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WAR DEPARTMENT COMMODITY COMMITTEES

By
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When the United States entered the world war it had only a partial conception of what it would mean to mobilize the Nation's whole resources for a single purpose, and it was entirely without concrete plans for achieving such an end. The Country quickly grasped the importance and necessity for joint coordinated effort, however, but the mechanism for accomplishing this result was only developed by "cut and try" processes worked out step by step and requiring approximately 18 months. At the end of the war, the machinery thus developed was operating with a high degree of efficiency and problems of coordination had practically all found adequate solution.

The Council of National Defense, created by the Act of August 29, 1916, but not fully organized until March 1917, recognized the importance of coordinating military and naval purchases of supplies and equipment with the ordinary industrial and business demands of the Nation. This recognition took form in the organization of the General Munitions Board, the Committee of Supplies and the Committee on Raw Materials, all of these agencies being finally absorbed in the powerful War Industries Board, which became the great coordinating agency of the Government in the matter of supplies, standing at the end of the war at the apex of supply coordination.

The Committee on Supplies was organized to cooperate in an advisory capacity with the purchasing officers of the Army in securing requirements of clothing, equipment and subsistence. In its composition the regular principle was followed of selecting men in close touch with the particular industries concerned and thoroughly informed as to the conditions which would be encountered in the conduct of Government purchasing. The Committee was therefore in a position to render service to the Government procuring officers and the bureaus were advised as to the business concerns with which orders could best be placed, which were in many instances mills and factories that had never before produced Government goods. In this way, the different tasks of procuring clothing and equipment and subsistence were greatly facilitated at the outset. Within its field of action also the Committee on Supplies endeavored to coordinate the procuring activities of the different bureaus and departments and before it ceased to exist it had

performed numerous other services of an advisory character in connection with purchases involving nearly a billion dollars.

The Committee on Raw Materials. Under the Committee of Raw Materials was organized a large number of advisory and cooperative committees appointed from the leading industries dealing with raw materials. The committees assisted in assembling trade information for mobilizing the sources of supply of the various raw materials. It was not a purchasing body but it gave important advice and assistance in arranging for very large purchases by the Government Departments.

The General Munitions Board. This Board began work on April 9, 1917, devoting its attention particularly, though not exclusively, to Ordnance, Ordnance supplies, military vehicles, surgical supplies, optical glass, gauges, tools and dies. Its efforts were devoted towards the development of production facilities, the coordinating of Army and Navy purchases, the establishment of storage facilities, and the cantonment construction program, in all of which particulars its services were very useful to the procuring bureaus. The Board performed in a preliminary fashion important functions afterwards turned over to more completely specialized committees.

These agencies are mentioned because they furnished a nucleus for the organization of the Commodities Sections, which with the Requirements Division and the Priority Division, were the principal divisions of the War Industries Board as it existed at the end of the war. The Commodity Sections, each under the chairmanship of an expert with special knowledge of a particular commodity or type of industry were created to assist the Government purchasing agencies in avoiding conflict in purchases and in securing their requirements most advantageously through suggested sources of supply and where necessary through suggested prices to be paid or recommended prices to be fixed by the War Industries Board. The Sections were formed to deal with such classes of either raw materials or finished products over the procurement and production of which the War Industries Board believed it desirable to have supervision. These raw materials or finished products largely constituted the clearance list of the War Industries Board. These sections were also intended to furnish the industries of the country with information regarding the capacity to be provided in the manufacture of all classes of equipment necessary for the war program, and to keep the Government purchasing agencies informed of the conditions of industry as related to their respective commodities.

The attitude of the Commodities Sections was at all times to aim to so arrange industry as to meet first the requirements of the Government agencies or those requirements necessary for the fulfillment of the war program, second, the essential civilian requirements, and third, the proper distribution of orders throughout industry.

A record of the work of the Commodity Sections is really the whole story of the economic mobilization of the Nation's resources, the various functional divisions of the War Industries Board being dependent upon the Commodity Sections for, first - the information on which they based their policy, and second - the direct administration of the policies themselves.

For the purposes of supply, our Army was organized to make purchases according to the use to which the commodity would be put. The Ordnance Department bought guns and ammunition; the Quartermaster, clothing, blankets, food, and trucks; the Signal Corps, telephone apparatus, field glasses, etc.; the Engineers, building materials, railroad supplies, and implements; and so on. Each service had subunits charged with responsibility for particular groups of supplies. More than one service frequently bought quantities of the <u>same commodity</u>. It will be seen that the Army method of classifying supplies did not correspond to any extent with the classifications of ordinary business. Particularly did requirements by services, when translated into terms once removed from direct requirements, fit awkwardly into the classifications of business usage. From the beginning the Board felt that it was advisable to develop its organization according to the classification of commodities used in business. Before the war was over, the Army found it necessary to reorganize its purchasing system, gradually drawing it together under one control and revising its classifications. Outside of the War Department, the Navy, and later the Emergency Fleet and the Railroad Administration were making Government purchases. In addition to all, the principal Allies had purchasing missions in this country. The coordination of the demands of all of these independent agencies through the translation of their requirements for finished articles into the commodities corresponding to the arrangement in the business world was therefore one of the main duties of the Commodities Sections.

In his American Industry in the War, Mr. Baruch has stated, "That the Commodities Sections of the War Industries Board were in an important sense the backbone of the whole structure. Through them the various so called functional divisions, conservation, priorities, requirements, etc., obtained their expert

information, made contact with the industries and with the purchasing agencies alike, received suggestions, requests and complaints and directed the enforcement of regulations and control."

The Commodity Sections were organized as the need arose for control, regulation or supervision of industries producing supplies or raw materials in which shortages, actual or threatened, were experienced. These sections represented the decentralization of certain activities of the functional divisions and therefore their work to a great extent was closely connected with and supplementary to the efforts of these divisions. It should be particularly noted that no effort was made by the War Industries Board to lay out a program of control over every conceivable industry. The Board preferred to await the necessity for such control as dictated by actual need. The Commodity Sections were therefore only organized as occasion required and their dealings with industry followed the policy of separate and individual agreements based upon the facts which seemed at the time most expedient and also most applicable to the immediate situation. This method was considered preferable to establishing one set of rigid formulae for the control of industry in general, which would probably have caused more havoc than the situation called for, and which thus permitted the different sections to deal with its particular industry according to the peculiar conditions affecting it.

In the same reference, Mr. Baruch also states, "Upon its formation the section was set to work to verify and complete the body of facts necessary in dealing with its problems. This was, of course, the most difficult, while it was at the same time the most vitally important part of the work. In some cases, it was next to impossible to get vital facts accurately compiled and to get them in time for greatest usefulness in understanding and solving the problem."

Upon its completion this work was used as the basis for broader operations. The knowledge and experience brought to the sections by its members, most of whom were prominent executives of industry, supplemented by the contacts established with industry, resulted in making the commodities sections clearing houses for all questions relating to their particular commodity or authoritative centers of contract for the exchange of information from the purchasing departments of the Government on one hand and the manufacturers and sources of supply on the other.

The sections were asked to consider market conditions pertinent to the requirements, recommend plans to the several purchasing departments, and, if it seemed necessary to control

an industry in whole or in part by allotments, to determine with the advice of the priorities committee, the allocation of materials, commodities, and facilities to the several Government Departments, to the Allies and to civilians. In respect to those industries in which the Board adopted the policy of allocating each order to specific plants or regions, for the purpose of more suitably distributing the burden or fruit of Government patronage, the particular allocations were worked out in the sections.

A complete list of the functions of the Commodity Sections follows:

(a) The consideration of Government requirements presented to them through the Requirements Division.

(b) The collection of information regarding industrial conditions.

(c) The consideration, from time to time, of

(1) the extent of existing sources of production
(2) the creation of new facilities
(3) the opening up of additional sources of supply
(4) the conversion of existing facilities to new uses

(d) The consideration of market conditions pertaining to the materials or commodities over which they have jurisdiction

(e) The recommendation, where necessary, of purchase plans

(f) The allocation of commodities and facilities when the control of an industry has been decided necessary by the War Industries Board

(g) The consideration and tentative determination of priority rating on immediate requirements for the guidance of the Priority Committee

The above functions could only be accomplished by a full knowledge and determination of

(a) the future needs for war purposes, including Army, Navy, Allied, Shipping Board, and other Governmental demands,

(b) Essential civilian demands,

(c) the industrial capacity of the country,

(d) shortages which existed or were imminent,

(e) all prospective purchases of the Government ~~on~~ of commodities upon which shortages existed or were imminent;

and further, by a thorough understanding of the results sought to be accomplished by the Government Agencies and the problems confronting industry in its effort for production, particuarly as relates to exports, imports, price, and transportation.

To permit of fulfilling these functions to the fullest degree it was arranged that the various Government Purchasing Agencies would present to the War Industries Board (a) their programs, projected as far into the future as possible and translated into terms of commodities so far as practicable; and also (b) prospective purchases of such commodities or articles as appeared on the Clearance List, for which the Departments were prepared to negotiate. These the Commodities Sections studied from the viewpoint of productive capacity and the possibility of over demand and consequent shortage, as well as with the intention of acquainting Industry with what would be required of it. Such information and the conclusions of the Commodity Sections thereon were considered as confidential until such time as it became necessary to advise Industry as a whole thereof. Department representatives were designated to act as members of the various Commodity Sections and were in position to apprise and discuss with the various Commodity Sections of which they were members, the plans and problems of the Government on the commodities coming within their jurisdiction.

Commodities Sections were required to report to the War Industries Board regarding any type of equipment which came under their jurisdiction on which a shortage was imminent or existed or upon which a past shortage had ceased to exist, in order that the War Industries Board could in turn notify the various Government Departments and add or deduct such items from its clearance list. When a requirement for an article on this clearance list was presented to the Commodities Sections for consideration and it was found impossible to arrange for suitable delivery of the requirement or to avoid conflict with other requirements, the Section's procedure was

(a) To endeavor to arrange the substitution of a type or class of article or material for that

specified on which no conflict in purchase or production would result; or

(b) To lay plans for increasing industrial facilities and production so as to meet the increased demand satisfactorily;

(c) Failing in such procedure, through consultation with all other members of the Section to determine the priority rating of this latest order, based upon the facts then known.

An example of the operation of a commodity section is given herewith. This example is taken from a memorandum issued by Mr. Peek to the Commodity Section coming under the jurisdiction of the Commissioner of Finished Products.

"Example for Section Head:

The Wagon and Vehicle Section of the Quartermaster Department indicates by letter that the department will require 50,000 army escort wagons complete for delivery between January 1, 1918 and January 1, 1919. This request should be accompanied by request of the Commissioner of Finished Products, after clearance, for complete information as to where the production can be placed to the best advantage and for advice as to proper price data.

The Army Vehicle Section will, after thoroughly analyzing the capacity of all the wagon production of the United States, indicate and tabulate those factories which have adequate facilities and the ability to produce. The chief of this section must take into consideration in his recommended allotments the following:

Total annual capacity in farm wagons of each individual plant.

Whether a given factory is already partially loaded with army wagon business.

Dry kiln capacity and other manufacturing conditions,

and so recommend allotments as to take care of factories in outlying districts -- not only utilizing the present wagon capacity, but when the need comes, diverting additional wood-working plants

to production -- and finally to provide himself with sufficient data to assure himself as far as possible that the farmers of the country will be provided with sufficient wagons for the movement of the 1918 crops.

Whenever the expert knowledge of the section concerned or the information obtained from the industry clearly indicates that a change in Government specifications will result in better delivery, a better product or intelligent economy in first cost, or cost of operation, the section will so report, but without delaying or withholding recommendations on the original specifications.

Upon completion of the entire schedule as described, the proper Government Department should be called in, schedule reviewed and approved, and turned back to the Quartermaster Department for executive action and formal execution of contracts.

The foregoing example should cover all ordinary products required by the Government Departments.

Gun Carriages or Ammunition Supplies, or other special articles, where special trade or manufacturing conditions are necessary, such as installation of extra shop equipment -- where the question arises as to whether or not the unit price should include entire extra expenses entailed in rush production; whether an amortization should be figured, etc. -- should be passed upon by the Price Committee prior to recommendation.

In cases where cost plus contracts seem advisable, review by Price Committee would be essential.

In connection with textile requirements, or where extreme production in any commodity is demanded that threatens the depletion (to a dangerous point) of any raw material entering into the manufactured product, necessity would urge upon the Section Chief to ask that raw material be put on the Government controlled list -- the advice or control of the Price Committee would be needed in fixing a recommended price on the finished product."

The memorandum from which the preceding example was extracted was dated March 11, 1918, and for that reason the reference to the Wagon and Vehicle Section of the Quartermaster Department does not agree with the procedure in effect at the end of the war when matters of this sort would have been submitted to the War Industries Board through the War Department Commodity Committee immediately

interested. Otherwise, the procedure indicated was not changed.

The responsibilities of the Commodities Sections grew with their ability to assume additional duties. Thus in July 1918, these Sections took over the clearance function, the Clearance Committee being reorganized into a clearance office whose function it was merely to receive requests for clearance, record them, and transmit them to the proper Commodity Sections, the Sections in turn reporting back through the Clearance Office. The clearance function, as developed through the Commodity Sections, was the means by which a record was maintained, commodity by commodity, of standing orders, and it was the means used for so distributing the Government orders that their benefit or their burden might be equitably shared by all the interests of the respective trades. Requests for clearance were statements of immediate requirements only, however and were never effective as a means for developing a program of requirements.

The relation of the Commodity Sections to the functional divisions is also well illustrated by the method followed in the case of Conservation. A Conservation Division had been created to release manpower, materials, manufacturing facilities, and capital by reducing the number of different types, patterns, and styles of articles manufactured, and by requiring the substitution of more plentiful for less plentiful materials. This Division prepared an outline of the manner in which it thought results could be secured, which was then submitted to the Commodity Sections and its own agents, for studies of industries, particularly those in which there were shortages of materials, facilities or labor, with a view to formulating sets of regulations. Upon their completion these regulations were referred to the industries concerned for comment and criticism, after which they were turned over to the Commodity Sections for enforcement.

A study of part two of American Industry in the World War, Commodity Sections, indicates that the Commodity Sections had a great deal to do with price fixing, control of distribution, allocation of orders, rationing of industries, stimulating production, allocating and developing new sources, conservation and many other similar activities. The varied character of their activities is illustrated by the following:

Felt. This material enters into the manufacture of various articles required for military purposes. The felt industry depends principally upon wool, cotton, and to a certain extent upon rabbit fur. The Government had found it necessary to take control of wool in the spring of 1918 and the problem in connection with felt manufacture then consisted of devising a means of allocating wool to factories in such a way as to restrict its use to strictly military purposes. This was simple enough where it was merely a question of allocating wool to factories engaged on direct war orders, but the number and variety of indirect requirements and the number of factories producing felt, some of which was on order from factories producing war materials in whole or in part and some being produced for the open market, rendered the problem of the allocation of raw wool very complex. Arrangements were therefore made with the wool distributor to have all such alloca-

for felt manufacture

tions pass through the felt section and felt manufacturers were required to submit their orders and contracts to the felt section for approval before accepting them, control being exercised by a system of applications and permits, which insured the issue of wool only to manufacturers needing it for felt to be used in military supplies.

Stored Materials. After it was discovered that a great many warehouses throughout the country contained heavy storage of supplies, many of them seeming to be held by their owners for speculative purposes and others held up by export regulations or by trade difficulties of some nature, this section was organized for the purpose of securing an inventory of these supplies that they might be turned, where necessary, to war uses. The section gathered information showing the character, quantities and owners of stored merchandise everywhere and transmitted it to the particular bureaus of the Government or to the Commodity Sections of the Board interested in the different supplies. The Section not only accomplished its main purpose in bringing forth important quantities of different supplies which current regulations or appeals had failed to effect, but it was able also through its several contacts to lend incidental assistance to other war agencies.

Forestry Products and Building Material. The sections handling these commodities, unlike most sections, had as perhaps their principal function the problem of discouraging maximum or even normal production in order to effect economies in labor, capital and transportation. The total building operation of the country during the war, including war construction was less than 50% of normal and there was no actual war shortage in any of the materials handled by these sections. In fact as time went on, the principal work of the sections was to make plans for so allocating the various government requirements for wood products that the 12,000 woodworking plants of the country might not be driven out of business; for in general, facilities greatly exceeded war time needs. Unnaturally large government demands in particularly congested localities also made a limited control over prices and distribution necessary.

Automotive Products. This section had jurisdiction not only of the automotive industry but also of the other lines of production in which the automotive industry engaged; for example, airplane engines, tanks, marine gas engines, armored cars, motorcycles and bicycles. Perhaps the most important and difficult work of the section was the administration of the program under which the automotive industry was curtailed to 50% of normal production during the later half of 1918. The administration of this program involved a mass of data which was used by the section as a basis for certifying to the Director of Steel Supply, the requirements of each manufacturer for the principal classes of steel in tons. Each manufacturer was notified of the specified number of cars that he was privileged to build and he obtained his materials by means of "permits to purchase" issued by the Director of Steel Supply on the basis of the certification by the automotive products section. These permits when granted constituted the necessary authority for the seller to fill the manufacturer's order and clearly illustrated the method used by the War Industries Board in the case of "Controlled" or "partly controlled"

industries.

The main purpose of the Commodity Sections of the W.I.B. was to assist the War Department and other Government purchasing agencies in obtaining an ample, balanced and prompt supply of all commodities with a minimum cost and wastage to the nation. The means by which the Commodity Sections endeavored to accomplish this result have been briefly mentioned. I will therefore outline the methods by which the War Department presented its program to the Commodity Sections and endeavored to utilize to the utmost the instrumentalities of these sections.

Early in the war the lack of a centralized control of the operations of the different War Department supply bureaus caused confusion in the relation of the War Department with the W.I.B. This was due to the practice of the various supply bureaus urging their cause before the different subdivisions of the Board without regard to the needs of the Army as a whole, and resulting in a haphazard and unsatisfactory presentation of the Army program. This condition was corrected by G.O.#36, War Department, April 16, 1918, which created the Purchase, Storage, and Traffic Division of the General Staff to serve as a single agency for the coordination of the supply activities of the Army. One of the first acts of the newly formed division was to form commodity committees consisting of representatives from the various supply bureaus interested in a particular commodity and paralleling the commodity sections of the W.I.B. First mention of these committees is found in supply circular #1, War Department April 24, 1918, issued by the Purchase and Supply Branch. The personnel of these committees was nominated by the different bureaus, and each committee had a chairman, a representative of the bureau whose interest happened to be the largest. The chairmen of these commodity committees served also as members of the respective commodity sections of the W.I.B. where they represented the P.S.&T. Division, i.e., the Army as a whole and thus made it possible to systematize the contact of the various parts of the War Department organization with the Commodity Sections of the W.I.B. In other words, acting under the supervision of the supply division of P.S.&T., the channel through which matters were to be taken up with the W.I.B. from the various supply bureaus of the Army was through the bureau representative on the Army Commodity Committee and then through the chairman of that particular Army Commodity Committee to the corresponding section of the W.I.B. In a like manner, matters arising within the W.I.B. were routed down to the bureau interested through the Army Commodity Committee chairman to the bureau member on that committee.

The Commodity Committees of the Army were originally formed to

(1) Furnish representation for the War Department (as a single unit) before the Commodity Sections of the W.I.B., and to form a central organization through which to best utilize their services.

(2) To develop and coordinate the requirements of the several bureaus in respect to the particular commodity which they represent and to prevent any conflict in program which might develop.

These functions were modified by supply bulletin No.8, July 23, 1918, and supply bulletin No.22, August 28, 1918, being listed in the latter bulletin as follows:

(a) To pass upon conflict of procurement developed between any supply bureaus in accordance with Supply Circular 48.

(b) To compile and to keep at all times on file in the supply program section, Purchase and Supply Branch, and in convenient form, all available data in respect of the requirements of the War Department for their particular commodity and in respect of any special circumstances surrounding the supply or procurement of such commodity.

(c) To watch closely the prices paid for their commodity by the various bureaus of the War Department and to insure uniformity of price.

(d) To secure, wherever practicable, by suggestions and recommendations to the Director of Purchases and Supplies or to the proper section of the Purchase and Supply Branch -

(1) Concert of action among the several supply bureaus.
(2) Standardization of prices, types, and specifications.
(3) Uniformity of methods of procurement, production, and inspection.
(4) Interchange of information concerning their commodity and methods of handling.
(5) Maximum use of personnel, agencies, or organization in the several supply bureaus by mutual use of the same agencies wherever practicable and by consolidation of procurement, which should be recommended wherever practicable.
(6) Elimination of duplication of function and effort.

(e) Meetings of commodity committees will be called by the chairman as often as may be necessary and whenever demanded by the representative of any supply bureau.

(f) ~~Acting~~ Action by commodity committees should be unanimous. Wherever there is conflict that can not be composed by unanimous decision, it shall be referred to the Director of Purchases and Supplies.

(g) Minutes of all meetings of Army commodity committees and all correspondence and data pertaining to them will be kept on file in the Supply Program Section, Purchase and Supply Branch.

The Commodity Committees originally formed a subsection of the supply program branch of the Purchase and Supply Section. In the reorganization of the War Department, as announced in Supply Circular No.86, September 5, 1918,

the Committees were placed in the Commodity Section of the External Relations Branch. The duties of the section were given as follows: To supervise, coordinate and direct the work of the Army commodity committees and of the Army representatives on the commodity sections of the W.I.B. The duties of members and units of this section to be as given in Supply Bulletin No.22.

The list of committees as originally formed was as follows:

1. Steel Products
2. Non Ferrous Metals
3. Alkalies, Nitrates, Chlorine, Acids, etc.
4. Coal Gas products, Carbides, Nitrogen, Oxygen, Acetylene
5. Explosives and Nitrates
6. Electro Chemicals, Dyestuffs, Organic Chemicals
7. Tin
8. Cotton Linters
9. Cotton Duck
10. Linen Thread
11. Machine Tools
12. Animal & Hand Drawn Vehicles, Wood Products
13. Cranes
14. Electric Equipment
15. Hides & Leather
16. Wire and Cable
17. Lumber
18. Ferro Alloys
19. Wood Distillation Products, Platinum, Formaldehyde
20. Automotives
21. Optical Glass & Instruments
22. Section on Production
23. Wool
24. Hardware
25. Chain

This list was later revised and at the time of the Armistice provided for 44 committees, the total membership being 335 officers and civilians.

I have heard it stated that the bureaus of the War Department succeeded in obtaining results in spite of the Army Commodity Committees and the Commodity Sections of the W.I.B. It will be interesting therefore to consider the attitude of the War Department as expressed in the following:

In Supply Bulletin No.22 - "We should regard and constantly use the Board and all its sections as our powerful help and auxiliary in carrying forward the Army program and never as in opposition or hindrance of that program****", also "Trade and Industrial resource lie in strata of commodities. Thus there is a leather trade, a hardware trade, etc. Resources can best be controlled, therefore, by applying control to trade organization in these commodities. For this reason also it will be found that the formulation of policies, in the first instance, the actual control of resource in all cases, and practically every action of the W.I.B. finds its inception and execution in these sections. It is in these sections, then, that War Department representation must be most effective."

In a conference of the Commodity Committee Chiefs dated July 13, 1918, General H. S. Johnson, the Director of Purchases and Supplies stated: "The War Department should use the W.I.B. to its fullest and maximum extent. The W.I.B. is necessary and was set up to do a very necessary thing. It

was set up as an aid in enabling the War Department to invade the market and industry of the country. Our commodity chiefs are representing the paramount need of the Army. The Army can have its needs attended and become effective in the War Industries Board only insofar as you become effective and powerful in the Commodity Sections. You are at the point of control and at the place where things are done."

Mr. Baruch has also expressed himself on this subject as follows:

"There could perhaps be no more valuable measure of "preparedness" than the establishment in peacetime of a bureau of planning and statistics (a fact-finding body) organized into about 60 commodity sections, whose function it would be to maintain current data on the productive capacity of the country. This organization could probably be established successfully as a bureau of the Department of Commerce."

And finally in the Annual Report of the Assistant Chief of Staff, Director of P.S.&T., General George W. Burr, for the fiscal year ending June 30, 1919, we find the following statement: "If the United States should ever again be involved in a war comparable in magnitude with the recent war, one of the first steps which would need to be taken would be the reconstitution of a set of commodity committees similar to those which served the Army during the late emergency. This should be done in any event, whether or not an organization similar to that of the War Industries Board is to be created. The chaotic relationships which existed during 1917 between the various parts of the Army organization and the War Industries Board, as contrasted with the efficient mechanism finally devised under the Director of P.S.&T. serves powerfully to establish the conviction that there should be no return to the former bureau system of army supply."

I hope I have succeeded in explaining the function of the Commodity Sections of the W.I.B. and of the Commodity Committees of the War Department, which brings me down to the present organization. Operating as units of the O.A.S.W. are 52 Commodity Committees, responsible directly to that office. Each is composed of a representative from the supply branches having requirements for the commodity from which it takes its name, a chairman selected from the branch having the largest requirements and a technical advisor from the personnel of the O.A.S.W.

Of these committees, 19 are active, meeting bimonthly and having their full complement of members, either officers or civilians. The others are inactive, consisting only of a chairman who is on duty in the O.A.S.W. The chairman is expected to keep in touch with the situation in respect to his commodity and prepares commodity surveys of assigned items of interest to his committee. The technical advisor also prepares industrial mobilization studies of the commodities pertaining to the committees to which he is assigned.

The mission of Commodity Committees, in general, is to inform themselves in detail of the situation in regard to their particular commodity or commodities and to make a constant study of the changes relating thereto.

This study is based upon the detailed requirements of each Supply Branch which uses the commodity. These requirements are computed or estimated by the using branch and forwarded to the proper commodity committee where they are consolidated for the War Department.

The Commodity Committees carefully consider the consolidated War Department requirements in connection with estimates of other requirements such as naval, civilian, etc. and the available resources, and estimate the extent of the difficulty, if any, that would be experienced in meeting these requirements.

In performing their functions, Commodity Committees determine relative urgency of military demands, establish contact with trade associations, manufacturers, engineering institutes, civilian experts, other departments of the Government and any other agencies necessary to a complete solution of the many different phases of the problem of ensuring an adequate supply of all materials required for a military program.

Continuous economic changes make it necessary for the Commodity Committees to be constantly informed about present sources of supply, manufacturing and metallurgical methods and other factors connected with the procurement of their commodity and how these factors would be affected by emergency conditions.

Commodity Committees meet bimonthly and also at the call of the chairman at any other time for the consideration of any special problem. Minutes are kept of all meetings and a report submitted to The Assistant Secretary of War.

Procurement Plans for strategic raw materials and commodities prepared by specially designated supply branches are submitted to the interested Commodity Committee for review and recommendation, and the chairmen of the Commodity Committees are the advisor of the War Department in all matters connected with their commodity.

AHH:CGM

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