PROCUREMENT PLANNING DISTRICTS
by
Lieut Colonel A B Quinton, Jr , O D

The Army Industrial College
January 7, 1939

Colonel Miles and Gentlemen of the Industrial College·

I have sat in many student groups and observed speakers and heard the trite statement, "It is always a pleasure to appear before you," but I am going to repeat it because I say it with all sincerity I think my tour of duty down here was the most pleasant of my whole service, I got more out of it and I think more of that service I think that while you are a student sometimes you don't always appreciate the value of the school you attend From my observation of educational institutions this school is unique There is no question about that, it is the only one of its kind in the world, and I think it has a very, very high standing There are very few places where you have the privilege of spending a year with more or less self-instruction This school is not a place for the faculty of instructors who turn out things for you The instructors here present things for your consideration, you do the thinking and arrive at some solution It is, as I say, unique It is an educational institution of the highest standing, and I think it is a privilege for you to be here and it certainly is a privilege for me to be here to speak to you

This school started with a rather modest beginning There was a tendency on the part of some enthusiastic people to advertise the school, and others who perhaps weren't enthusiastic didn't advertise

However, it has been the policy of the former Directors of the school to let the school sell itself, and I think it has done that. There is no question about its standing in the Army, it is recognized outside the Army. Going along in its own modest, slow way, and developing to the point it has means a whole lot I think this school certainly has become of age.

Please don't think of me this morning as a lecturer I don't like to listen to lectures, or for myself I don't like to give a lecture I would rather read something, so let us just be a little informal, as you are in your conferences here, and you may interrupt me at any time and not wait for a question period

I was tempted first to just read off a dozen topics for your consideration and then let the discussions arise from the topics as questions would occur to you, but I will go a little bit further than that and introduce the subject matter of some of the topics and that may suggest some items to you.

You have all read, heard, and perhaps written recommendations on the problems of the World War You know what they were, and so we will not repeat any of that. But considering the problem of the next war in procurement and in our planning for that procurement, we must know what the future problems are I contend, and always have contended, that there are enough brains in the country, independent of the Army and Navy and other governmental departments, so that when a problem is presented, when we know what the problem is, the solution is simple

Will you accept that I think it is important to do that The difficulty is recognizing your problems Glancing back to World War experience, I see that some difficulty arose as to a certain item, now we plan to correct that difficulty Have we discovered all the problems, have we stretched our imagination, is our vision good, do we recognize what our real problems are? As we recognize our problems now, then what problems will arise tomorrow? Will the problem stay the same? Those are the things that we contend with.

In defining our problem, there is only one thing certain about it, and that is the fact that it is uncertain Think of the nature of our problem, the factors we are dealing with, the categories of these factors. We have some real factors, and then we have some we might call imaginary There are such real factors as industrial facilities, an existing plant. An example of what I call the imaginary or arbitrary factor are the things such as requirements, something that springs from our minds, our conception of what might be required, what size Army, what kind of tools we are going to use, how much, at what time needed, etc. Those ideas change with composition of the General Staff and ideas of the Chief of Staff Considering that we have some real things and some imaginary things and knowing our problem, how do we proceed with it? It is always an uncertain proposition. Now, whether real or imaginary all of these factors are distinctly dynamic Don't try to pin anyone down on a fixed solution of any of these problems. There is no such animal. Everything moves swiftly It should move swiftly, - things progress Don't confuse that progress and movement with the start of war production where we want

to cut out progress, at least in design, and get out something that will work. But preparatory to that we must change our designs of new types of equipment, it is only logical that we should When it comes to the plant set-up of the country, there is a real thing, but again, something very dynamic A facility we are considering today for a certain piece of work may change its product and with change of product, change its type of equipment It is a swiftly moving matter Some of our plans will never be completed, never approach completion, and not one of the plans we make today will go into effect on M-Day the way we plan them today. Just put that right down as a fact. The smallest change we can make, all the better for us. But let us be prepared to adapt ourselves to these changes which are bound to come

Consider nothing as fixed in this planning business Consider it moving swiftly at all times You have heard speakers from different services here General Wesson presented to you the other day the question of the standardization of types of material You know how these types change from time to time You get different ideas as to quantities, rates of fire, the pipeline we have to fill up, all those expressions you are familiar with Those things change, that idea of change is before you all the time Nothing is fixed.

We still haven't defined our problem The next topic I am going to bring up doesn't define the problem It is something that isn't a problem. Sometimes the negative is as good as the positive approach One thing is the size of our war load is not our problem That is often mentioned Peace-time procurement of supplies to equip our Regular Army,

National Guard, etc , is compared with the war-time program, increasing it forty or fifty-fold, thinking that the very size of the program presents a problem. I don't say that it doesn't present any problem, it does, but it isn't the big problem. In the first place, war load on industry is not a super-imposed load Remember that. If you remember Dr. Friday's talk on the economic comparison of different countries, you realize the position of the United States in comparison with the other countries of the world. We know we are the largest industrial country. Now, what capacity have we to produce these items of munitions in war? The size of the program does not bother It is because the load is the essentially absorbed load. Perhaps you saw in your statistics course a curve showing industrial production of the United States, the Department of Labor statistics You may have observed that from 1919 to 1929 there was enough increase in the productive capacity of the country, not with reference to a specific industry but for the whole country, to take care of our whole war load in dollar value. The World War load, which, incidentally, is as large, if not larger, than our contemplated plant load for the next war, was essentially 85 percent of absorbed load during the World War Steel production was less, I believe, in 1917 and 1918 than in previous years, some of the previous years turning out quite a bit of steel for foreign production orders which was really non-essential to our American needs There was no increase in steel production during the war that was wholly absorbed With the increase from 1919 to 1929, which was in dollar value, to take care of our entire load, we are sitting pretty well when it comes to the question of the total load. Let's remember that and not think of the size of

the program as being a serious problem.

I would say that our real problem arises from a production of non-commercial items by facilities lacking two things first, the proper type of equipment to produce it, and second, a knowledge of how to produce it. I think that is our war procurement problem Other problems which we recognize and suggest solutions for we can handle fairly well by an orderly management of our affairs, recognizing these problems and providing for their solution, which means just orderly administration all the way down from the President through the agencies, the chiefs of the services, and down through the districts to your industrial plants. It is just a question of good, common sense management.

You have been told by the personnel of the Planning Branch and perhaps by others of requirements, apportionments, allocations, accepted schedules of production, factory plants, but I don't know how much detail you have had and I don't know how much to go into them However, let us start with the first thing that really influences our planning work, namely, the apportionment to the districts I am speaking essentially of ordnance now, although my remarks cover plans for the production of all non-commercial materiel A certain item is apportioned in a certain quantity to a district That is based upon the requirements as broken down by months It isn't broken down here in Washington It shows that we need so many the first month, and knowing we can't get that many, it is broken down to get a reasonable delivery. A district office receiving that will have to break that down into what may reasonably be expected as a sound production schedule, one which can be accomplished by the facility we

want to do that job So we make a survey of facilities, finding one which, in comparison with others, requires less conversion of the plant, less expansion, usually essentially new construction, Then we ask for the allocation of that to our reserves What have we accomplished up to date when we receive an allocation for a specific war order? To my mind, remembering now the World War problem and the confusion arising from the placing of orders, I think that when you have arrived at the allocation stage you really have answered three-quarters of your World War difficulties The allocation system, to my mind, is essentially sound I don't mean that every allocation that is made is good. We have to correct these from time to time Some are made quickly and are not good, but the allocation system as such is essentially sound. It must not be confused with conflict between the Army and Navy Here there will be conflicts but nothing to be apprehensive about at all

There are enough facilities in the country. The point, however, is that we have not made a survey of industry of the United States When apportionments are sent out to districts it is the objective immediately to find specific plants to produce that specific item in the specific quantity that you are directed to buy. Having found that, you write to the Department in Washington, saying you have found such a facility scheduled to produce this item under this one apportionment You might say the work is fairly well accomplished when you have found sources of supply for all these apportionments, but that isn't the answer. We have to go further than that.

Planning has had a humble beginning, it has now become of age.

Planning in the first instance was, we might say, handled in two ways, depending upon the locality that the planning officer was in, the type of business people there, and the type of the executive officers. Sometimes it was found that to go out on the golf course with business executives accomplished more than sitting in an office and working out details, going over to a plant and talking to a production engineer about some schedule That was quite all right in the early days of planning I heard the then Chief of Ordnance say he didn't know which method was the better. But that golf playing method is out of the picture. We are planning on a rational basis. It is a serious work because industry in general knows what our industrial mobilization problems are, and that they will be required to take a part in war. They have responded very, very well, so we don't have to sell the idea any more, but we do have to sit down and work on it.

A solution of our defects in allocation is to review our allocations, see that they are soundly placed, and if there is any anticipated conflict with Navy orders which may be current on M-Day which have to be completed, let us go out and find other facilities and secure their allocation, not perhaps give them a schedule, get the facts as to their equipment and ability in general to do the work, and set them up as reserve facilities We haven't touched the capacity of this country yet There is enough capacity in this country to support an army of 15,000,000 men Take my word for it. But that is the next problem, to find additional facilities qualified for our work.

I have in mind that the time element on our schedules of production is determined by these factors. the suitability of the existing equipment

in a plant to undertake the work without buying a lot of new machine tools, their knowledge of the job - how long will it take to learn how to make this item. Then can we obtain more material, have it delivered at a faster rate or obtain it earlier after M-Day by having more facilities work on these jobs? The answer is no If it takes, with the best tooling available and with the best knowledge available, five plants four months before you can get initial production out, then mayoe two or three months longer before you can arrive at your so-called maximum monthly production for which you aim, you can't meet your needs in the first four months by putting five more plants in the picture. Putting more plants in the picture would give you a greater quantity of material from the fifth, sixth or seventh month, that is true, but you always ask the question, Why can't we fill that space, the difference in the line of production? The only reason we can't fill it is because you can't start production on M-Day with one plant or a hundred plants We want to serve industry, to find substitutes for these concerns which we have listed at the present time for production Eliminate this question of conflict with the Navy or between other supply arms and services, which has been done essentially by our allocation system except for industrial orders which may be in force on M-Day which should be completed.