

PRIORITIES

*Lecture by Capt. Hartwick before C.I.C  
Nov 19, 1928*

1. Definition.

Priority as applied to industry involves the selective mobilization in the distribution of production to the end that essential requirements be met in the order of their urgency. It embraces not only primary requirements -- finished products -- but involves an orderly flow of such secondary and intermediate requirements as may be necessary for production.

Priorities are designed to meet two conditions.

- (a) Where the supply is inadequate to meet the demand, and,
- (b) Where the supply meets the demand but the needs of one agency, for some reason, are of more immediate importance than those of another.

NOV 20 1928  
 PLANNING BRANCH  
 PRODUCTION DIVISION  
 IMMEDIATE ASSISTANT  
 SECRETARY OF WAR

2. Necessity.

The necessity for exercising the priority function was due to the following.

- (a) When we entered the war we found that in order to carry on our war activities we required vast quantities of munitions that were not immediately available.
- (b) All of these munitions, including those considered essential, were not of the same relative importance.
- (c) As the country was already at war, the time factor was obviously of primary importance.

Confronted with the task of producing a volume of munitions that clearly would severely tax, if not exceed, the capacity of the

*Lecture delivered by Capt Hartwick before  
C.I.C & Res. Officers - Jan 1929 Nov 1928*

country; of producing these munitions in a logical order, that is, the most important ones first, and at the same time maintaining a proper balance so as to avoid absurd results, such as rifles without ammunition; and of accomplishing all this in the shortest possible time, we were forced to make extensive use of the priority function.

3. Purpose.

Briefly, the Purpose of Priority was to.

- (a) Expedite deliveries of munitions necessary for carrying on the war.
- (b) Assist industry in making deliveries of essential munitions at a specified time, and in the quantities required with the least interference of the production and delivery of other necessary items.
- (c) Curtail the production of less essential materials and the suppression of the manufacture of nonessential items.

4. Evolution of our Priority Control. (Historical) (Chart No. 1)

April 6, 1917. The National Defense Act of 1916 provided a means of commandeering plants where preference was not given to war orders.

May 3, 1917. The Priorities Committee was appointed by the General Munitions Board in compliance with instructions from the Council of National Defense. Its instructions were "This committee shall exercise full power in the determination of priority of delivery of materials and finished products whenever there is a

conflict in delivery, in accordance with the general policy of the Government." They did not consider that they had any authority to determine the priority of civilian needs. At this time their status was advisory and their decrees not necessarily binding.

May 29, 1917. The Act of this date gave power to the Interstate Commerce Commission to use cars in such a manner which, in its judgment, would best promote the public interest. Here was the basis for the great power that could be wielded by the Government in executing priority rulings.

August 10, 1917. The Preferential Shipments Act gave express authority to give priority and preference to shipments essential to national defense and security.

September, 1917. A Priorities Commissioner was appointed who was a member of the newly formed War Industries Board and was chairman of the Priorities Committee.

Priority Circulars Nos. 1 and 2 were issued on September 21. All orders were divided into three classes with numerous subdivisions. Orders issued before this date for direct (military - naval) war needs were automatically placed in A-1 and Allies' orders were placed in A-2. All future orders were to go into Class C unless covered by certificates or instructions.

March 4, 1918. The President delegated wide executive powers to the Chairman of the War Industries Board.

March 27, 1918. Upon the suggestion of the President a Priority Board was formed to bring about more concerted action respecting priority of delivery and to synchronize priorities within

the Government and with industry. On this same date, the Board issued a "General Classification of Purposes demanding Preference Treatment" for the guidance of all Government agencies in production, supply, and distribution of raw materials, finished products, power, fuel and all means of transportation.

April 6, 1918. The Priority Board published a list giving the industries that were to receive preferential treatment in supply and transportation of coal and coke.

May 20, 1918. The Overman Act giving the President power to redistribute functions among the executive agencies.

May 28, 1918. The President reaffirmed his executive letter of March fourth and separated the War Industries Board from the Council of National Defense.

July 1, 1918. With the approval of the War Industries Board, the Secretaries of the War and Navy, the Chairman of the Shipping Board and the Emergency Fleet, the Priorities Commissioner published Circular No. 4. This classified all orders and prescribed the manner in which preferential treatment could be obtained automatically. (The scope of the provisions of this circular will be taken up later.)

July 17, 1918. Supply Circular No. 50, Purchase, Storage and Traffic Division provided for the establishment of the priority committees in each supply bureau. The conflicts within the bureau were to be settled there; the requests were then transmitted to the Army Priorities, War Department; and after the bureau conflicts had been decided, the requests were put through the regular procedure with the Priorities Committee of the War Industries Board.

September 3, 1918. Circular No. 20, approved by the chairman of the War Industries Board was published by the Priority Commissioner. This classified industries and affected 7,000 plants distributed throughout 73 industries (we will refer to this again later).

Non war construction was controlled and curbed by the Priorities Division under the provisions of Circular No. 21.

September 17, 1918. Labor Priority Bulletin No. 1 marks a definite step in the direction of absolute control over labor. It was a guide to direct the decentralized units of the Priorities organization in controlling the diminishing labor supply.

5. General Scope of Work. (Chart No. 2)

The Priorities Committee was finally deciding questions of priority as between:

- (1) The various departments of the United States Government.
- (2) The Governments associated with the United States in the World War.
- (3) The United States Government and such associated Governments.
- (4) The United States Government and individuals.
- (5) The Governments associated with the United States and individuals.
- (6) Individuals.

Members of the Committee specialized in the purposes for which the materials were required rather than in the materials themselves. Information on materials was secured as required from the Commodity Committees.

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6. Final Organization. (Chart No. 3.)

The extent to which priority rulings affected other agencies and the coordinated power behind such action is well illustrated by the diversified membership of the board with representatives from Emergency Fleet Corporation, Conservation Division, Traffic Department, Food Administration, Labor Representative, Representative Allied Purchasing Commission, United States Army, United States Navy and a representative of the War Trade Board.

While the priority function was exercised practically from the time we entered the war, it was not until the War Industries Board was reorganized in March, 1918, that a positive and comprehensive exercise of this function was inaugurated. The active agencies consisted of:

- (a) The Priorities Division.
- (b) The Priorities Board.
- (c) The Priorities Committee.

The Commissioner of Priorities of the War Industries Board was the chairman of each of these agencies.

The Priorities Division was one of the main divisions of the War Industries Board. It was charged with the general mission of distributing priority in production and delivery.

The Priorities Board was an advisory body consisting of representatives of various Government agencies affected by priorities. This Board was much like a Board of Directors in a large industrial concern.

The Priorities Committee consisted of the active heads of the subdivisions of the Priorities Division. It was the operating agency which carried out the policies formulated by the Priorities Board and coordinated the work of the subdivision.

The Non-War Construction Section was added to the Priorities Division in September 1918. Its purpose was to control building operations that had no bearing on the War.

The Labor Section was also added to the Priorities Division in September, 1918. Its purpose was to control labor by means of priorities.

In addition to the above, regional advisors were located at the following headquarters (Chart No. 4.)

- |                 |                   |
|-----------------|-------------------|
| 1. Boston       | 11. Baltimore     |
| 2. Bridgeport   | 12. Atlanta       |
| 3. New York     | 13. Birmingham    |
| 4. Philadelphia | 14. Kansas City   |
| 5. Pittsburgh   | 15. St. Louis     |
| 6. Rochester    | 16. St. Paul      |
| 7. Cleveland    | 17. Milwaukee     |
| 8. Detroit      | 18. Dallas        |
| 9. Chicago      | 19. San Francisco |
| 10. Cincinnati  | 20. Seattle.      |

These advisors were initially set up by the Resource and Conversion Section. By November 11, 1918, advisors on priorities had been appointed for the following districts: 3, 4, 5, 6, 8, 9, 11, 15, 18, 19 and 20. Their duties were (1) To keep informed

on the priority system and advise manufacturers and producers; (2) To make recommendations on all applications for priority certificates and preference ratings (excluding power); (3) To perform such other duties as requested by the Priorities Commissioner.

7. Method of Operation.

The foundation of the effectiveness of the system lay in the ability of the Priority Division to assist industries or facilities on the one hand or deny this assistance on the other, during a time when extreme shortages were the order of the day. Preferential distribution of raw materials, power, fuel and transportation served to accomplish the mission of the Priorities Division, "the selective mobilization of the products of the soil, the mines and the factories, for direct and indirect war needs in such a way as would most effectively contribute toward winning the war".

After priorities started to function, commandeering was no longer necessary and control over commandeering was finally vested in the Chairman of the War Industries Board.

Priorities Circular No. 1 of September 21, 1917, placed the steel industry under the committee's rulings. This circular and subsequent ones attempted to classify orders and plants in accordance with their relative importance for direct (military - naval) and indirect (essential civilian) war needs. To get the system started all orders which had been placed prior to September 21, 1917, for our own direct war needs were automatically rated Class A-1. Those likewise placed for the Allies were placed in Class A-2. All future orders were to go into Class C unless covered by certificates or other

instructions.

Two methods of procedure were employed:

- (1) All orders were rated either by the issuance of priority certificates to persons placing the order or by a system of automatic ratings and
- (2) By classifying "Purposes demanding preferential treatment" which were covered in detail by "preferential lists".

A person desiring to make a purchase or contract requested a certificate on an established form and action was taken thereon after reference frequently to the appropriate Commodity Committee. The applicant upon receipt of a priority certificate presented it to the person or plant where he placed the order and the latter arranged delivery in the relative turn of the new order with respect to other priority orders.

By July 1, 1918, automatic ratings were established in ~~Priority Circular No. 4.~~ This eliminated a vast amount of administrative detail. To obtain these automatic ratings, officials of the Government certified to the contractor that the order fell within the classification and for other individuals to take advantage of these ratings affidavits and pledges were required. Automatic ratings pertained to Classes A-4 and below and C and D.

(1) One Method (Chart No. 5.)

All orders and work were divided into five classes:

Class AA was direct war work of most urgent nature.

Class A was all other direct war work.

Class B comprised orders for indirect war work (or essential civilian and rational needs).

Class C required no certificates but included industries and facilities demanding preferential treatment as promulgated in Preference Lists.

Class D included all other work. No certificates were issued under this class.

There were also subdivisions under Classes AA, A and B.

This lettering indicated order of priority with AA given first preference. Irrespective of dates of orders or certificates, work in the higher class took precedence over orders in lower classes to insure date of delivery specified in the order. This did not mean that work should cease on orders of a lower classification or that the order should be completed in advance of delivery on orders of a lower classification unless such procedure was absolutely necessary to effect delivery on the preferred order within the time specified. In other words this priority concentrated effort on meeting delivery dates on preferred orders at the sacrifice if necessary of meeting delivery dates on orders of lower classification.

(2) Other Method (Chart 6.)

The method of procedure by preferred lists divided industries and individual plants according to their relative importance into four classes I, II, III and IV, the priority or preferential treatment with regard to raw materials, power, labor, fuel and transportation to be interpreted in the same manner as in the case of orders in Classes A, B, C, etc., except that all needs of Class I plants were satisfied before rationing of the available supply of power, materials or transportation to other classes.

(Chart 7.)

For example, Aircraft, Ammunition and Toluol plants were in Class I; Ferro-alloy, brass and copper plants were in Class II, electrical and food plants in Class III, Drug and fertilizer plants in Class IV. The list finally contained a classification of seventy-three industries and in addition a rating for about 7,000 separate plants whose importance was considered above or below the class to which their product was assigned in the principal list.

Priorities, Circulars and Bulletins (Chart No. 8.)

In all approximately 60 circulars and bulletins were issued.

No. 1 related to Iron and Steel - September 21, 1917.

No. 2 forms and certificates.

No. 3 superceded 1 and 2.

No. 4 classification of orders and work.

no. 5 rationing to industries (Iron and Steel)

6-52 inclusive, with exception of 16, 20 and 45, refer  
to curtailment in industry.

53-55, 56 none issued.

54 Lumber manufacturers.

57-58-59, 60 revocations and readjustments after November  
11, 1918.

No. 16 persons soliciting employment to present priority  
applications.

No. 20 plants classified I, II, III, IV.

No. 45 Power consumers having one hundred horse power con-  
nected load or less will, save in extreme cases, be  
treated as in Class I, irrespective of their  
Preference Classification. Class I plants shall be  
fully satisfied before the three remaining classes.  
Classes II, III and IV will be satisfied before those  
not on Preference List are given consideration. If  
not enough to satisfy Classes II, III and IV will be  
rationed in per cent using ratio 5, 3, 2 as the basis.

Priority Planning, Office of the Assistant Secretary of War (Chart No.9)

Cooperation within Office

In the organization of the Office of the Assistant Secretary of  
War priority planning requires close coordination especially with the  
following divisions and sections. Commodities, Progress and Require-  
ments, Legal, Allocation, Price Control, Foreign Relations and all  
sections of the Industrial Division.

For example: Commodities may be classified under ratings AA, A, B, C and D depending upon their relative importance in war; Progress of Production balanced against Requirements may show the necessity for war reserves and a priority has to be set up on the accumulation and maintenance of such reserves; in allocations, priority is given to the allocation of facilities for essential items which are most difficult to procure and also priority is given to the allocation of establishments capitalized at \$100,000 and over, Price control becomes less essential as priority measures are effectively established, in Foreign Relations priority is placed on the importation of strategic materials while their exportation will likewise be denied.

Conservation - Priority circulars cover the degree of conservation necessary in particular industries, and while accurate percentages may be set after agreement with the industry concerned in war, tentative figures may be reasonably estimated in peace based upon World War experience and present economic conditions; essential new facilities will need all the assistance possible in respect to Power, Labor and Transportation and materials which can be granted by Priority, finally, priority circulars should be drawn up grouping essential industries in Classes I, II, III and IV indicating preferential treatment through the priority system after conference with the Power, Labor, Transportation and Fuel Sections. The Legal Section assists in the preparation of proposed laws and executive orders required on Priority at the outbreak of an emergency.

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Organization of the Priority Section  
Office of the Assistant Secretary of War (Chart 10.)

Special duties to be performed by the section include the rating of orders, the rating of facilities and industries, and the publication of the necessary instructions in cooperation with the Allocation, Power, Labor, Transportation and Fiscal Sections and the Commodities Division which will serve as a directive for other agencies in the office of the Assistant Secretary of War and as a guide to industry and the contacts of District Chiefs in granting the right of way of power, labor, transportation, funds and raw materials to preferred orders and facilities.

Duties.

Chief of Section.

To make all priority rulings and decide all questions of policy authorized by the Director of Procurement.

Executive Assistant.

To act for the Chief of the Priority Section as required, handling details and advising the Chief on all important matters.

Administrative Assistant.

To coordinate the administrative work throughout the entire Priority Section, including also work in charge of rating of orders and facilities.

Technical Advisor.

To insure, as chairman, that the Advisory Committee acts as a unit and transacts business promptly. To make recommendations on all important priority rulings and matters of policy.

Members, Advisory Committee.

To make recommendations on Priority discussions.

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Chief of Field Service.

To supervise the operation of the priority system in the field.

Chiefs of Supply Branches.

To adjust all disputes on priority which cannot be settled in the districts. To adjust all ratings on automatic classification which cannot be settled in the districts.

To rate (through District Chiefs) all orders A-5 and below and special cases of plants in Classes III and IV and make recommendation on all others.

Supervision (Chart No. 11.)

The supervision exercised over Branch Chiefs and by means of them, the coordination effected with facilities and plants, District Representatives of the United States Employment Service Local Draft Boards and Councils of National Defense, together with an explanation of the way orders and policies are conveyed to the different units in the districts and the channels of reports flowing back and focusing in the Office of the Assistant Secretary of War are given in Field Service Chart No. 11.

(Chart No. 12.)

The sequence in which articles shall be manufactured and orders filled is synchronized by priority in accordance with the relative essentiality of the items and commodities.

Military priorities in finished articles are established by the General Staff as given in the Basic Mobilization Plan. The rate of mobilization of man power defines the rate at which troops should, if practicable, be supplied. From this rate may be determined the

sequence of industrial needs.

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Broadly speaking, industrial priorities are effected by two methods

- (1) Rating of orders.
- (2) Rating of facilities.
- (1) Rating of orders.

The allocation of facilities obviates the necessity for priority as between military and naval orders with the possible exception in the case of jointly allocated facilities. Procurement plans which provide for performance by dates or in sequence eliminate priority as between orders because they include them or stated in another way, the plans establish priority and each demand has first priority when its time arrives. For the purpose of extending preferential treatment to war orders over civilian needs these war orders may all be rated "A" by appropriate certificate of purchasing officers accompanied by pledges of industries concerned to observe priority rulings on the face or attached to the order or contract. Like certificates and pledges may automatically take care of indirect requirements. This automatic rating of class "A" orders will serve to tie in the allocation of a facility for finished products with orders in unallocated facilities for intermediates and raw materials. Automatic ratings of orders by certificates and pledges of purchasing officials may likewise apply to critical civilian needs. These needs may be grouped in relative essentiality by ratings "B" and "C" on the orders.

In jointly allocated facilities where the military situation in time of war or other causes, do not upset accepted schedules of production or factory plans prepared in time of peace, the rating "A" of all war orders should prove satisfactory. A rating "AA" should serve to grant higher preference when it becomes necessary for one or more orders to displace "A" orders. "AA" orders are not automatic, this rating being granted only on application to the Central Priority authority. While one supply branch can direct preferential treatment of orders within a facility allocated to it alone to conform to changing military situations or errors of estimates in accepted schedules of production, different priority ratings may be necessary as between different supply branches and the Navy on orders in the same facility.

The necessity for "AA" ratings of orders in unallocated facilities furnishing raw materials (i.e. steel) or intermediates (i.e. motors) may be eliminated where shortages exist or conflicts occur in time of war by a "Schedule System", as was done in the case of steel after July, 1918. A trial balance was struck between the total requirements both for each mill and for the commodity itself and the probable production. Requirements were adjusted to actual production. After this was effected, complete schedules for each mill for shipment to each Government Department were put into effect and checked monthly.

(2) Rating of Facilities.

A list of facilities and essential industries which require preferential treatment with respect to power, labor, transportation, funds and raw materials are ultimately to be classified in Classes I, II, III and IV and published for the information and guidance of all concerned in procurement planning.

The main factors used in determining the rating of the facilities are

- (1) To capacity utilized by war orders or essential orders.
- (2) Ratings of such orders, i.e. "A", "B", "C" and "D" or importance of product and time product required.
- (3) Need of particular industry for stimulation due to its intrinsic value and because of peace economic conditions, i.e. surgical instruments.

Ratings of facilities are to be decentralized in the districts for all except Classes I and II. When sufficient data is available these ratings may be published in the Directory of Allocated Facilities.

The present policy contemplates that regulations and instructions, (called circulars and bulletins by the War Industries Board) necessary to effect these automatic priority control plans are to be agreed to in principle and prepared in draft form by the Army and Navy Munitions Board before being submitted to industry, Chiefs of Supply Branches, Procurement Districts, and other agents within and without the War and Navy Departments for comment and criticisms.

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The Priority System for an Industrial Mobilization Plan should be extremely simple and flexible and one that could easily be expanded with a minimum of confusion and does not need to be prepared in the precise detail which may be required in a Special Color Plan.

No summary of priority plans would be complete without quoting what Colonel H. B. Ferguson has said on the subject.

"A plan which provides for performance by dates or in sequence eliminates priorities because it includes them or it may be said that the plan establishes priorities and each demand has first priority when its time arrives. The plans when approved by the President will have first priority.

"Priorities are not necessary except in case of shortages. The important thing is to take the General Staff statement of direct military priorities or the sequence of military needs in finished articles and determine the resultant sequence of industrial needs. Where the needs exceed the supply, the needs must be reduced or the supply increased. Until they are the same, we have no plan -- only a project or vague hope."

Colonel H. B. Ferguson May 18, 1926, Memorandum to Planning Branch.

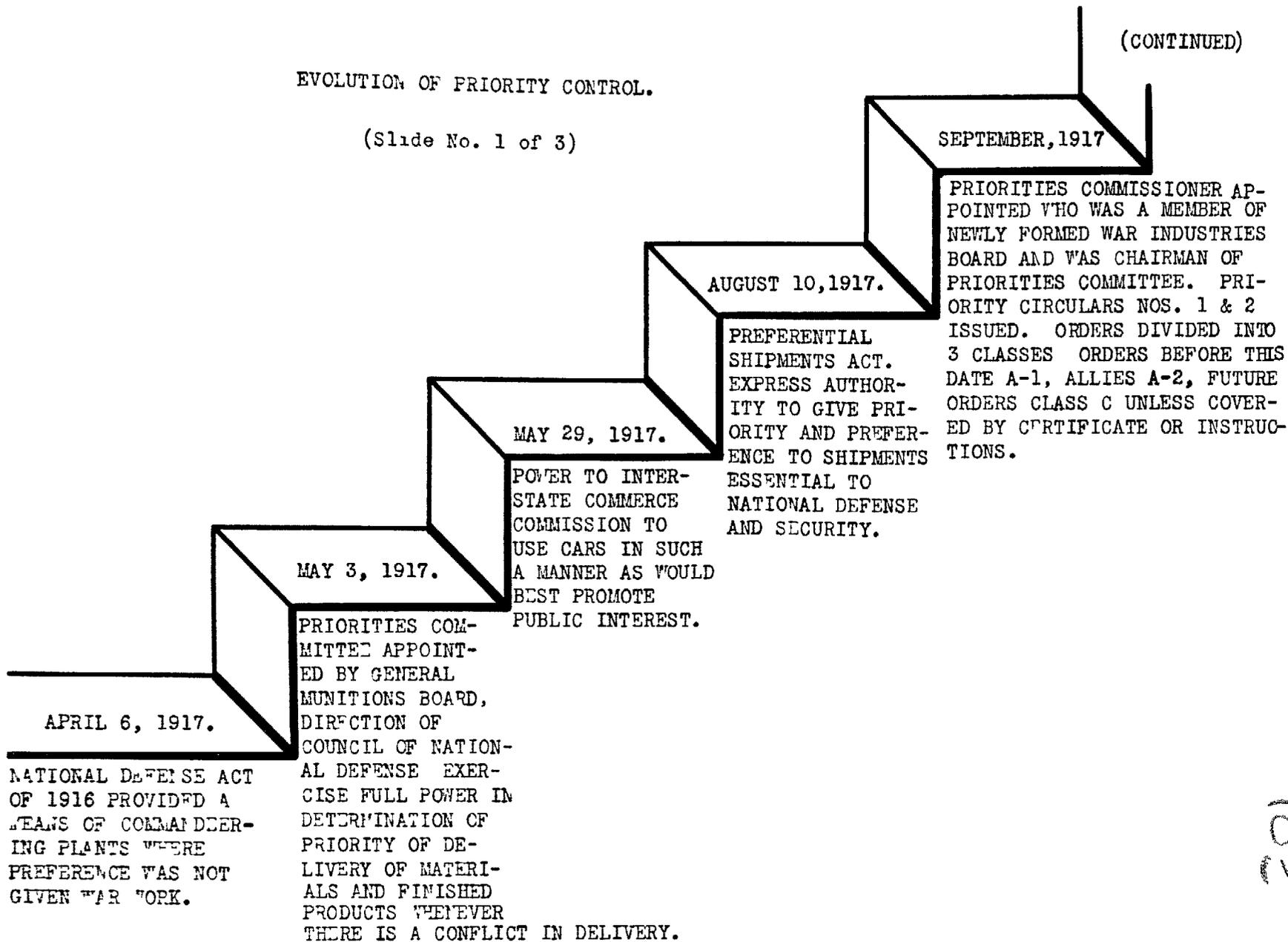
*7/10/26* *See ...* *...*

CHART NO I.

EVOLUTION OF PRIORITY CONTROL.

(Slide No. 1 of 3)

(CONTINUED)



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CHART NO. I.

EVOLUTION OF PRIORITY CONTROL.

(CONTINUED)

(Slide No. 2 of 3)

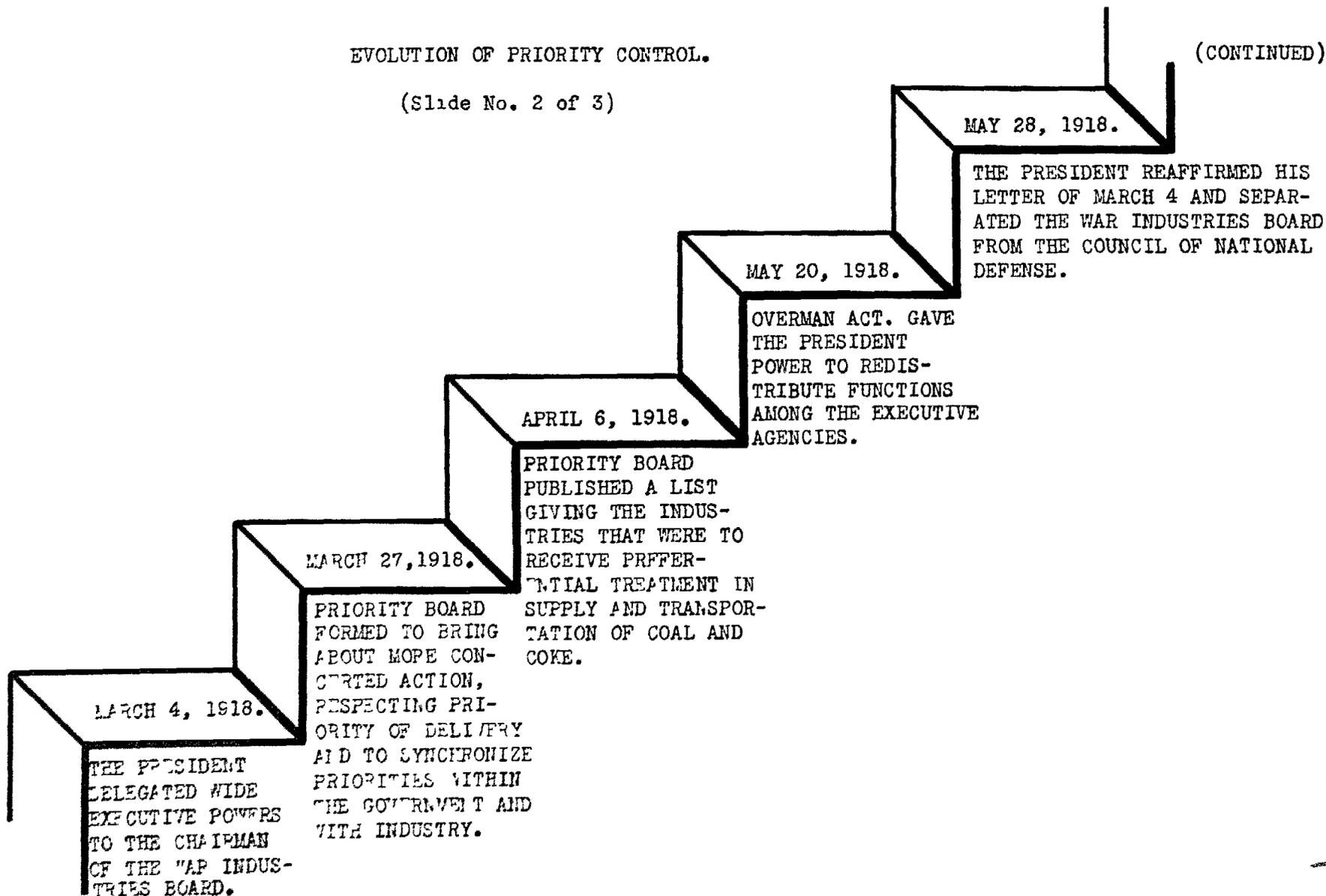
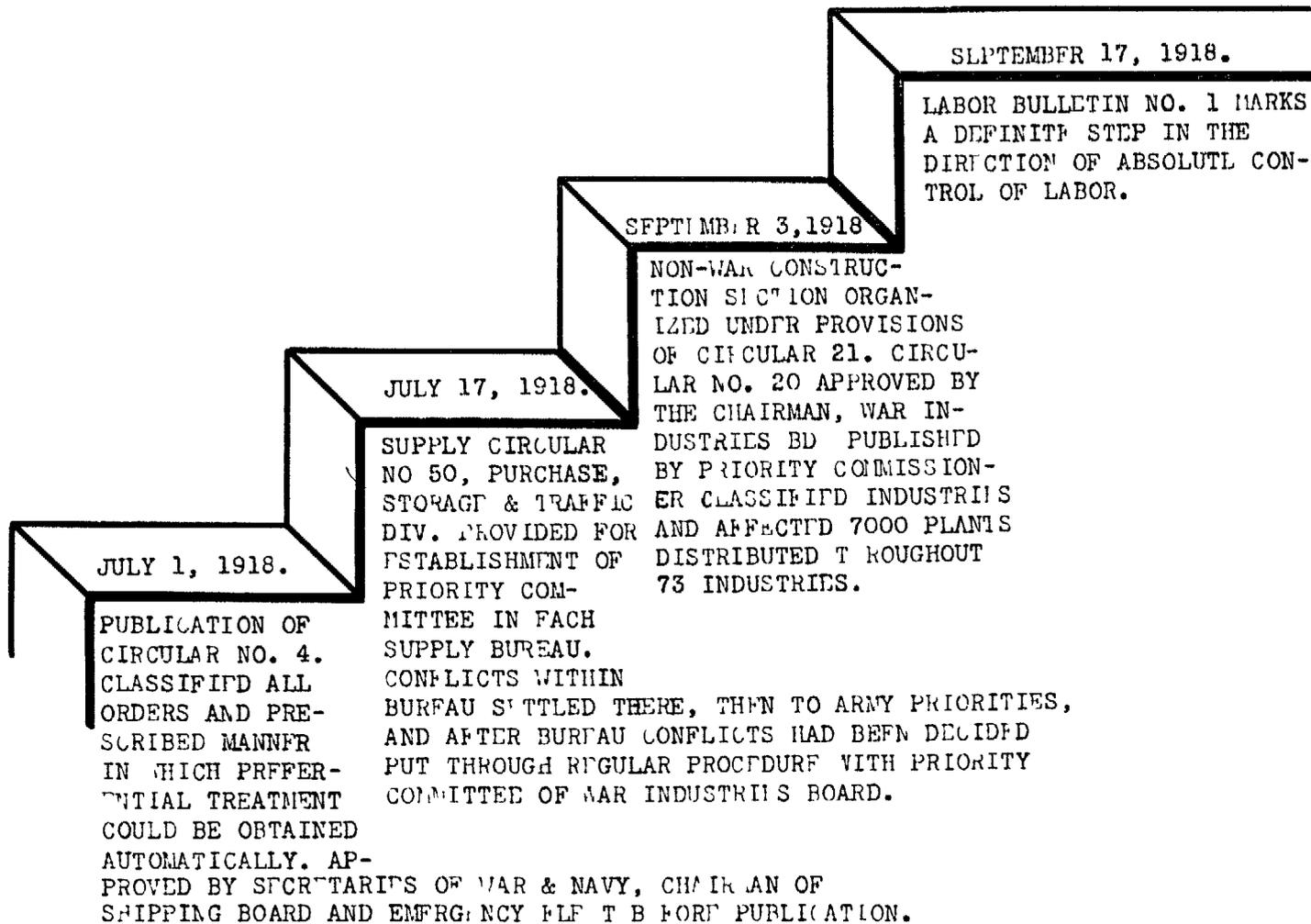


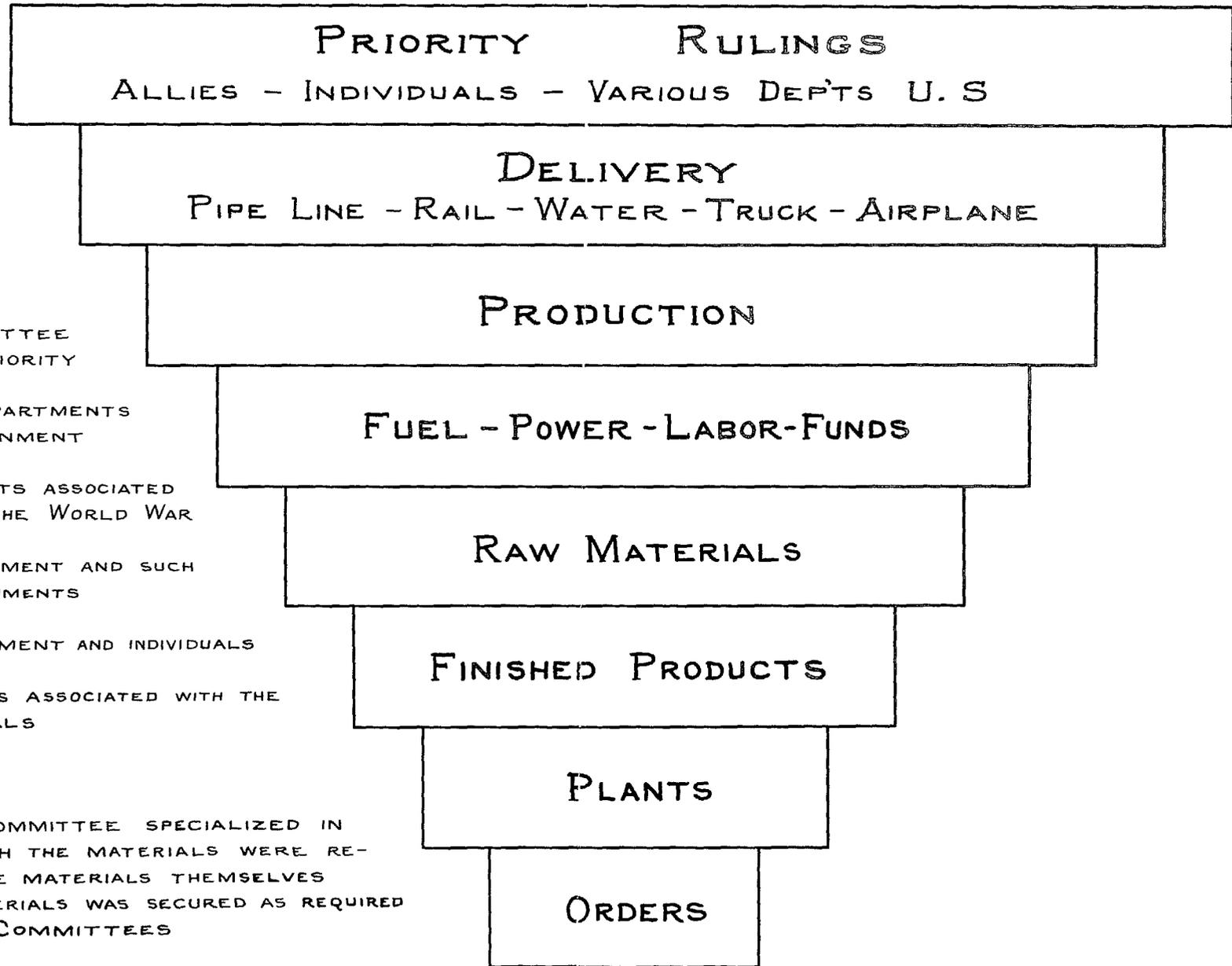
CHART NO. I.

EVOLUTION OF PRIORITY CONTROL

(Slide No. 3 of 3)



# PRIORITIES — SCOPE



THE PRIORITIES COMMITTEE DECIDES QUESTIONS OF PRIORITY AS BETWEEN

- (1) THE VARIOUS DEPARTMENTS OF THE U S GOVERNMENT
- (2) THE GOVERNMENTS ASSOCIATED WITH THE U S IN THE WORLD WAR
- (3) THE U S GOVERNMENT AND SUCH ASSOCIATED GOVERNMENTS
- (4) THE U S GOVERNMENT AND INDIVIDUALS
- (5) THE GOVERNMENTS ASSOCIATED WITH THE U S AND INDIVIDUALS
- (6) INDIVIDUALS

MEMBERS OF THE COMMITTEE SPECIALIZED IN THE PURPOSES FOR WHICH THE MATERIALS WERE REQUIRED RATHER THAN THE MATERIALS THEMSELVES  
INFORMATION ON MATERIALS WAS SECURED AS REQUIRED FROM THE COMMODITY COMMITTEES



CHART NO. 4.  
REGIONAL ADVISORS.

1. BOSTON
2. BRIDGEPORT
- \*3. NEW YORK
- \*4. PHILADELPHIA
- \*5. PITTSBURGH
- \*6. ROCHESTER
7. CLEVELAND
- \*8. DETROIT
- \*9. CHICAGO
10. CINCINNATI

- \*11. BALTIMORE
12. ATLANTA
13. BIRMINGHAM
14. KANSAS CITY
- \*15. ST. LOUIS
16. ST. PAUL
17. MILWAUKEE
- \*18. DALLAS
- \*19. SAN FRANCISCO
- \*20. SEATTLE

ORIGINALLY SET UP BY RESOURCE & CONVERSION SECTION

**DUTIES:**

- (1) TO KEEP INFORMED ON THE PRIORITY SYSTEM AND ADVISE MANUFACTURERS AND PRODUCERS.
- (2) TO MAKE RECOMMENDATIONS ON ALL APPLICATIONS FOR PRIORITY CERTIFICATES AND PREFERENCE RATINGS (EXCLUDING POWER).
- (3) TO PERFORM SUCH OTHER DUTIES AS REQUESTED BY THE PRIORITIES COMMISSIONER.

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# PRIORITIES - ORDERS

1.1

CIRCULAR No 4 JULY 1 1918  
ALL ORDERS AND WORK RAW MATERIALS & FINISHED PRODUCTS

CT WAR URGENT

AA-1, AA-2

EMERGENCY WAR WORK

IER DIRECT WAR  
(1 AND A-2 RESERVED  
EXCEPTIONALLY URGENT)

A-1, A-2 TO A-6

A-3 HIGHEST WITH OUT  
SPECIAL INVESTIGATION  
RE DISPLACED ORDERS

DIRECT WAR  
(NATIONAL NATIONAL WELFARE)

B-1, B-2 TO B-6

PS -  
CRAFT  
NITIONS  
EL  
OD  
OTHING  
LROAD  
LIC UTILITIES

PREFERRED  
PURPOSES

C  
NO  
CERTIFICATES

PLANTS  
(CLASS I)  
PREFERENCE  
LIST #1  
(SUPERCEDED  
BY #2)

AIRCRAFT  
AMMUNITION  
ARMS  
CHEMICALS  
CANTONMENTS  
COKE PLANTS  
ELECTRIC EQUIP  
EXPLOSIVES  
FOOD  
GAS  
GUNS  
IRON AND STEEL  
MACHINE TOOLS  
ETC

ALL OTHERS

D  
NO CERTIFICATES

## AUTOMATIC RATINGS (REPAIRS TAKE 1 POINT HIGHER THAN PRODUCT)

A-4

A-5

A-6

B-1

C

RES  
-TIVES  
-ADM  
-PHONE  
-D  
-GRAPH  
-CENT  
-WAR

ORDERS AFTER 6-30-18  
PLACED BY { WAR NAVY  
U S SHIP B'D  
EM FLEET CORP

ELECTRODES  
WIRE AND ROPE  
SHIPS FOR U S B'D  
REPAIRS TO -  
POWER GAS LIGHT  
WATER PUBLIC UTILITIES

ORDERS PLACED BY  
THOSE HOLDING DIRECT  
CONTRACTS FROM  
ARMY  
NAVY  
SHIPPING BOARD  
BUREAU OF INDUST-  
RIAL HOUSING AND  
TRANSPORTATION  
U S HOUSING  
CORPORATION

CRANES  
STEAM CONDENSERS  
CARGO CRAFT FOR  
U S SHIPPING B'D  
MACHINE TOOLS  
COKE OVEN PLANTS  
MINES FOR FUEL  
METAL AND MARINE  
EQUIPMENT  
PLANT REPAIRS  
MAKING CERTAIN  
GASES

H P BOILERS  
STEAM R R  
TRAY CRANES  
FACILITIES UNDER  
U S R AD. TEL & TEL  
OF P O DEPT

B-2

ELECT EQUIP  
FARM IMPLS  
TEXTILE MACHY  
TOOLS ETC FOR  
FOOD & FEEDS  
TWINE & ROPE  
OIL WELL SUPPLIES  
IRON STEEL CHAINS  
SHOE MACHINERY  
AUTO STOKERS  
PRODUCTION PETROL  
AND NATURAL GAS

B-4

JOBBERS STOCKS  
OF IRON & STEEL  
USED FOR WAR  
PURPOSES  
STOCKS OF FABRICATORS  
OF STEEL USED FOR  
WAR PURPOSES

MAINTAIN EXISTING EQUIPMENT  
SUPPLY OF HEAT LIGHT POWER & SANITATION  
NECESSARY & ESSENTIAL REPAIRS TO  
EXISTING BUILDING & MANUFACTURING PLANT  
DRUG MEDICAL & SURGICAL SUPPLIES  
OPERATION OF MACHINE & BLACK MITH SHOPS  
WIRE CLOTH & SCREENING BUILDINGS  
NAILS SCREWS BOLTS & NUTS FOR ANY PURPOSE  
BALE TIES INCLUDING COTTON & HAY  
NECESSARY REPAIRS TO EQUIPMENT  
VEHICLES IMPLEMENTS & MACHINERY  
OF WHATEVER NATURE

### NOTE:

OF SOME 200 000  
APPLICATIONS RECEIVED  
CERTIFICATES ISSUED WERE  
AS FOLLOWS -  
10% FOR A-1 AND A 2  
10% FOR A 3  
10% FOR B-1 AND B 2  
50% FOR A-5

U S DEPT OF WAR  
PROCUREMENT  
BUREAU

# PLANTS (PREFERENTIAL TREATMENT)

REGULAR NO 20 PREFERENCE LIST NO. 2  
SEPT 3<sup>rd</sup>, 1918  
AND  
SUPPLEMENT 1 OF 10/1/18

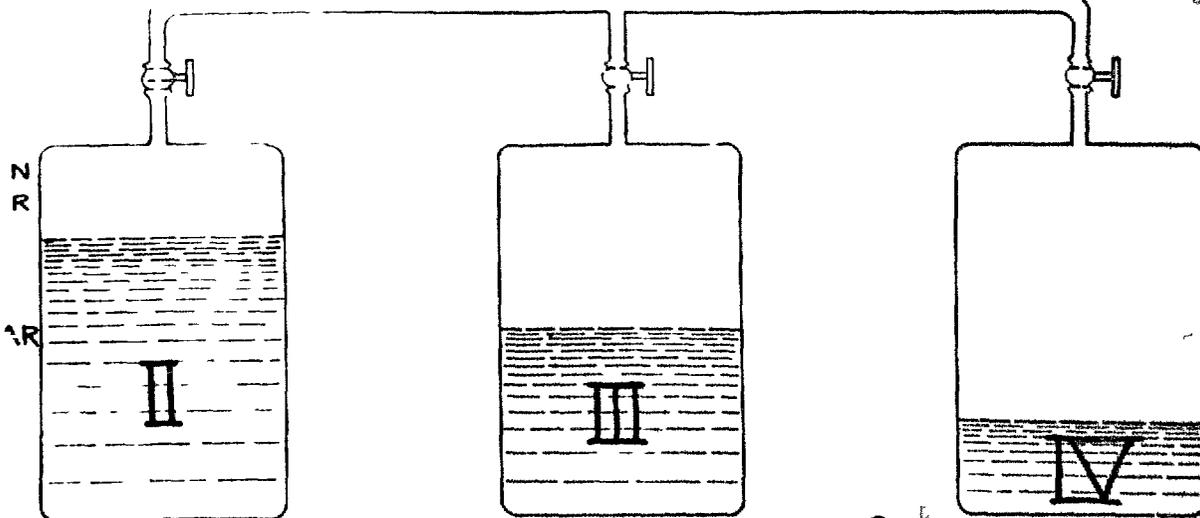
ASSES  
PLANTS  
II III IV

RELATIVE  
IMPORTANCE  
BASE UPON

- 1 IMPORTANCE OF PRODUCT AND TIME REQUIRED
- 2 NECESSITY TO STIMULATE TOTAL PRODUCTION
- 3 % CAPACITY OF PLANT DEVOTED TO ESSENTIAL ITEMS.

ELECTRICITY  
FUEL  
LABOR  
TRANSPORTATION  
RAW MATERIALS  
FINISHED PRODUCTS

LESS THAN  
I  
8% OF ALL  
PLANTS



Form No 7

# PRIORITIES - PLANTS (BY INDUSTRIES)

## CIRCULAR No 20

### FOUR CLASSES

#### CLASS I

RAFT  
 MUNITION  
 YARDS  
 TERMINALS  
 IS (SMALL)  
 FURNACES (IRON)  
 ICALES (WAR)  
 (INCLUDES TOLUOL)  
 (SPECIAL)  
 STIC CONSUMERS \*  
 & ELECTRICAL -  
 ENTIAL CONSUMPTION)  
 FOODS (SPECIAL)  
 MINES (COAL)  
 ALS  
 ND GAS  
 AYS (UNDER U S R AD)  
 TARIUMS  
 (EXCLUDING PLEASURE)  
 L MAKING FURNACES  
 L PLATE MILLS  
 IOL

#### CLASS II

BRASS & COPPER  
 COKE  
 CRANES (LOCO)  
 FERRO ALLOYS  
 MACHINE TOOLS  
 MINES (METAL)  
 PUBLIC UTILITIES  
 RAILWAYS (NOT UNDER U.S.R.A.)  
 ROPE WIRE  
 STEEL RAIL MILLS  
 WAR & NAVY (CON-  
 STRUCTION)  
 WIRE ROPE

#### CLASS III

CHAINS  
 CRANES (TRAV)  
 DOMESTIC CONSUMERS  
 ELECTRIC EQUIP  
 EXPLOSIVES  
 FOODS  
 ICE  
 MINING TOOLS  
 PUBLIC INSTITUTIONS  
 AND BUILDINGS  
 (OTHER THAN HOSP  
 AND SANITARIUMS)  
 STEEL  
 TIN PLATE  
 TOOLS (SMALL)

#### CLASS IV

AGRICULTURAL IMPLEMENTS  
 BAGS  
 BOOTS & SHOES  
 CHEMICALS  
 COTTON AND  
 COTTON TEXTILES  
 DRUGS (MEDICAL  
 AND SURGICAL)  
 FARM IMPLEMENTS  
 FERTILIZERS  
 FIRE BRICK  
 FOOD CONTAINERS  
 FOUNDRIES  
 INSECTICIDES AND  
 FUNGICIDES  
 LAUNDRIES  
 NEWSPAPERS AND  
 PERIODICALS  
 PAPER & PULP  
 ROPE  
 SOAP  
 SURGICAL SUPPLIES  
 TANNERS  
 TANNING EXTRACTS  
 TEXTILES AND TEXTILE  
 MACHINERY  
 TOBACCO (PREPARING  
 AND STORING - NOT  
 MANUFACTURING &  
 MARKETING  
 TWINE

### NOTE

75% OF TOTAL PRODUCTS  
 OF PLANTS WERE ON  
 PRODUCTION INDICATED

No. 8

# PRIORITIES - CIRCULARS & BULLETINS

**POWER**  
No. 45 Distribution of Electrical Energy by Light & Power Cos

**CIRCULARS ISSUED**  
% IS CURTAILMENT FROM DATE OF ISSUE

NG RIALS  LOW TIRE -ICKS -MENT -E -BERS, -UTERS -ALERS  -ITION -ING 0%  LUMBER -NF	<b>GENERAL</b> No. 53 - 55 56 NONE ISSUED 57 - 58 59 - 60 (NOV. 11 (SEE SIGN) REVOCATIONS & READJUSTMENTS  No. 2 Explains Forms AND CERTIFICATE No. 3 of JAN 1 1918 SUPERSEDED) & CLERK ORDERS AA, A AND B. No 4 of JULY 1 1918 SUPERSEDES 1 2 & 3 AFTER W I B WAS SEPARATED FROM C.N.D. (SEE CHART)  No. 20 (SEE CHART) PLANTS I II III IV  No. 16 PERSONS SOLICITING EMPLOY- MENT TO PRESENT PRIORITY APPLICATIONS	<b>IRON &amp; STEEL</b> (SOME COPPER ALUM & TIN)  <b>No. 1 IRON &amp; STEEL</b> AND EXPLANATION No. 5 RATIONING TO INDUSTRIES No. 11 MOTOR TRUCKS No. 12 WASHING MAC 25% No. 14 HORSE DRAWN VEHICLES No. 17 BURIAL VAULTS 3500 TONS FOR 12 MOS No. 18 CLOTHES WRINGERS 33 1/2% No. 19 BALL & ROLLER BEARINGS No. 22 TOBACCO MANUFY METAL CONTAINERS No. 25 CORSETS 23 1/2% No. 26 BOILER & RADIATOR 60% No. 27 GAS & WATER HEATERS 50% No. 28 METAL BEDS 50% No. 29 POCKET KNIFE 30% No. 30 HEATING STOVES 50% No. 31 GALVANIZED WARE 50% No. 32 WIRE BOUND BOX No. 35 AGRICULTURAL IMPLEMENTS 25%	No. 36 CLOCKS WATCHES 30% No. 37 BICYCLES MOTOR- CYCLES 25% No. 38 FIREFIGHTING EQUIP. No. 39 TALK MACHINES 60% No. 40 TYPEWRITERS No. 41 ELEVATORS No. 42 BABY CARRIAGES 50% No. 43 COTTON GINS No. 44 REFRIGERATORS 33 1/2% No. 46 TALK MACHINE NEEDLES No. 47 HAND STAMP AND MARK REVISE 25%  No. 48 OIL & GAS HEAT- ING DEVICES 50%  No. 49 CASH REGISTERS ADD MACHINES No. 51 STEEL PENS No. 52 COOPERAGE INDUSTRY	<b>ALL OTHERS</b>  No. 10 BOOTS & SHOES  No. 13 PULP PAPER PRINTING INK & ROLLERS  No. 15 LINOLEUM 60% CORK BURLAP  No. 23 ELECT EQUIP MANUFACTG & DISTRIBUT NG  No. 24 RUBBER MFG TIRES CASINGS TUBES 50%  No. 33 SPORT NG GOODS 60%  No. 50 SADDLERY & HARNESS	<b>LABOR</b>  PRIORITY BULLETIN No 1 LUMBER  No 2 RUBBER  No 3 SEEDS
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TE :

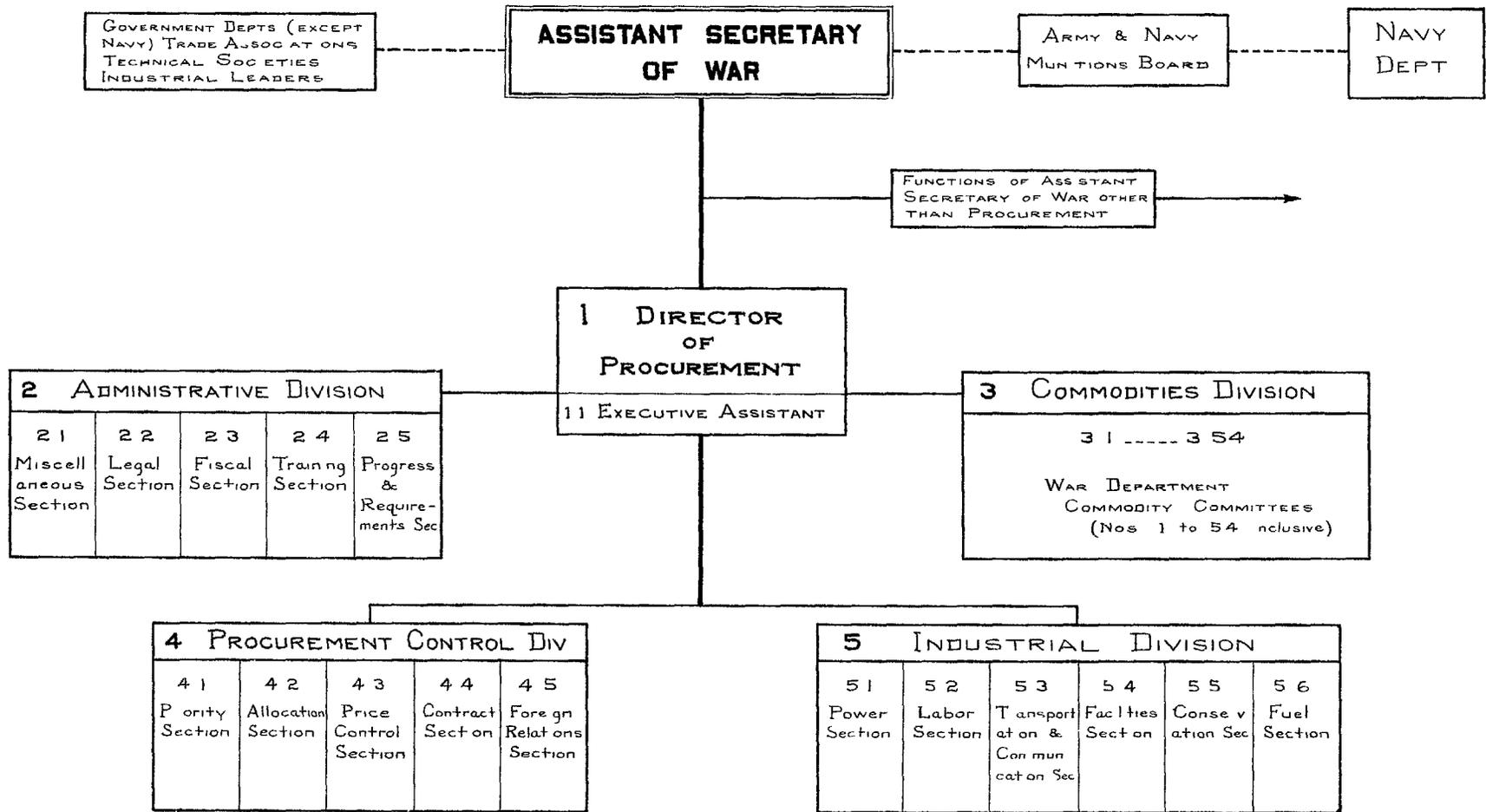
PRIORITY {  
 INDICATES { MACHINE TOOLS 20%  
 ISSUED { IRON & STEEL 18%  
 { ELECT EQUIP 15%

MS {  
 UNDEERED { ACETONE, ACETATE OF LIME  
 { KETONE, LUMBER (LONG LEAF, YELLOW PINE)  
 { PLATINUM DOUGLAS FIR  
 { TOLUOL

NOTE

CURTAILMENTS IN ADDITION  
 PASSENGER AUTOS 25%  
 PIANOS 33 1/2%  
 SOFT DRINKS 50%

# OFFICE OF THE ASSISTANT SECRETARY OF WAR

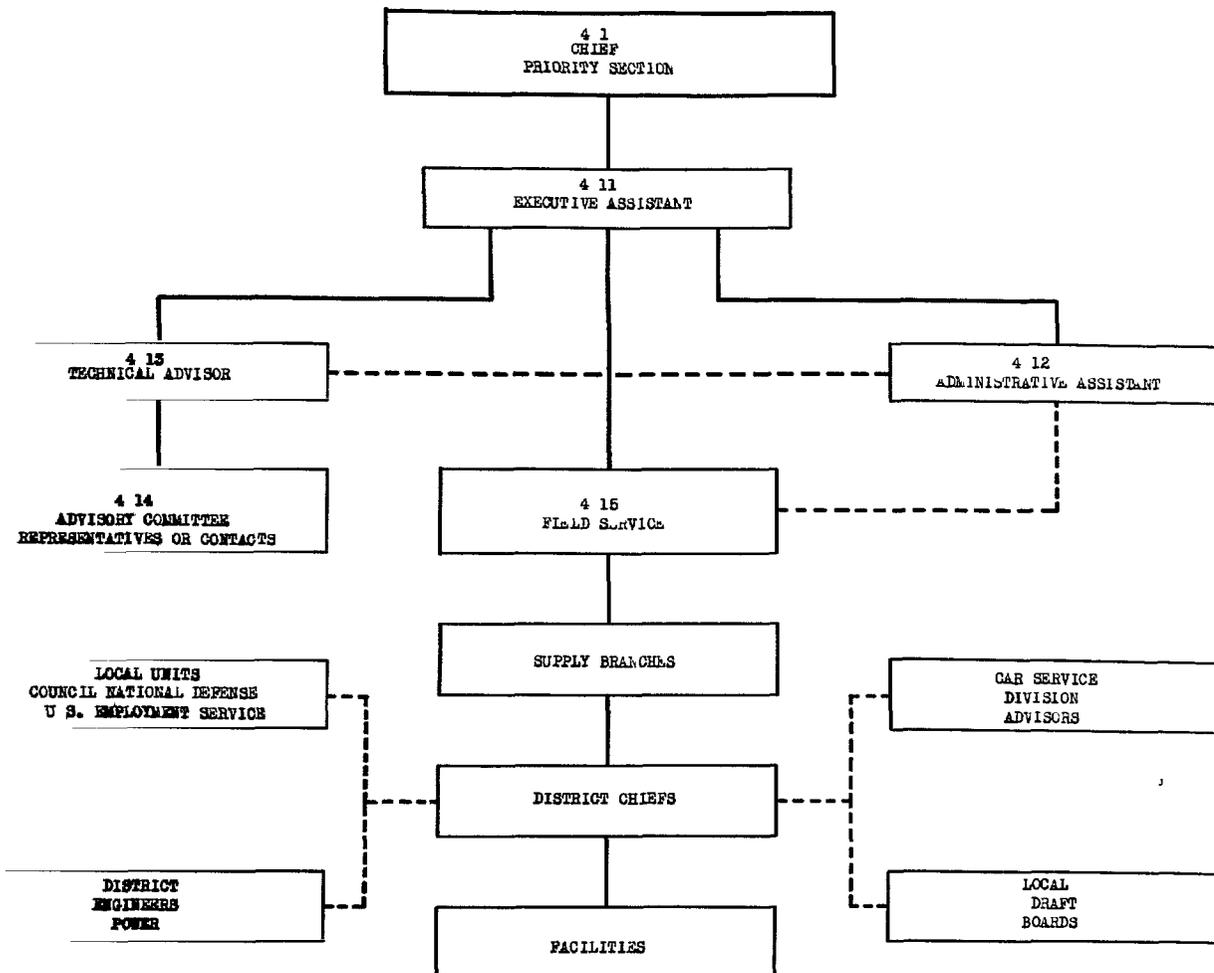


APPROVED *George P. Davis*  
 The Assistant Secretary of War  
 DATE June 1<sup>st</sup> 1925

DRAWING No 105

# ORGANIZATION 4.1 PRIORITY SECTION O A S W

117



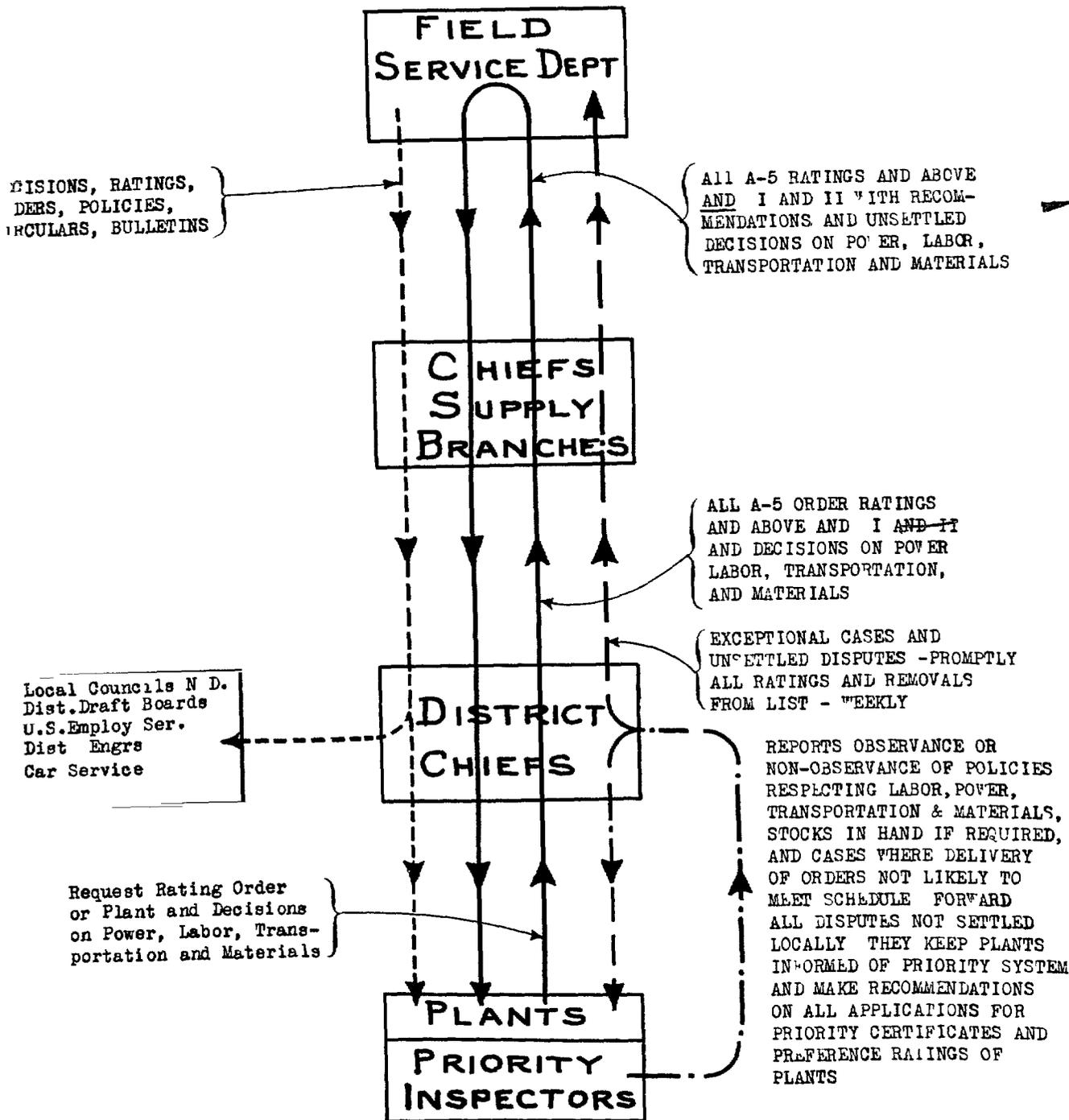
————— LINE OF AUTHORITY  
- - - - - LINE OF COOPERATION

### DUTIES

The duties to be performed by the section include the rating of orders, the rating of facilities and industries, and the publication of the necessary instructions in cooperation with the Allocation Power Labor Transportation and Facilities Section and the Facilities Division, which will serve as a directive for other agencies in the Office of the Assistant Secretary of War, as well as to industry and the contacts of District Chiefs in granting the right of way of power, labor transportation funds and raw materials to preferred orders and facilities.

- Chief of Section. \_\_\_\_\_ To make all priority rulings and decide all questions of policy authorized by the Director of Procurement
- Executive Assistant \_\_\_\_\_ To act for the Chief of the Priority Section as required, handling details and advising the Chief on all important matters
- Administrative Assistant \_\_\_\_\_ To coordinate the administrative work throughout the entire Priority Section including also work in charge of rating of orders and facilities
- Technical Advisor \_\_\_\_\_ To insure, as Chairman, that the Advisory Committee acts as a unit and transacts business promptly To make recommendations on all important priority rulings and matters of policy
- Members Advisory Committee \_\_\_\_\_ To make recommendations on Priority discussions
- Chief of Field Service \_\_\_\_\_ To supervise the operation of the priority system in the field
- Chiefs of Supply Branches. \_\_\_\_\_ To adjust all disputes on priority which cannot be settled in the districts To adjust all ratings on automatic classification which cannot be settled in the districts
- To rate (through District Chiefs) all orders A-5 and below and special cases of plants in Classes III and IV and make recommendations on all others

# PRIORITY SUPERVISION



**NOTE**

AT DISTRICT HEADQUARTERS THE SEVEN SUPPLY CHIEFS ARRANGE FOR AN EQUITABLE HANDLING OF ORDERS (CIVILIAN) CLASS A-6 AND BELOW AND PLANTS IN CLASSES III & IV

Office of Assistant Secretary of War Procurement Division	
Date	OCT 1928
Drawing No	467

GENERAL SUMMARY OF PRIORITY PLANS.

*Chart 12* - (1)

CLASSIFICATION OF ORDERS

Revision of Circular No. 4, Comments by Industry, Other Governmental Departments, Chiefs of Supply Branches, Etc.

CLASSIFICATION OF FACILITIES

Revision of Circular No. 20, Commented upon as indicated for Circular No. 4.

CURTAILMENT OF INDUSTRIES

Revision of Circulars Nos. 5 to 52, inclusive, excluding Nos. 16, 20 and 45. These circulars are to be reviewed particularly by the Industry and by such other agencies as indicated above for Circulars Nos. 4 and 20.

POWER

Priority Circular No. 45 revised to include the zone power directors in accordance with present plans of Office Assistant Secretary of War and to include priorities on fuel. This circular to be reviewed by the National Electric Light Association as well as such other agencies as are indicated for circulars above.

GENERAL SUMMARY OF PRIORITY PLANS.

*Chart 12 -* (2)

PRIORITY ON ORDERS.

1. Priority on orders between Army and Navy eliminated except for facilities jointly allocated.
2. Priority extended to all war orders "A" by certificate for raw materials intermediates and finished products. This gives preference over civilian needs.
3. Priority to needs of Navy over Army in jointly allocated facilities obtained by "AA" rating from central priority office.
4. Priority to essential civilian needs by certificate on orders class "B" and with certificate for "C" and "D". (Incl. pledges).
5. A "Schedule System" inaugurated by Commodity Committees may eliminate necessity for rating orders within facilities (which may or may not be jointly allocated).

GENERAL SUMMARY OF PRIORITY PLANS.

chart 12 - (3)

PRIORITY ON FACILITIES.

1. List of facilities with their ratings I, II, III and IV when published permits of automatic or decentralized preferential treatment in power, labor, materials, etc.
2. This list would include allocated and unallocated facilities.
3. The flow of power, labor, transportation, funds and material to these preferred facilities would be decentralized in the districts by district chiefs cooperating with local boards, units, etc. concerned.
4. "Rationing" power and materials to non-war facilities would likewise curtail surplus production. For example, in the case of labor, reductions in employees might keep pace with manpower mobilization.

## GENERAL SUMMARY OF PRIORITY PLANS

*Chart 12 - (4)*

### FUNDAMENTALS

1. The district system is the backbone of this organization just as Commodity Committees were of the W.I.B. Over 90% of work on priorities may be decentralized in the districts.
2. Priority inspectors at facilities are required to prevent abuse of the automatic system.
3. Regulations and instructions about this priority system are to be drafted in Army and Navy Munitions Board and submitted to industry and all concerned for comment before approval.
4. The priority system should be incorporated into our planning like allocations so as to develop a going organization in time of peace.
  - (a) "AA" ratings for orders in facilities jointly allocated as required.
  - (b) Classification of facilities I, II, III and IV.
5. None of our planning has had the acid test of war. Therefore the next best essential is to play the game in peace for an intelligent understanding of what is needed.
6. We need not attempt to attain the limit of perfection in a priority system to be applied to our industrial mobilization plan before trying it out in planning. The system should be very simple and flexible to meet needs of a broad mobilization plan.

GENERAL SUMMARY OF PRIORITY PLANS.

*Chart 12 - (5)*

"A plan which provides for performance by dates or in sequence eliminates priorities because it includes them or it may be said that the plan establishes priorities and each demand has first priority when its time arrives. The plans when approved by the President will have first priority. Priorities are not necessary except in case of shortages. The important thing is to take the General Staff statement of direct military priorities or the sequence of military needs in finished articles and determine the resultant sequence of industrial needs. Where the needs exceed the supply, the needs must be reduced or the supply increased. Until they are the same, we have no plan - only a project or vague hope."

Col. H B. Ferguson  
5/18/26, Memorandum to Planning Branch.

1  
2  
3  
4  
5

GENERAL SUMMARY OF PRIORITY PLANS.

Chart 12 - (6)

