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THE SUPPLY OF OVERSEAS COMMANDS BY THE STATUS REPORT SYSTEM
VS. THE STRAIGHT REQUISITIONING METHOD DURING WARTIME.

Supply of overseas commands by the status
report system vs the straight requisitioning
method during wartime, by Lt Col D. B. Nye.
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7 June 1947

SUBJECT: The Supply of Overseas Commands by the Status Report System vs. the Straight Requisitioning Method During Wartime.

1. PROBLEM.-To compare the status report system and the straight requisitioning method in the supply of overseas commands during wartime.
2. DISCUSSION.-a. The initial supply picture at the beginning of World War II and its subsequent development during the war may be summarized as follows: (For details, see Appendix A)
 - (1) Prior to the war supply was by requisition except for controlled or regulated items.
 - (2) In January 1942 Class I and III were made automatic, Class II, IV and V continued to be requisitioned.
 - (3) The North African Invasion put all classes on automatic basis for that theater and started trend for all amphibious operations to be supplied automatically.
 - (4) Unbalanced stocks overseas resulted from automatic supply and ports of embarkation called for various types of status reports.
 - (5) The War Department made status reports uniform throughout the Army in May 1943 but only for statistical control purposes. In September 1943 the War Department made the status reports the basis of supply for Materiel Status Report and Class V items.

(6) In January 1946 the status reports were eliminated as a basis of supply and a full requisitioning system again was put into operation. Certain status reports were continued for statistical purposes.

b. The main advantages and disadvantages of status reports and requisitions are summarized below:

(For details, see Appendix B)

- (1) An efficient requisition system insures supply in the proper amount at the proper time. Conversely the status report is susceptible to faulty interpretation by supply agencies.
- (2) The requisition system consumes too much time, causes duplication of effort, and puts too much burden on the theater. An improved status report system would shorten the time involved in resupply, eliminate duplication, and place the burden on the zone of interior where it properly belongs.
- (3) The requisition system is too complex for certain items such as Class I and Class III whereas the status report is quite suitable for such items.
- (4) The requisition system is more sensitive to trends within the theater. The status report may be satisfactory in this respect provided communications development progresses rapidly.
- (5) The requisition system provides for local procurement; the status report can be designed to do likewise.

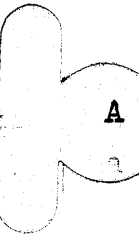
- (6) The requisition system does not work well with critical items of supply. The status report is tailor-made for such items.
- (7) The requisition system does not show excesses in the theater whereas the status report does.
- (8) The requisition system violates the theory of impetus from the rear. The status report more nearly approaches that theory.

3. ACTION RECOMMENDED.- That an exhaustive study of overseas supply procedure be instituted and that the results be constantly analyzed and modified with respect to the following considerations:

- a. The changing nature of modern warfare especially the probability of large-scale airborne and air-transportable operations.
- b. The continual simplification of supply procedures.
- c. The effects of future warfare on the functions and size of the communications zone.
- d. The incorporation of business machine methods in supply procedures with the ultimate aim of eliminating duplication of documentation by use of single forms which fulfill the needs of all agencies from the originator to the supplier.
- e. The development of communications transmission equipment.

Appendices: A-Development of supply systems during World War II
B-Discussion of advantages and disadvantages of status reports vs. requisitions.

APPENDIX A



APPENDIX A.

DEVELOPMENT OF SUPPLY SYSTEMS DURING WORLD WAR II

It would be difficult to separate and discuss the two systems independent of one another since neither was used to the complete exclusion of the other during the last war. Upon the establishment of a new overseas command an automatic supply system was used initially. As the new theater developed, a transition was effected from the automatic system of supply through a so-called system of semi-automatic or status report supply to a straight requisitioning method. The straight requisitioning method was adopted usually after large scale operations ceased and the theater became stabilized.

The line of demarcation between these systems was not clear-cut; at times the systems merged into one another and certain features of the preceding system were continued in the succeeding system for various reasons.

At this point it is worthwhile to review briefly the three systems of supply used during the last war. The automatic system of supply is the procurement on prearranged schedules of shipments based upon arbitrary or experience-usage factors without resupply requisitions. Semi-automatic or status report supply is the procurement based on status reports showing shortages and deficiencies and acted upon by the zone of interior supply establishments without formal requisitions. Supply by requisition is procurement based on formal requisitions prepared and submitted periodically by theaters to designated ports of embarkation in the zone of interior.¹

The initial need for automatic supply is well understood.

¹
FSM, Adm, p.159.

in amphibious operations or upon the establishment of a new theater when order and shipping time does not permit shipments in accordance with requisitions showing actual requirements. Automatic supply is discussed here only to the extent necessary to indicate why and how it led to the status report system.

Prior to the last war, overseas supply was individually and centrally controlled by the chiefs of the supply arms and services. The Assistant Chief of Staff, G-4, War Department General Staff, attempted to coordinate and integrate the activities of the supply services. There were certain disadvantages and defects in this method.

Two of the most outstanding defects were:

1. The centralization of operational supply at the level of the chiefs of supply services created bottlenecks and precluded efficient and rapid action on supply requests.
2. The operations of the numerous supply services were too diverse and widespread to be controlled by a single staff agency.²

These two defects of our supply procedure became glaringly evident in the period just prior to our entry into World War II and gave conclusive proof that our existing supply system was inadequate. The problems of supplying a rapidly expanding chain of overseas bases indicated a need for a revised system. With the declaration of war on a global scale it became readily apparent that a revised system was essential.

These two defects indicated by their very nature the remedies needed. In place of centralized supply control,

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History of Planning Division, ASF, Vol.2 Chap. 10, p. 139.
(Cand GSC file R-12766B)

we needed decentralization of operations. And to gather together and to coordinate the supply services there was a need for an operating command agency leaving only the overall policy control at the War Department General Staff level.

Decentralization of operational supply was achieved by the War Department's publication in January 1942 of a new concept of the method of overseas supply. This new method, which became effective on 1 March 1942, utilized the existing structures of the zone of interior depot system, ports of embarkation, and overseas bases as follows:

a. Ports of embarkation were given the responsibility of insuring the supply of specific overseas commands, and of controlling the shipments of supplies into the port from the zone of interior.

b. The overseas commands requisitioned directly on the ports of embarkation. The ports were responsible for editing these requisitions, extracting to the depots, follow-up on requisitions and shipments overseas.

c. The chiefs of the supply services designated depots to supply the ports of embarkation and were responsible for providing depot stocks.

d. Subject to over-all availability, the War Department provided shipping to the ports as requested.

e. Class I and III supplies were shipped automatically by the ports.

f. Class II, IV and V were supplied on requisition.³

The Services of Supply was established on 9 March, 1942 as the solution for the need of an operating agency to gather together and coordinate the supply services. The Services of

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Ibid, pp. 139-140.

Supply found that the greatest problem in making the new overseas supply system effective was to develop port supply organizations capable of handling the responsibilities assigned to port commanders. The establishment of overseas supply divisions in the ports during the late summer of 1942 by the Services of Supply was the beginning of efficient overseas supply. Prior to this there had been considerable lost motion in the supply machine. Requisitions were mis-routed, delays occurred without proper follow-up, and many questions arose as to specific functions and responsibilities of the various agencies involved. The Overseas Supply Officer at the port, who was the Chief of the Overseas Supply Division, was responsible for:

1. Editing and processing requisitions received from overseas and follow-up on these requisitions until the supplies were delivered to the theater.

2. Knowing the status of supply at all times in the theater assigned to the port for supply.

3. Insuring that the theater commander received what he wanted and needed and nothing else.

4. Furnishing supply information and advice to overseas theaters.

By the fall of 1942 the new concept launched by the War Department directive of 22 January, 1942 was not only firmly established in the minds of supply operations personnel, but an organization capable of carrying it out had been partially developed and was functioning, namely the overseas supply division.⁴

At this time it would be well to point out that by the fall of 1942 we had not engaged in large-scale offensive combat operations. For the most part, we had been establishing

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Ibid., p. 140.

new bases with garrison forces or reinforcing existing bases. The concept of automatic Class I and III supply, and supply by requisition for Class II, IV and V should have worked well in practice. Demands in most of the bases for Class I and III were relatively easy to compute since only the troop strength was involved. Class II was minor since units went fully equipped and there were no combat losses. Class IV demands were mostly of an administrative nature such as housing. Class V was expended only for training.

During the war the basic organization for supply remained substantially unchanged, but considerable change took place in the methods of operations. With the advent of our first large-scale amphibious operation into North Africa, we were forced into a completely automatic system due to the lack of an organized theater supply organization. The ideal system of supply from the overseas commander's view-point would, of course, be a completely automatic system. Such a system would lessen the quantity of necessary reserves to be maintained in the theater and relieve the commander's mind through assurance of steady supply. The difficulty in such a system was the estimation of requirements. Certain classes, such as I and III, were consumed at fairly uniform rates and requirements could be estimated with reasonable accuracy. Other items such as special operational requirements, spare parts, machinery, construction materials, could not be accurately estimated. In North Africa the unbalanced stocks which rapidly accumulated physically demonstrated the difficulty in estimating requirements for certain types of supply. This unbalanced stock condition caused a restudy of the entire automatic supply policy during late 1942 and early 1943. At the end of 1942, only Class I and Class III were

being forwarded on an automatic basis. That basis was modified by requiring monthly estimates of Class III requirements.⁵

The automatic supply system, to be effective, was dependent upon reliable and detailed information as to requirements, based on experience tables, estimates and consumption of stocks within the theaters. Experience tables were lacking. The unbalanced stocks overseas were indicative of the difficulties involved in making estimates, even though made as carefully as possible. The development of excesses and shortages showed that to support properly a theater in any manner approaching automatic supply, the responsible port must know the status of supply in the theater. In order to gain this knowledge, various types of reports and communications were developed to furnish information to the ports of embarkation on the supply status of the theater. However, it was not feasible to obtain periodic, detailed reports on the status of all items. The theaters did not even know the exact status of all items due to lack of proper stock control. But it was the need of the ports of embarkation for information on the supply status of the theater which caused the growth of the status report system.⁶

In May 1943, War Department action was taken to set up a system of Army-wide status reports. This action placed Class I, III, and V supplies on a status report basis. Controlled materiel had been on a status report basis since before the war. Three reports were called for under this procedure:

1. The Monthly Materiel Status Report, initiated by the port, showed the theater stocks, quantity en route, and

⁵

Ibid., p. 141.

⁶

Ibid., p. 142

theater allowances of the items covered by this report. The figures for the overseas theaters were furnished by the theaters.

2. A Monthly Automatic Supply Report for Class I and III.

3. An Ammunition Supply Report submitted every ten days with considerable data provided from the theater on stocks with data from the port on status of shipments.⁶

The original purpose of these reports was for statistical control of the status of theater supplies. However, War Department Circular 220, 20 September, 1943. set up the reports as the basis of supply for items covered by the Monthly Materiel Status Report, and the Ammunition Supply Report.⁷ Other items were to be requisitioned, including Class I. Control of Class III had been taken over by the Army and Navy Petroleum Board and had to be requisitioned. This Circular also ended automatic supply as the normal basis of supply for overseas theaters. Ports were directed to maintain complete records on the supply flow to the overseas commands for whose supply the port was responsible. Circular 220 first outlined officially the three systems of supply. However, the Circular called them phases. The concept was that automatic supply would be necessary originally upon establishment of a new theater or in an amphibious operation. That status reports would be initiated as soon as possible to rectify unbalanced stock conditions. At the same time some items would be requisitioned. The third phase was a full-requisition system when the theater became

⁶ Ibid., p. 142.

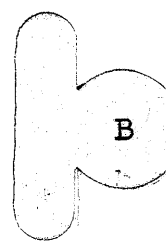
⁷ p. 1.

stabilized and large-scale operations ceased. Actually the status report phase was not a separate system of supply, but merely a modified automatic system or a requisition system with some of the burden shifted to the zone of interior—depending upon how you look at it. The War Department directives would seem to make the status report system separate but in practice it was not. The procedures set up by Circular 220 remained in effect during the remainder of the war with only minor refinements and clarifications of responsibilities.

On 7 January 1946, War Department Circular No. 5 eliminated the status report system of supply and put all established theaters on a requisition basis.⁸

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p. 1.

APPENDIX B



APPENDIX B.

DISCUSSION OF ADVANTAGES AND DISADVANTAGES OF STATUS REPORTS VS. REQUISITIONS.

Probably the outstanding advantage of the requisition system is that the people using the supplies are the people who set within authorized allowances the amounts desired. They are present in the theater and thus are presumably acquainted with the needs. Since they can state their needs at frequent intervals and based on actual conditions, there is no need for factors in their supply and they get what they want when they want it. They are in a position to anticipate future operations and can make known their anticipated needs. In theory this should work well, but in practice in the last war it did not always work so well. The people who were in a position to intimately know the needs of the command were often so swamped with day-to-day operations that the future—even if only a few months ahead—was left to take care of itself. In most instances future operations were decided in Washington and the local supply agencies could not predict with any accuracy their own future operations. The nature of future operations normally became known to the theater only six months or so in advance. This lead time was not sufficient for the procurement in the United States of many special operational supplies and critical items based upon theater request, and the subsequent delivery of these supplies to the theater. Thus, in order to have these necessary supplies on hand when needed, Army Service Forces was forced to predict future operations in many cases, draw up projects, and schedule the necessary procurement long before the theater knew or was able to seriously consider the details of the coming operations.

This procedure was common practice at the end of the war. Situations such as this point up one of the red-tape, time consuming fallacies of the requisition system. The projects in the above example were computed by the zone of interior, checked and accepted or modified by the theater, procured and stock-piled by the zone of interior. Then the theater had to submit formal requisitions which were edited and processed against the approved, phased projects before the supplies could be shipped. Surely this was not necessary unless the theater requirements changed suddenly. It would seem that the approved, phased projects should be sufficient authorization to initiate supply.

The supply agencies of the overseas command should be more sensitive to the slight trends and fluctuations of demand than any zone of interior organization could be, and in this respect should do a better job of stating needs for the immediate future.

In a war such as the last one, especially in Europe, the local supply agencies could certainly make a better estimate of local procurement possibilities than the zone of interior. The needs of the civilian population and of allies were more evident overseas. Thus in the requisition system notice can be taken of and proper allowance made for these demands outside of and unrelated to the troop basis. But the supplies for these demands would have to be approved based on special projects.

The requisitioning system obviously did not work when there was a critical shortage of supplies. This was amply demonstrated during the last war when ammunition was kept on status report for the duration except for a very short period in 1943. There was no use to prepare successive

requisitions when the supplies were not available and the command would get only what could be shipped. In a situation such as this, the status report was valuable to let the zone of interior know the seriousness of the supply situation.

The time consumed in inventorying stocks, consolidating results, preparing and dispatching requisitions, the zone of interior cycle, shipping time, receipt and distribution in the theater is enormous, and the entire procedure should be streamlined and simplified. For example let us consider one item of the zone of interior cycle-editing of requisitions. Each requisition gives authorized level, on hand, due-ins, quantity desired. The port is supposed to know the authorized level, the due-ins because the port shipped them, and with the theater furnishing the on-hand figures the quantity desired is obvious. If the port must edit, then it must have the same figures as the theater or what use is the edit? So, if the port has the same figures as the theater, let them compute the required amounts using a theater status report. Not all items of the supply cycle are as easily simplified, but there is considerable room for improvement.

It does not seem that all the ramifications and complexities of the requisition system are necessary to supply such items as rations and POL. The use of these items is constant and based on relatively stable factors. For Class I it is almost as simple as "We need so many rations, period." The consumption in the theater is relatively uniform. Therefore, the zone of interior input should be uniform with a reasonably uniform flow. Of course there frequently are allies, civilians, prisoners, etc., to be fed and these may require special rations other than those required by the basic troop

strength. However, the normal procedure for supply of Class I should be only that necessary to provide for basic troop strength. The procedure should not be cluttered with considerations not always present nor as stable as the ever present troop strength. Plans should provide for simple procedures to be added to normal methods when these demands must be met.

The status report as it existed in the last war was in some instances a lengthy, detailed document. The explanation for the complexity rests, at least in part, in the fact that it was originally devised for statistical purposes. Later, it was made the basis for supply.

The statement has been made in the History of the Planning Division, ASF that "supply on the basis of extensive statistical reports, prepared by several agencies, was not as a rule any more rapid than supply by requisition and did not represent any great difference in the amount of effort required for preparation."⁹ This statement requires interpretation and raises several questions. How extensive need the reports be to accomplish the desired supply? Does the extensiveness of the reports delay resupply? What agencies prepare the reports? If the amount of effort in the preparation of status reports was about the same as for the requisitions, who put forth the effort-the theater or the zone of interior?

The extensiveness of the reports and the resultant speed of resupply will be discussed first. Since the reports were used originally for statistical purposes there was logically a great amount of information included in them which was not

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Vol.2, p. 150.

necessary for the immediate resupply of the theater. Often simple reports gradually increase in scope due to the desire of higher headquarters for more information. The additional information does not always pertain to the original purpose of the report, but does serve, at times, to delay the accomplishment of that purpose. This additional information was required possibly to prevent the necessity for a separate report. It would seem that any information not required for the immediate resupply of the theater should be removed from the report if it delays the resupply. If it does not delay the resupply, then it may be left in the report. But an evaluation of the status report should recognize that the extensiveness of the report does not in itself reflect the efficiency of the report unless all the data are required for immediate supply purposes.

Next consider the question of what agencies prepare the reports-the theater or the zone of interior. Some of the reports required in the last war were for rather high-level purposes in Washington. For example, the Materiel Status Report was actually prepared by the port of embarkation using "on hand" data furnished by the theater.¹⁰ Only so much of the final report as was furnished by the theater represents the load on the theater. In an evaluation of the report, that information furnished by the theater is the work load which should be compared with the work load imposed by the requisition system. If the status report reduces the work load on the theater then it has an advantage over

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WD Ltr., file AG 400 (4-25-43) OB-S-D-M, dated May 5, 1943, Materiel Status Report, Automatic Supply Report, and Ammunition Supply Report, p. 2.

the requisition system provided the work load on the zone of interior is not disproportionately increased. An increased work load in the zone of interior is advantageous if the personnel to do the work can be subtracted from the service personnel strength of the theater. There is a further advantage in that transportation is relieved of the burden of supplies for personnel no longer needed in the theater. If some of the burden can be shifted to the zone of interior by status reports then that fact is a strong advantage in its favor.

An improved status report system would save time in the reporting of needs. From this it follows that the pipe-line would be reduced in length, thus saving in "false shortages", procurement, and potential surpluses.

One of the comments made at the end of World War II was that overseas theaters had maintained too large reserves. The tinge of impetus from the rear that goes with status report supply might have the desired effect in helping to reduce the clamor of overseas theaters for large reserves.

The status report system is well suited to the supply of such items as Class I and Class III. This was well proven in the last war.

With the use of the status report system the zone of interior has an intimate knowledge of the supply status in the theater. This intimate knowledge of the theater supply status was found to be absolutely indispensable during the war. Circular #5, 7th January 1946, directs that ports of embarkation will maintain records that reflect the status of supply in overseas commands. Yet the same circular has discontinued the use of status reports as a basis of supply.¹¹

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pp. 1-3.

Certainly the submission of status reports in a requisition system is an unnecessary duplication of effort.

The use of status reports will indicate immediately an unbalanced condition of stocks. When there is an excess of certain items in a theater, the non-submission of requisitions for those items would not indicate the excess.

The status report system could be made to allow for local procurement very easily, merely by reporting the amount of supplies locally available.

The combined use of status reports and approved operational projects by the supply agencies in the zone of interior would serve to supply the needs of the theaters for such operational supplies.

The status report system would not be as sensitive to slight trends changing the supply picture as would the requisition system. However, close liaison as to these changing trends and nature of operations plus the probable better and more extensive communications of the future should enable the status report to function satisfactorily. Close liaison and better communications should also prevent any possible faulty interpretation of theater needs by the zone of interior. There would be the possibility that unless very close liaison existed, the theater would not get the necessary supplies at the proper time.

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