farm machinery problem; this one some of you folks should know quite well because farm machinery equipment and military equipment are made in the same plants. We continually had the argument, "Do you want guns or do you want butter?" Dividing up this very scarce material was a very real problem. The only thing I can say is that farm machinery production and need has developed, again, almost unbelievably. In fact, some of my friends say that farm machinery is developing so fast that they don't wear it out. They just keep it a year or two and turn it in because there is so much new stuff coming out. A lot of it is the result of developments during the war by the Military. War does one thing: It tests out whatever you build if it does nothing else. You can get some real mechanical results.

Where did the tremendous increases come from? Again, briefly, they came from increased yields per unit, and this is the place where I contend the know-how of industry, the know-how of people who are in business is the place to which you must go. The way we increased the production of fruit was by spraying, by fertilizing, and by driving the trees harder. The way we increased the pig crop was by guaranteeing that the people who would breed their hogs in the fall would get the same money for that litter of pigs that they would have received in the spring. So we just increased the production there.

It took the ranchers of the Far West to come to us and say, "If this emergency is as tough as you say it is, we will breed our one-year heifers instead of waiting for two years." The step-up in meat production that that brought about was again one of the things that is hard to figure out. So it all came about through this tremendous yield per unit that was obtained through this great production program.

Now, of course, there were a few real headaches. One was that we always had too little or too much. We never came out right. But you can never expect to--the waste on one side, the waste here, the waste there, and the shortages at the other places.

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democracy must take cognizance of that and arrange for an emergency situation in such a way that powers are vested in people who can operate more quickly.

I am not one of the schools that think we should be set to pull the trigger tomorrow, but I certainly believe in preparedness, and I see no reason why today some food plants should not be surveyed and kept in readiness because it took at least one full year to make a complete survey of the facilities for producing processed foods. There is no reason why we should wait for an emergency. We should have that at all times at a certain place where we could say to Plant X, "You start there in 30 days and do so and so," and Plant Y, "You set up for such a matter." That is just, good, plain common sense, just as you would insure for fire protection and a lot of other things. So there is a great deal of planning there that can be done that is very important.

The last thing I want to merely mention or refer to is the procurement problem. In this particular respect, I, for one, feel that our Government, our departments and agencies, the military with them, did an outstanding food procurement program in this late war. It was not done without some of us getting some battle scars, but I want to say that the cooperation and the way it was handled, I think, will stand out as an achievement that is worth noting. I think that some of you who are interested in that should read some of the records that have been made in the matter of coordination.

I well remember the first meeting when we sat together with the Services and decided that we were going to pool our buying. The Army was to do practically all of the buying from that standpoint and the War Food Administration from their standpoint; the War Food Administration, in turn, would turn its purchases over to the other services. I have learned this one lesson, that I don't care who it is, no two or more Federal organizations or agencies can competitively buy large quantities of food to advantage. I have gone through that so often that I really will not spend too much time arguing about it. Unless there is the closest coordination, the operators in the food business can put you on the spot and take advantage of you. That happens over and over again. You must be together so that you are unified in your buying and not have one man go out one day and ask for two million pounds and while that is in process somebody else comes out and asks for five million more. It is not a question of bureaucracy. It is just simply that some things cannot be done in the competitive system.

But I want to say that the best evidence I can give you of the effectiveness of the food procurement program in the late war is the end results. When the war ended the records show that the surplus food that the Armed Forces had, other government agencies had, and the Department of Agriculture had was sold for 92 cents on the dollar. I

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