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PROCUREMENT AND SUPPLY OF THE C. C. C.

by

Colonel DeWitt C. Jones, G.S.C.

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PROCUREMENT AND SUPPLY OF THE C.C.C.

1. On December 29, 1933, after the C.C.C. had been in operation for nine months, at an authorized strength of 300,000 men, the Assistant Chief of Staff, G-4, submitted to the Chief of Staff a memorandum dealing with C.C.C. supply. It was directed at bringing out the difficulties encountered and the departures from normal War Department procedure, particularly in G-4's relations with other War Department agencies. It is believed that the C.C.C. operations during the succeeding years have not vitiated any of the opinions expressed two years ago, but rather have confirmed them.

2. The following includes all of the pertinent subject matter of the memorandum, with a few notes to explain recent developments or changes in procedure. It is assumed that all who are interested in this subject have a working knowledge of normal War Department procedure.

3. In a mobilization of the Army, G-4 would have important contacts with all of the Divisions of the Staff. In the supply of the C.C.C., contacts with G-2 and the War Plans Division have been absolutely lacking, and those with G-1 have been relatively few.

4. Relations with G-3.

a. Initial relations with G-3 were different from what they would be in an Army mobilization. While G-4 had a considerable part in the studies and estimates preliminary to the initiation of the C.C.C. project, as soon as a G-3 representative was named War Department Representative on the Advisory Council, the normal War Department relationships were changed. In C.C.C. work, the War Department Representative and his immediate assistants in G-3, became the channels of contacts with the Director and with the Deputy Chief of Staff to the exclusion in considerable measure of the other Staff divisions. The press of the work in presenting plans, estimates and recommendations, and in attending conferences, was apparently so heavy upon the War Department Representative that he found it advisable, if not necessary, to short-cut the established methods of referring matters pertaining to other Staff Divisions to those Divisions for action or concurrence. The officers in G-3 charged with the work of preparing plans, which necessarily included supply, transportation, and finance factors, consulted with officers in G-4 upon these matters, and incorporated the agreements reached into the plans. There were no controversies or disagreements,

but the method of work was not according to established procedure. The result, in a way, was to establish the War Department Representative and the G-3 Division in a position of superiority to the other Divisions and to leave to their option the extent to which information was furnished and assistance requested from other Divisions. It was apparent that certain officers in G-3 were carrying an overwhelming burden of work while the normal work in G-4 was hardly disturbed. The situation reflects doubt upon the effectiveness of the present Staff set-up to produce emergency plans under severe time limits by working according to established Staff procedure. The officer charged with the duty of submitting a complete plan within, say, 48 hours naturally puts the burden upon men under his own control, in whom he has confidence, rather than trusting to the collateral and cooperative efforts of numerous other Divisions over which he has no control.

b. The final relations with G-3 have developed in a way to enable G-4 to handle the supply, construction and financial phases of the work according to normal Staff procedure. The War Department Representative first adopted the plan of forwarding information and instructions received from the Director upon these matters to G-4 as a matter pertaining to his office, and G-4 prepared action for the signature of the War Department Representative or the concurrence of G-3, as the case required. The situation corresponded to normal operation of the Staff system, except as to channels of correspondence and contact with the Director. These were through the War Department Representative to the extent judged desirable by him, with only important matters transmitted through The Adjutant General. Later the procedure was further simplified by having G-4 correspond directly on supply matters with Chiefs of the Supply Services on the one hand and with the Director, E.C.W., on the other.

#### 5. Relations with The Quartermaster General.

a. As stated above, normal Staff procedure was ignored in working out many features of the plan. The lists of clothing and equipment to be issued, the conception as to general types of field shelter and the resulting man-day cost estimates were based upon the combined judgment of the C-3 and G-4 officers doing this work. Chiefs of Supply Services were consulted, and furnished readily available information and advice, but Corps Area Commanders were not consulted.

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While these allowances and estimates were submitted primarily as an initial basis for securing funds, for making estimates of requirements by supply services, and for making initial allotments to Corps areas, they served without material revision during the entire first period of the work.

b. (1) With the directives based upon these allowances and estimates, The Quartermaster General promptly calculated supply requirements, initiated procurement and arranged for issue of available War Department stocks. To meet emergencies, Corps Area Commanders were authorized to make local purchases and to vary allowances as special circumstances required.

(2) The initial effort being made in the spring and summer, shortages of clothing and shelter imposed no great hardship on the men. However, the shortages were not acute at this stage, due to the widely distributed stocks of War Department supplies, the emergency measures taken by The Quartermaster General in purchasing new supplies and the wide authority given Corps Area Commanders to purchase locally. The President's program, announced on May 10 to put 300,000 men into field camps by July 1, could not have been met had any one of these three conditions facilitating supply been absent. The evidence is conclusive that a rapid mobilization will fail in its supply phases unless steps similar to those taken in the initial phases of the C.C.C. enrollment are adopted. Further, it must be remembered that the C.C.C. equipment included nothing of a special nature - nothing not susceptible of substitution or elimination. Where special supplies or equipment, such as arms, ammunition, gas masks, and technical vehicles, not available commercially, are required, the only hope for rapid mobilization lies in reserves of such supplies and equipment. While the Quartermaster and Medical supply establishments were largely concerned in the C.C.C. effort, the Ordnance, Engineer, Chemical Warfare, and Air Corps supply services were not affected at all. These latter are the services most concerned with technical equipment, necessary for war and not available commercially. They have received no test by the C.C.C. enrollment.

c. (1) After the initial supply was accomplished, the Director and the Assistant Secretary of War began to exercise a limited central control over procurement. This control became effective about the time supply of the 1933 winter contingent became necessary. The Director now required that all single purchases involving more than \$2,500 receive his prior approval except in case of subsistence. In the beginning, this approval had been delegated to the Secretary of War. The Assistant Secretary instituted a much more strict supervision over certain purchases.

The authority for Corps Area Commanders to make local purchases of clothing, equipage, and camp equipment was revoked. This central control considerably increased the time required for procurement. Moreover, local War Department stocks were practically exhausted. The result was that slowness of supply became the subject of considerable complaint which, of course, was stimulated by the discomforts of winter. The decision to continue the effort through the winter was not announced until late August and this delay made difficulties of supply and shelter inevitable, but the fact remains that procurement for the second phase was slower than for the first. Instructions to construct winter camps were issued in September, but all electric generators for the corps were not delivered at the end of the year. Some 400 motor vehicles, approved for procurement in September, required about five months for delivery, whereas the 3,600 authorized in May were completely delivered in 47 days from date of authorization, and at a unit cost less than for those in the second group. Other examples could be cited.

(2) While emergency purchases and local procurement doubtless entailed added expense in some cases and resulted in some acceptance of inferior articles and possibly caused some minor competition among Government agents, the action taken produced results. From the G-4 standpoint, it appears that the strict application of the central control handicapped the work to an extent not compensated for by the more orderly procedure which such control doubtless promotes. The existing set-up for mobilization of industry in its larger aspects has not been tested. The effort has been too small to require its operation. The system is designed to meet major emergencies by the elimination of the evils of competition among Government agencies and mal-distribution of burdens upon industry, and by insuring proper utilization of existing resources. The minor emergency of the C.C.C. has not brought these evils to the front, but has emphasized the necessity of utilizing local resources and emergency procurement methods where quick results are required.

(3) The above considerations, in the opinion of the Supply Division, G-4, indicate the necessity for decentralization of control over procurement in the early stages of an emergency mobilization. However, it is believed the means for securing such decentralization as may appear desirable at the time are fully provided for in existing regulations (M.R. 4-4, November 27, 1933).

(4) While, in the C.C.C. work, G-4 has strictly maintained the attitude that when requirements have been determined, procurement is a responsibility of The Quartermaster General under supervision of The Assistant Secretary of War, he has been vitally

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interested in the results. From the G-4 standpoint, it appears that the central control has been applied somewhat too strictly, in advance of the real necessity of the case, and to the detriment of promptness of supply. There may be compensating conditions which, if existent, will doubtless be pointed out by others.

d. The transportation of the enrollees to reconditioning camps and thence to work camps, presented a situation similar to initial mobilization. Travel by rail was performed according to an agreement to which all rail carriers jointly subscribed and which was negotiated by The Quartermaster General. The agreement saved many millions of dollars as compared to published rates. Several Corps Area Commanders complained that the requirement that the service be performed by rail, where suitable facilities existed, stopped them from making convenient and advantageous arrangements with bus and trucking companies. The lesson to be learned from this is that the bus and trucking industry is not yet organized on a scale so national as to permit general agreements for the use of these facilities to be made by a central agency, but presents a powerful facility for the use of local commanders. In the present case, where it was necessary to promise the rail carriers a practical monopoly on the business in return for rate concessions, the interest of the Government was doubtless well served, but in a general mobilization where transportation facilities become scarce, it will be necessary to permit local commanders to make full use of commercial buses and trucks available in their areas.

e. Storage and distribution. Since the supply effort of the C.C.C. has not involved seriously any of the supply services except the Quartermaster Corps, it has been unnecessary for the Staff to coordinate storage. The existing facilities available to The Quartermaster General and to Corps Area Commanders have been utilized. It was judged best in the beginning to authorize Corps Area Commanders to organize supply establishments at additional points in their areas where they deemed necessary, and they have availed themselves of the authority, but G-4 has not supervised or interfered with these establishments in any way -- not even to the extent of calling for a list of them. It is believed that this policy has been amply justified by results. In the matter of distribution of supplies, it was prescribed that each C.C.C. company should leave its conditioning camp fully equipped. This eliminated the War Department from concern in the details of initial distribution, except in tracing down complaints of shortages and ordering emergency action in certain specific cases. Most of this action was taken by The Quartermaster General, but some of the cases reached the Staff and the Assistant Secretary of War, particularly

when winter shortages began to appear. It is believed that this plan of equipping the first units of a general mobilization for war at existing military posts and through established peace-time channels, is sound. As the effort progresses, and the procurement program comes into operation, it will be necessary to establish additional storage facilities and channels of distribution to meet the situation as it develops.

f. Shelter.

(1) Initially, the Staff conceived the general type and extent of shelter to be provided, set average money allowances in the several Corps Areas, and left Corps Area Commanders free to construct the camps. Later, the Director undertook to fix all wages paid for the work, and to prescribe the grade of lumber to be used, thus involving himself in a voluminous correspondence with the War Department upon details which under sound War Department organization would be handled by field subordinates. It was necessary for some War Department agency to assume the duty of making the investigations and receiving and transmitting the Director's instructions on these details, and the Office of the Assistant Secretary of War assumed this duty. Communications on these matters are prepared in the Office of the Assistant Secretary and transmitted to Corps Area Commanders by The Adjutant General. Since many of the Director's communications reach G-4, a working agreement has been reached between the two offices for an exchange of copies of action taken by either, which might concern the other. The present circumstance which involves the Assistant Secretary in a mass of correspondence upon details of work charged to Corps Area Commanders, must not be considered normal or something to be permitted in mobilization. Where construction work is charged to Corps Area Commanders, the War Department should refrain from interference in details. (In the case of large projects executed under The Quartermaster General, the latter should be the recipient of such instructions as other War Department agencies may issue.)

(2) The initial enrollment being in summer, it was possible to handle the men in conditioning camps located at existing posts, camps, and stations, 117,000 were so accommodated at one time without undue strain and with but minor extension of facilities. More could have been handled, if necessary. The condition would have been different in winter, and large use of existing commercial shelter would have been necessary. The construction of winter shelter, even for the small units of 200 men, required two to three months. The problem of shelter for a real mobilization, especially if initiated in winter, remains unsolved.

6. Relations with other supply services.

a. As already pointed out, supply services other than the Quartermaster Corps were not involved in the C.C.C. work to any notable extent. The Medical Department has had a large share in the work as an operating agency, but its supply problems have not come to the notice of G-4. This fact indicates that an effort of the size of the C.C.C. puts no particular strain upon medical supply.

7. Relations with the Chief of Finance.

a. The Chief of Finance holds C.C.C. funds subject to allotment to the supply services and to Corps Area Commanders as directed by the Secretary of War. While the estimates upon which funds are allotted to the War Department are broken down into general classifications for the purpose of enabling a proper defense to be made before the Director, Bureau of the Budget, and to serve as a general guide to the Chief of Finance and G-4 in recommending allotments, the funds are made available in a lump sum rather than for specific purposes. This gives great latitude to the Secretary of War in using the funds to the best needs of the work. While a mobilization for war will probably bring with it ample funds to meet the needs of all War Department activities, the greater the extent to which these funds are made available for all War Department needs, the better will the War Department be able to apply them where most needed in the conduct of the war. The lump sum principle should be insisted upon by the War Department.

b. The relations between the Chief of Finance and G-4 on C.C.C. budgetary matters have departed from War Department normal practice. As pointed out above, the estimates for War Department participation have been assembled by G-4 and transmitted by the Chief of Staff to the Director. It seems premature to attempt to draw any lesson from this situation. The relation of the Chief of Finance to the central Disbursing Agency in the Treasury Department may eventually be such as to change his relation to other War Department agencies.

8. Relations with the Deputy Chief of Staff.

a. In the initial discussions of the C.C.C. project, it was suggested that authority to act "by authority of the Secretary of War" be definitely delegated to G-4 within specified money limits. \$1,000,000 and \$500,000 were suggested as such limits. No definite action was taken on this suggestion, so the plan has been followed in G-4 of submitting through normal channels such matters as it was thought the Deputy Chief of Staff would desire to act upon. While action was expedited to some extent

by authority given for Chiefs of Services and G-4 to correspond and confer directly upon C C C matters, G-4 has felt that the situation would have been improved by a specific and broad delegation of authority to G-4, thus eliminating one more time factor. With G-4 thoroughly informed as to the general policies of higher authority, it is believed that the delegation of authority originally proposed would not have resulted in any action materially different from what has been taken. The question of delegation of authority is of course entirely optional with higher authority, but G-4 is convinced that present War Department organization and practice will fail in war unless wide authority to act "by authority of the Secretary of War" is delegated to the Assistants to the Chief of Staff when the emergency arises.

NOTE. Since the above was written, G-4, without specific authority but without objection on the part of the higher authority, has reduced the number of C C C financial questions referred to the Chief of Staff to the point where practically none of them are referred, except the periodic cost estimates. This has greatly expedited the work.

#### 9. Relations with the Assistant Secretary of War

a These have been touched upon in the discussion of relations with The Quartermaster General. In the rush of planning and acting to meeting the President's objective of 300,000 men in the woods by July 1, the Office of the Assistant Secretary of War was not included. It was only when the controversies with the Director regarding purchase of toilet kits, and apparent attempts on his part to take charge of procurement arose, that the Assistant Secretary was involved. G-4 has been in thorough sympathy with the Assistant Secretary in his attempts to minimize the delays imposed by the Director's insistence upon supervision of the details of requirements and procurement. But it appears from the G-4 standpoint that the Assistant Secretary of War has been drawn into a supervision of purchases made by The Quartermaster General much more rigid than would be advantageous in war. The slowing down in C.C.C. procurement by reason of this close dual supervision and without any real need which is apparent to G-4, is, in the opinion of G-4, a valuable lesson as to what should not occur in war.

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b. It is suggested that a joint study be made by officers representing the Assistant Secretary of War and the Chief of Staff, to determine definitely the implications of the present situation as projected into war, and to determine whether anything can be done to expedite procurement in case of a continuance of the C C C

10 Miscellaneous.

Mention was made above of the fact that the normal Staff organization and methods were not observed in the rush of initiating the C C C project. The same situation commented upon for the Staff as a whole has obtained in handling the C C C work within the G-4 Division itself. Although the Division is organized into Planning and Equipment, Finance, Construction, and Supply and Transportation Branches, the work has developed in such a way that the separate branches do not do that part of the C C C work which their names and normal assignment of work would indicate. The Planning and Equipment Branch has had no part in the work except in deciding types of motor equipment. The Construction and Finance Branches have not entirely moulded construction and financial policies. The bulk of the C C C work in G-4 is done by a group of officers in the Supply and Transportation Branch, who handle many planning, construction, and financial matters as well as those assigned normally to their branch, calling upon their associates in the other branches for such help as they find necessary.

We thus see that the C C C has pressed heavily upon the Quartermaster, leaving other supply services untouched, has pressed heavily upon G-3, and later upon G-4, leaving other Staff Divisions practically untouched and, within G-3 and G-4, has pressed upon certain groups to the practical exclusion of others.

The lesson to be learned is that a relatively small effort, such as the C C C is best handled by a group of officers in each echelon who are familiar with all pertinent phases of the work and who can act quickly upon a problem as a whole rather than dividing the problem into its elements, assigning each element to a separate section of the Staff for study and report, and then assembling and harmonizing the separate efforts.

The War Department organization is designed to handle problems vastly greater and more complex than the C C C, but at a rate of speed which apparently can be accelerated only through delegation of authority and emergency departures from established routine.

11 As stated in the beginning, the views advanced in this paper are from the G-4 standpoint. The problems can, and doubtless will, be viewed from many angles. Nothing herein is advanced in a critical or controversial way. It is intended only as a part of the well-rounded study which will doubtless be made when the views of all concerned are available.

On the whole, the Army has done magnificent work with the C C C. Its experience and territorial organization have made the successful effort possible. Any statement to the contrary cannot go unchallenged by anyone knowing the facts. Basic organization has not been proved wrong in any respect. But long periods of peace-time operation inevitably gear this organization to a rate of action not permissible in emergencies. The remedy lies, not in discarding the organization in emergencies, but in accelerating action by decentralization and delegation of authority and by adoption of emergency procurement measures to such extent as the emergency requires. The extent to which these measures are adopted will govern the speed of the initial effort. Of course, such action necessitates a relaxation of central control. As soon as the evils of emergency measures begin to hamper the effort and it becomes apparent that a resumption of central control will expedite matters, then the control should be exercised to the extent necessary to remedy the evils. The difficulty lies in reconciling the ever present differences of opinion between the operating and procuring agencies as to whether all is going well. The operating group always feels that supply is hampered by central control. The procuring group is apt to magnify the evils of decentralized and emergency procurement, and to lean toward over control. The only solution is for representatives of each group in the War Department to understand and sympathize with the problems of the other to the end that War Department decisions may be made in the sole interest of expediting and promoting the field effort.

12. It will be noted that the memorandum quoted above deals primarily with relationships between G-4 and other agencies engaged in C C C work, particularly where these relationships differ from usual War Department procedure. It may now be of interest to go somewhat into the method of War Department control of C C C supply insofar as it is handled in G-4.

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### 13. Estimates.

a. Estimates of funds required by the War Department for its C.C.C. work are made up in G-4 and submitted to the Chief of Staff. When approved they are transmitted to the Chief of Finance, who, as fiscal agent for the Director, E.C.W., incorporates them into the Director's combined estimate.

The initial War Department estimate was prepared jointly by G-3 and G-4. There was but little time to consult the supply services as to their estimated needs. At first the scope of the War Department's responsibilities were vague, and accurate detailed estimates were not possible nor were they necessary.

b. After the work was under way, the Director, E.C.W., called for estimates of future needs. A very short time limit was set. It was evident that the usual processes of making Army estimates could not be used, so the estimate was made up in G-4, after consultation with G-3 and the Chiefs of Services concerned.

This estimate was defended before the Bureau of the Budget by G-4 and was the basis upon which the War Department received E.C.W. funds.

It was classified to show the initial or non-recurrent costs, such as those for initial clothing and equipment, shelter, transportation, etc., and, separately, the continuous or man-day maintenance costs, such as pay, subsistence, medical care, current supply, etc.

It was not segregated by supply services as the Army estimates are.

c. This type of estimate proved so satisfactory and so easily understood that it has been continued in all subsequent estimates. All of these have been made by G-4. The process is so standardized that an estimate upon any assumed strength basis now requires only one or two days to make. A system of monthly reports of obligations made by Corps Area Commanders and Chiefs of Supply Services, and classified to correspond to the items of the estimates has been in effect since the first, and gives a satisfactory basis for the preparation of future estimates.

d. E.C.W. funds are allotted to the War Department as a lump sum available for all C.C.C. purposes approved by the Director. There is not necessary in C.C.C. estimates the breakdown by services and for specific purposes which is required in Army estimates. This condition permits great latitude of action but renders a central control of expenditures more necessary than is required for Army funds where the several Chiefs of Services make their estimates and control,

in large measure, their own expenditures. Any form of estimate which would set up the needs of the several supply services and corps areas separately would impose upon the War Department a measure of compulsion in adhering to the details of the estimates and might influence the Director, E.C.W., to impose restrictions which would further embarrass the War Department in using available funds to the best advantage.

#### 14. Financial Control.

a. The Director, E.C.W., exercises a measure of financial control in that he is required by Executive Order to give prior approval to all expenditures involving more than \$2,500 for a single purchase. However, since the Director has no good basis of information for exercising this control, the most effective control of the War Department expenditures of E.C.W. funds is that exercised by the War Department agency that decides what is or is not to be recommended to the Director.

b. G-4, in association with G-3, formulates the general policies as to subsistence, clothing, types of shelter, supply facilities, etc., and these are communicated by The Adjutant General to the Chiefs of Supply Services and Corps Area Commanders. The field agencies then request that the authority of the Director, E.C.W., be secured for the expenditures necessary to accomplish the several projects.

These requests are studied in G-4 to determine their reasonableness and to see that they conform to War Department policies and that they can be financed. In many cases, this study involves direct conferences with G-3. The requests are then transmitted to the Director, recommending approval or, in some cases, are disapproved, or returned to Corps Areas for further justification.

15. Requests for the Director's approval for procurements of over \$2,500 fall into two classes

a. The first class includes expenditures financed from funds allotted monthly to Corps Area Commanders to meet their normal maintenance costs. Approval does not carry with it any additional allotment of funds. In this class, the financial control was exercised when the man-day allowance was fixed, and is re-exercised only in those cases where a Corps Area finds its allowance insufficient and asks for an increase.

b. The second class of approvals require the allotment of additional funds. Each case is in the nature of a special project, such as a large purchase of clothing, a construction program, purchase of automotive equipment, etc. Action upon these requests constitutes a continuous financial control by which the scale of operation in the several corps areas is regulated and kept approximately uniform.

16. Use of Regular Army facilities to facilitate C.C.C. work has been the rule from the beginning. This joint use has brought up the delicate question of apportionment of costs. The basic principles which have been used as a guide may be stated as follows

a. Nothing will be done at posts or depots which will justify the charge that the War Department is improving its condition permanently at C.C.C. expense.

b. Army equipment which has been worn out or broken down by the additional load placed upon it by the C.C.C. will be replaced by the joint use of C.C.C. funds and Army funds in proportion to service rendered, and will be the property of the Army.

c. Where additional equipment is made necessary by reason of C.C.C. work, it will be rented or bought out of C.C.C. funds and will be the property of the C.C.C.

17. In the early days of the C.C.C. it was customary for Corps Area Commanders and some of the Chiefs of Supply Services to request War Department approval for the hire of civilian personnel. It was early recognized by G-4 that there was in Washington no adequate knowledge upon which to base either approval or disapproval of these requests. This resulted in regulations under which Corps Area Commanders are charged with decisions as to necessary civilian overhead. War Department control now consists only in examining the overhead situation in those Corps Areas who find themselves unable to live within their man-day allowances, and in the occasional circulation of comparative overhead strengths in the several corps areas.

We may visualize roughly the entire overhead situation as it has developed in the C.C.C. by assuming that the administrative and supply work at any headquarters is measured by the number of people doing the work. Taking a cross section of the entire work, it may be said that the ratios of overhead to enrollees served in the several echelons are about as follows

In the company	1 to 8
At District headquarters	1 to 50
At Corps Area headquarters	1 to 250
Administrative and Supply Services	
in Washington	1 to 1,000
General Staff in Washington	1 to 75,000

18. There has been considerable difficulty in keeping the determination of requirements abreast of the many and rapid changes in strength. There is never time to canvass the Corps Areas to determine their detailed needs. As soon as a new strength program is adopted, G-4 and the Chiefs of Supply Services must immediately

produce a new requirements program. To do this there must be available in Washington reasonably accurate information as to stocks of clothing and camp equipment available in Depots and the Corps Areas. It has therefore been decided recently that a quarterly inventory is necessary, and that Corps Area Commanders' local stocks must be restricted to a three months' supply.

19. It will be seen that G-4 has been drawn into the actual operation of the C.C.C. somewhat more than is usual in its Army work. This has the advantage that it concentrates in one small office a knowledge of C.C.C. background and current problems so complete that this office becomes the central source of C.C.C. information, control and contact with the Director, E.C.W., on supply matters. It has the disadvantage that some of the matter handled has now become more or less routine, and therefore has no proper place in G-4. Steps have been taken recently to change procedure so as to eliminate G-4 from the chain of action upon routine matters.

20. In conclusion it may be of interest to examine in a general way the cost of the C.C.C.

The overall cost may be taken at \$100 per month per enrollee. This is broken down about as follows

Technical supervision, equipment and work supplies furnished by other than W. D. agencies . . . . .	\$ 20.00
Pay . . . . .	30.00
Subsistence . . . . .	15.00
Clothing . . . . .	10.00
Army overhead, Reserve Officers and Civilians . . . . .	7.00
Transportation . . . . .	4.00
Medical care . . . . .	2.00
All other equipment, supplies and services . . . . .	12.00
Total . . . . .	<u>\$100.00</u>

War Department expenditures to date on account of the C.C.C. are about \$845,000,000.00

DISCUSSION FOLLOWING LECTURE BY  
COLONEL DE WITT C. JONES

"Procurement & Supply of the CCC"

Q - Did the supervisory activities of the Director of the C.C.C. slow up procurement?

A - The directive specified that only one class of lumber would be used - No. 2 common. Heretofore the Corps Area commanders had used whatever lumbers they could get their hands on quickly, so they used a miscellaneous assortment of lumber. As soon as the lumber was specified at one grade only, the lumber resources of the country were automatically so restricted that we had trouble in getting lumber to the extent that some of the Corps Areas simply ignored the instructions and used what they could get. The same thing is true with respect to stoves. No one knew how many stoves we were going to need nor what kind, whether they would be coal burning or wood burning, but we knew we had to have stoves in a hurry. The first thing we knew in G-4 was that the local procurement of stoves was not permitted and when that situation came up somebody had to say how many stoves we needed. The Quartermaster General undertook to get an estimate as to quantities and types, and also destinations but they did not know because every day there were changes in the program, so the result was that in the purchase of stoves we could not even get started on the first step, which was the determination of needs. If somebody had just made a wild guess it would have been better, if some one had just said we would buy 35,000 of one type and 25,000 of another the order could have been placed and the details worked out in the meantime.

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That was what we did in the motor vehicle situation, we made a wild guess as to the number and types we wanted. The Quartermaster General was told to go ahead with the emergency procurement and he did a remarkable job of procuring them in fifty-seven days, but when our experience showed we needed 400 more we got mixed up with the Public Works Motorization Program. There were controversies and investigations as to methods of procurement, discussions on specifications, etc. In the first purchase we did not care whether we had any specifications at all - all we wanted were trucks that would run up and down the road - and we got them in 57 days. The additional ones did not come for 150 days; the same was true of some other items.

These things convinced me that we had acted a little hastily in withdrawing articles from local procurement. I know, for instance, that if the Commanding Officer of this little camp across the river had been allowed to search around Washington and get what he wanted, he could have kept the camp warm. You can imagine that same situation taking place in 1500 camps all over the country, with people getting disgusted because they saw stoves in the little country store and were stopped in taking advantage of them by orders from Washington. I think the only way we can make use of the widely scattered minor quantities of needed supplies is for the local people to run them down and have authority to get them.

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When we run into embarrassment with our local people stepping on somebody else's toes, then is the time to go in very carefully and pick up the loose ends, so that by taking control of the situation we don't do more damage than good, and so the fellow in the field is helped instead of handicapped.

Q - With reference to the local purchase of commercial substitutes in the early stages of mobilization - how would a surplus of one item in a Corps Area, say shoes, be available to meet a deficiency in another Corps Area?

A - Take it that this Corps Area was not located to buy local stocks of shoes. The Quartermaster General, through his Depot Quartermasters, and probably indirectly through the local Quartermaster, is in touch with the progress of procurement of shoes, and if we say there is a surplus of shoes in Boston and none in New York I can't conceive that the Corps Area in New York will be permitted to go without shoes and Boston permitted to buy up an excess so no one else could get them. I think there will be enough cooperation between the Corps Areas and between Washington to get those shoes for New York. If any Corps Area Commander does prove to be selfish there is always authority in Washington to go ahead and take what he has procured and use it somewhere else.

Q - Do I understand the organization to mean that the Director took the place of the Deputy Chief of Staff?

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A - The Director did not take the place of the Deputy Chief of Staff or the Secretary of War but he was superior to any of them when it came to a showdown in C.C.C. matters. When the Director decided to see all contracts before the awards were made the Comptroller General held that if the War Department was to supply the C.C.C. it must be permitted to use its own supply system. The Director then said that if he could not see the contracts before the awards were made he would check the requirements and visé the specifications. He made that statement at a critical time in supply and he made it good. The War Department position was that he would hamper the work and that he should not undertake to go into those details, but he was acting within his authority and he made it good to such an extent that he could not be persuaded otherwise, so we had in the C.C.C. what amounted to a super-control to a limited extent. However, when it came to a real show-down between the War Department authority and the Director's authority in many cases the War Department won out but only through an agreement with the Director. We recognized throughout that when it came to over-ruling anything, he had all the authority.

Q - To what do you refer by the E.C.W.

A - Emergency Conservation Work. The C.C.C. is only a part of that work.

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Q - Concerning the zone procurement officers set up by the Quartermaster General - do you consider that these officers are in a better position to survey stocks and make purchases than the Corps Area Commander?

A - I think the Quartermaster plan is a good plan. I think any move in the direction of decentralization is a good move. I think we must be careful not to mix the functions of those zone procurement officers in any way with the functions of the Corps Area supply officers. Some of the Corps Areas have suggested that with the adoption of this new Quartermaster plan it will not be necessary for them to set up separate points; that they can use the facilities of these zone procurement offices for their Corps Area work. The answer to that has been that any such arrangement must be by mutual agreement with the Corps Area Commander and the Quartermaster General.

Colonel Harris. I have been listening to Colonel Jones' very interesting presentation from the viewpoint of the Director of the Planning Branch - having responsibility for planning for procurement in the next war. I noticed that most of the difficulties with the C.C.C. were due to failures on the part of the Government - lack of effectiveness; lack of knowledge as to how many camps there would be; how many articles were required, what kind of articles would be required; and contention as to methods of procurement.

Industry seems to have done its part very well, and I think our efforts should be devoted to a clarification of our needs, our

specifications, and our methods of procuring. I think the C.C.C. has been an object lesson as to what we can expect of a larger scale in mobilization.

Q - I think it might be interesting to have Colonel Jones elaborate on the question of operation of The Assistant Secretary's office and G-4 of the General Staff, particularly in view of the fact that that question is now being studied with a view to turning a portion of administrative details back to the supply branches.

A - As I stated and as Colonel Harris stated, there are certain lines of confusion in our jurisdiction. We have been trying to settle these points of confusion one by one in the last 15 years and we have made very notable progress but some of them are not settled yet,) and the C.C.C. was a job which was not visualized by our war studies or our war plans. We had a Director injected who might be, as Colonel Harris intimated, compared with the enemy in war, but it was not a situation that had been completely worked out. I don't think we will ever encounter a situation where all of the problems and the methods of dealing with the problem have been set in advance. We were faced with a great mass of correspondence from people in the field - labor unions, Congressmen, Senators, merchants - coming to the Director and being investigated by the War Department, but nothing in the book said who would do that, so representatives of The Assistant Secretary of War got some of these things and G-4 got some of them. We got together and decided that before it was finished there was going to be quite some

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correspondence, but we discussed it together to find out who was going to do this work. Well, in some cases the Assistant Secretary's representative said "I think this should be done by G-4" and in a few days the same representative came back and said he had been over-ruled - that he had misunderstood the sentiment in his office and that it was desired that this work be done in the Assistant Secretary's office; so we said "All right." We were both busy at the time and it did not seem worth while to make an issue of this point of responsibility. I think the way it was solved is different from the way it would be solved again for I do not think a lot of that work was the kind that the Assistant Secretary of War should do - but somebody has to do it. There were difficulties when complaints came in from the field that supplies were short. G-4 recognized it was the business, and under the law the right of The Assistant Secretary of War to say "You have got to allow thirty days for advertisement and so much time for procurement." We could not controvert that decision; all we could do was influence them if we could and point out the result of too much time spent in procurement. Each of these specific cases was solved in this way and nothing was done, so far as I know, that did not have the authority of The Assistant Secretary of War.

Q - I referred to the recent study made about change (in procedure).

A - That study was directed by my general, General Lincoln, who thought we were doing more administrative work in G-4 than should

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be done and it was helped along by the fact that Colonel North, just before he left and, as I recollect, Captain Harris who is among your group indicated that they knew a lot of that work was not properly The Assistant Secretary's work and they would be glad to see me take it over. We stated then that we would be handicapped by not knowing everything that had gone before and it was not really G-4 work. It is work that belongs to the chiefs of the supply services. So I agreed with Colonel Dunn, who succeeded Colonel North, that in carrying out General Lincoln's directive we would include such of that as had landed on The Assistant Secretary of War and that a directive be issued putting back about half of the work on the Quartermaster General - work from G-4 and The Assistant Secretary of War.

Q - With reference to the undue length of time it takes the War Department to process papers. It takes two weeks from the time the paper leaves for it to be processed through the General Staff, and other channels, comes back and the material can be advertised for.

(A - The usual peace-time processes of the War Department will fail in war.) In the C.C.C. the delegation of authority was not made in writing but it was there. The situation required that the Quartermaster General send his communications direct to G-4 instead of to The Adjutant General. G-4 has been permitted to send communications direct to the Director and receive them from him. That cuts out three steps of the normal War Department procedure. I think it has helped some. Of course we try to hurry up any particularly important case by telephoning action from the Director and passing it on to the Quartermaster General.