

THE TRANSPORTATION ADVISORY GROUP
IN THE
OFFICE OF THE QUARTERMASTER GENERAL
1941 - 1942

Monograph prepared by
Mr. C. C. Wardlow
Office of the Chief of Transportation
Army Service Forces

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THE TRANSPORTATION ADVISORY GROUP

Towards the end of 1940 the problems of the Quartermaster General, as transportation and traffic agent of the War Department, began to pile up. The movement of troops, supplies and construction materials was increasing rapidly with the growth of the Army under the Selective Service Act, the construction of cantonments, the development of new bases in the Atlantic and the strengthening of our Pacific outposts. The Army transport fleet, which prior to the emergency had consisted of only ten vessels., had been augmented by purchase and charter, but additional tonnage was needed and was becoming increasingly difficult to obtain. In view of the large Army supply program adopted during the summer of 1940, as well as the mounting orders for war materials placed in the United States by the British, a growing strain upon the domestic transportation system was foreseen. The transportation debacle during the first year of the last war, arising largely from lack of proper control over the movement of freight traffic and the utilization of railway equipment, was an unpleasant memory. In December, Major General E. D. Gregory, the Quartermaster General, decided to appoint a Transportation Advisory Group, with representatives from all branches of the transportation industry, to assist him in dealing with the situation.

Having established the personnel of the Group, a meeting was called for January 9, 1941 in the offices of the Quartermaster General, Washington. The original membership was as follows:

Mr. Harry D. Crooks, President, Crooks Terminal Warehouses,
Chicago.

Mr. Alexander Dann, President, Union Barge Lines, Pittsburgh.

Mr. John M. Franklin, President, United States Lines, New York.

Mr. Arthur M. Hill, President, National Association of Motor Bus
Operators, Washington.

Mr. R. C. Morse, Vice-President, Pennsylvania Railroad, Philadelphia.

Colonel L. W. Oliver, U. S. Army.

Mr. John L. Rogers, Commissioner, Interstate Commerce Commission, Washington.

Mr. Ted V. Rodgers, President, American Trucking Associations, Washington

Mr. C. R. Smith, President, American Airlines , Inc., New York.

Mr. C. C. Wardlow, Sole Arbiter, Trans-Atlantic Passenger Conference, New York.

All members attended the meeting except Mr. Dann, who was ill. The roster remained unchanged during the Group's existence, except that Mr. C. R. Smith resigned in April 1941 and was replaced by Mr. Edgar S. Gorrell, President, Air Transport Association of America, Washington. Aside from the Chairman, Mr. Wardlow, the members had no official connection with the Office of the Quartermaster General, but were to serve without pay as consultants. The Chairman became a full-time member of the Quartermaster General's staff, attached to the Transportation Division.

In his address at the meeting of the Group, the Quartermaster General explained the general scope of his transportation interests and outlined four principal results which he hoped to achieve, namely: to increase the efficiency with which the means of transportation were utilized by the Army; to so use the respective forms of transport - water, rail, highway, air - that the various types of military traffic would be served most effectively; to plan lines of communication, both for the zone of the interior and the theater of operation, that would assure an even flow of supplies to the troops and reduce the volume of supplies tied up in transit or in storage; to forecast the problems and the needs in the transportation field in case of a major emergency. The remainder of the meeting was devoted to a further analysis of these problems, with the aid of the Chief of the Transportation Division, Colonel D. C. Cordiner, and a discussion of the committee's modus operandi.

The plan of operation was that the Quartermaster General would refer problems to the Group, or to individual members, for consideration and advice, and that the members would initiate proposals for consideration by the Quartermaster General, affecting their respective fields or the transportation situation in general. The Chairman was to serve as intermediary in respect to communications passing in either direction, coordinate the members' proposals, and where necessary harmonize divergent views. It was recognized that representatives from different and in some cases competing transportation systems would not see eye to eye on some issues.

As the activity developed it became evident that it would not be necessary or advisable to call the Group together frequently for round-table discussion. The problems referred to the Chairman generally concerned only one or possibly two forms of transport. The individual members were preoccupied with their respective businesses, and were to a greater or lesser degree committed to policies and programs indigenous to those fields. It soon was recognized that their chief service

to the Quartermaster General would lie in their individual contributions as expert consultants. As a matter of fact, no further meetings of the Group were arranged. A member was called into consultation when advice regarding his special field of interest was needed, or consulted by the Chairman through correspondence. In this way the Group contributed substantially to the solution of some of the Quartermaster General's pressing problems. A change in the personality of the Chief of the Transportation Division took place in March 1941, Colonel T. H. Dillon assuming the post, and under the new regime this plan of procedure was found the more workable.

One of the most urgent needs of the Transportation Division, in view of the difficulty of obtaining ships, was for a reliable estimate of the volume of War Department supplies which it might be required to move to overseas bases. A study along these lines had been in progress in the Division for about six months, but without satisfactory results. Inquiries initiated by Colonel Oliver, acting for the Group, quickly disclosed the reason. The supply arms and services simply could not forecast how rapidly industry would be able to make deliveries under the existing Army Supply Program, or to what extent that program would be subject to revision. Not until the end of the summer (1941) was it possible to obtain reasonably reliable figures from the supply arms and services regarding their export plans for the, fiscal year 1942. On the basis of these figures an estimate of War Department tonnage to be moved overseas during that year was prepared by the Chairman of the Group, who meantime had been designated also Chief of the Traffic Control Branch of the Transportation Division.

On the larger question of the prospective overall traffic increase, it was found that an estimate of railway traffic in the United States during 1941 and 1942 was being prepared through the cooperative efforts of the Association of American Railroads and the Bureau of Research and Statistics of the Advisory Commission to the Council of National Defense. This estimate, which was promulgated initially at the end of January 1941 and revised during the following May, probably gave as accurate a forecast of the inland traffic load as could have been made under conditions then prevailing. The railroads had kept the question of new rolling stock constantly alive, but were disposed to place orders conservatively, since for a decade there had been a considerable excess of equipment over traffic. As regards overseas shipping, the Maritime Commission had been stepping up its construction program gradually to meet foreseeable requirements, and was prepared to continue this process as the international situation developed.

In its endeavor to build up the Army transport fleet, the Transportation Division had been working in close coordination with the Maritime Commission. Early in 1941, however, the Commission began to show resistance to the requests of the armed services for additional tonnage. On January 24th Mr. Franklin submitted to the Chairman of the Group a memorandum pointing out the disadvantages of permanently assigning vessels to specific services and the greater flexibility to be achieved by keeping as much tonnage as possible in a national pool. This point of view received presidential sanction in a memorandum from the White House, addressed jointly to the Secretaries of War and Navy and the Chairman of the Maritime Commission under date of February 4, 1941. All signs pointed to a growing suspicion that the Army and Navy were acquiring ships with a view to possible future needs rather than immediate requirements, thus unnecessarily removing them from essential commercial services. A point also was made of the

fact that vessels taken over by the Army usually returned to the United States with considerable empty space, while essential imports could not be moved because of lack of space on homeward-bound commercial ships.

Convinced that the Army's requests for additional ships were essentially conservative and that its situation and attitude were not sufficiently understood, the Chairman of the Group recommended adoption by the Army of a definite policy on the points at issue, and a clear enunciation of that policy to the Maritime Commission.¹ Four suggestions as to policy were offered for consideration: (1) that the War Department undertake to purchase additional vessels only when such tonnage was needed for the regular and permanent servicing of Army establishments; (2) that tonnage required only for a period be chartered or obtained on loan from the Maritime Commission; (3) that the commercial steamship lines be used by the Army to the greatest practicable extent; (4) that any extra cargo space on Army transports be made available to other Government departments. Although not formally enunciated, the first three points gradually found recognition in the day-to-day negotiations between the Transportation Division and the Maritime Commission. Acting under an opinion of the Judge Advocate General, rendered in 1918, decision was made in March 1941 to lift strategic raw materials for the Reconstruction Finance Corporation on Army Transports, and this decision proved of considerable benefit to the stock-piling agencies of the government.²

As a large shipper, the War Department had a definite interest in the rising level of ship charter rates, resulting from the scarcity of bottoms to lift the country's growing overseas traffic. With a view to forestalling a further rise of rates to altogether unjustifiable levels, as had been the case in World War I, the Chairman recommended that the War Department approach the Maritime Commission regarding the establishment of some form of control.³ The British had found such control necessary in 1915 and their so-called "blue book rates" had proven salutary. The necessary authority for such control by the Maritime Commission already existed where non-citizens were concerned, but not in respect to transactions between United States citizens. The subject was discussed with Maritime Commission representatives in the early days of March 1941. On March 11th the Commission addressed a memoranda to the owners of vessels of American registry, requesting them to submit any proposed charters to the Commission, and to secure its concurrence before accomplishing such charters. The Commission's plan at that time was to use persuasion as a means of controlling rates, rather than prescribing the rates or requisitioning the ships. This type of informal control did not prove adequate for long, however, and was replaced by the so-called Ship Warrant Act of July 1941, which gave the Commission adequate control over rates, as well as the routes on which vessels might be operated.

The Joint Military Passenger Agreement, which was negotiated annually between the several railway passenger associations on the one hand, and the War Department, Navy Department and Marine Corps on the other hand, included provision for a percentage reduction from tariff rates in favor of the armed services. The agreement also provided in substance that bus lines and airplane lines would not be considered by Army transportation officers except in cases where the services of the rail and steamship lines were inadequate to meet the military necessities. Before approving renewal of this agreement for the fiscal year 1942, the Chief of the Transportation Division requested the comments of the Chairman of the Transportation Advisory Group. Inquiry developed that the wording of the agreement had been so interpreted by Army

transportation officers that troops sometimes were forwarded by circuitous and inconvenient rail routes, when much more satisfactory transportation could have been provided by the bus lines. Criticisms and complaints had been received by the War Department on this account. Accordingly it was recommended that the language of the agreement be modified to permit routing by bus and air lines in cases where these carriers could provide the more satisfactory service to meet the military requirements.⁴ An appropriate modification of the agreement was made.

Mr. Rodgers, representing the trucking industry, sponsored a request from the Household Goods Carriers Bureau for a review of its thus far ineffective protest against the Army's procedure of bid and contract as applied to the shipment of the household goods of military personnel. The Bureau contended that the procedure was discriminatory, since the Army shipped its own property and the personal effects of its civilian employees on government bills of lading; that the employment of competitive bidding, rather than the payment of tariff charges, had the effect of beating down the rates and hence was contrary to the spirit of the Transportation Act of 1940; and that the bid procedure attracted only the less responsible carriers and hence subjected the shipments to delays and dangers caused by inferior trucking equipment and unskilled personnel. The War Department claimed that the contract procedure enabled it to specify certain conditions which were highly desirable in connection with the shipment of household goods by motor, to establish in advance the total cost of shipment, including the highly elastic assessorial charges and to make special provision for submission by the carriers of performance bonds and certificates of insurance. After a careful review of the subject and coordination with the Interstate Commerce Commission, the Chairman of the Transportation Advisory Group reported that the bid and contract procedure seemed warranted under the circumstances.⁵ Accordingly, the carriers as well as numerous members of Congress whom the carriers had inspired to file inquiries and protests, were notified that no change would be made.

On January 27, 1941, Mr. Dann called attention to the fact that certain Ordnance plants, in locations served by the Mississippi River system of inland waterways, had made no provision for the use of barge services and apparently intended to rely entirely upon the railways. Inquiry into the general question of shipping by inland waterway disclosed that in the interest of speed, which at that time was a paramount consideration with the Army, the use of rail transportation was favored almost unanimously. There were other considerations in individual cases, but the time element was the prevailing argument. However, the potential value of the inland waterways as a relief for other forms of transportation in case of war was obvious, and the chairman of the Transportation Advisory Group recommended that the entire question be given careful study under the guidance of an expert in river transportation.⁶ This recommendation was not acted upon immediately, but with the over-all growth of traffic the use of the barge services gradually increased, and in June 1942 a special unit was added to the Army's transportation organization to foster the use of those services.

The shortage of aluminum from the huge aircraft program necessitated curtailment of the use of that metal in other directions. Early in March 1941, Mr. Hill and other representatives of the motor bus industry pointed out that the production of new buses had been seriously affected by the Office of Production Management's aluminum priorities, and requested the support of the War Department in its application to OPM for a readjustment. The Chairman of the Group

explored the matter with the Minerals and Metals Executive of the OPM Priorities Division, and upon his recommendation a letter was addressed to that office by the Quartermaster General, pointing out the interest of the War Department in the maintenance of adequate bus service, and requesting that this interest be taken into account in determining the relative importance of the bus industry's aluminum requirements. With military airplanes so extremely vital and the production of aluminum as limited as it then was, a stronger plea on behalf of the bus operators could not be made consistently.

In January 1941, the War Department experimented with the use of motor carriers for mass movements, and approximately 1800 men of the 153rd Infantry Regiment, Arkansas National Guard, with their equipment, were transported by bus and truck over distances ranging from 25 to 200 miles for their mobilization at Camp Robinson. The results were considered satisfactory, although the experiment revealed many details concerning which further planning and experience were necessary. In this instance the carriers were given several weeks in which to formulate their arrangements and assemble the necessary equipment. Anticipating that the motor carriers would be needed for emergency movements in case of an attack upon our shores, the Chairman of the Group undertook to develop, with the National Association of Motor Bus Operators and the American Trucking Associations, what services they would be able to provide on twenty-four hours notice. For this purpose specific pick-up and delivery points were specified, at distances up to 500 miles apart, and routes were chosen in various parts of the country. The problem was based upon 5,000 men with 100 pounds of equipment each in the case of the buses, and convoys of 50 and 100 vehicles in the case of the trucks. The resulting studies disclosed not only the areas where the greatest difficulty would be encountered in assembling equipment, but many collateral difficulties such as messing arrangements, interference with essential commercial traffic, rates of hire, etc. A corresponding problem was presented to the air transport industry through Mr. Smith, its representative on the Group, but as it developed that a similar study was being made under the auspices of the Army Air Corps, the matter was not pursued.

Under Army regulations, it was not permissible to employ so-called freight forwarders, or freight consolidating companies, for the shipment of either public or personal property.⁷ This regulation rested primarily on the fact that the forwarders, who made their profits by charging the shippers less-than-carload rates, then consolidating the shipments and paying the railways the lower carload rates, were not entitled to land-grant reductions on their consolidated shipments. It was difficult, on the other hand, for Army transportation officers to determine without considerable expense and delay in which instances the complicated land-grant rates were advantageous and in which the forwarders offered the most economical service. With the coming of the emergency, certain freight forwarders calculated that their earnings on War Department LCL shipments in non-land-grant territory would enable them to equalize the land-grant rates and still make a profit. Accordingly, they began pressing for cancellation of the prohibitive Army regulation. The question was referred to the Transportation Advisory Group and after due inquiry the Chairman recommended against an immediate change.⁸ The forwarder's ability to carry out an overall equalization of land-grant rates was doubtful, their status as carriers not yet subject to the Interstate Commerce Act was uncertain, and the advantages which their services offered to other shippers were not equally applicable to the War Department. The report recommended, however, that pending the disposition by Congress of proposed legislation to

bring the forwarders under Interstate Commerce Commission regulation, the War Department make a detailed survey of their services with a view to determining whether they might be advantageously employed on certain routes. Subsequently the ban against the use of freight forwarders was lifted and the employment of certain approved concerns was authorized. The need for their services was greatly reduced, however, by the concurrent action of the War Department in establishing its own consolidating and distributing agencies at the more important traffic points.

At the meeting of the Transportation Advisory Group, representatives of the War Department had argued that the truck and bus carriers establish their own military bureaus, similar to that maintained by the railways for handling and expediting requests from the Army for equipment, rates and other service. This matter was kept alive by the Chairman of the Transportation Advisory Group, and it was given careful consideration by officers of the National Association of Motor Bus Operators and the American Trucking Associations. In the end, however, it was decided that such special staffs were not necessary. In other words, it did not develop that the motor carriers were called upon to handle large concentrations of traffic, as were the railways, and it became apparent that the Washington headquarters of the respective associations would be able to deal with such problems of coordination as might arise.

In June 1941 the Quartermaster General referred to the Transportation Advisory Group a request from Acme Truck Rentals, Inc., of Detroit, for a letter supporting its application to the Defense Plant Corporation for financial aid in procuring 200 new tractors and 300 new trailers. The application was made on behalf of the Interstate Motor Freight System and about sixty relatively small truck carriers whose equipment was managed by Interstate. The Chairman, after consultation with Mr. Ted V. Rodgers as representative of the trucking industry, and Mr. John Rogers of the Motor Carriers Bureau of the Interstate Commerce Commission, as well as representatives of several other interested federal agencies, recommended against compliance with the request.⁹ The recommendation was based upon a variety of reasons, the principal one being that the need for government aid by the Interstate group, and by the trucking industry as a whole, had not been satisfactorily established. It was apparent that the acquiescence in the request under consideration would lead to a flood of similar requests for other motor carriers who for one reason or another were unable to obtain private financing for desired new equipment.

With the rapid increase of Army installations in the United States, the need for foresight, from a transportation standpoint, in the selection of locations and the careful planning of layouts was apparent.

In June 1941 the Chairman of the Troup arranged with the Quartermaster General, who at that time had charge of construction, for the submission of all contemplated locations for camps, depots, etc., to the Transportation Division sufficiently in advance of final selection to afford opportunity for study and recommendation. The first result of this arrangement was a request by the Quartermaster General for site proposals for new quartermaster depots in New Jersey, Texas and southern California. Recommendations were submitted by the Chairman, after consultation with interested railways and chambers of commerce, and coordination with the Commercial Traffic Branch of the Transportation Division. In general, the effect of the arrangement was to

give the Transportation Division an opportunity to pass upon the transportation aspects of many new installations, but the plan was not uniformly carried out, largely because of the pressure under which the sponsoring arms and services, as well as the Quartermaster General's Construction Division, were obliged to work in providing facilities to meet the rapidly growing requirements.

At the Group meeting in January, Mr. Morse suggested that the several branches of the transportation industry would welcome any information which the War Department might pass to them, indicating the problems encountered by the transportation lines the warring countries of Europe and the means and methods which had been developed to meet these problems. The effect of blackouts and bombings upon operation of transportation equipment, arrangements for emergency repairs to railways, highways and airfields, replacement of skilled personnel lost to the armed services, were matters of special interest. The Chairman arranged to see copies of confidential reports submitted to the Army by United States military observers in Europe, and forwarded pertinent extracts from these reports to the respective group members. The amount of useful information so obtained was limited however, since the reports from Europe around that time dealt mainly with military and political matters.

Early in his incumbency the Chairman undertook to crystallize opinion regarding the need for and means of achieving greater coordination between carriers, and between railway, highway, and inland waterway services, in order to achieve maximum efficiency in the use of equipment. It seemed inevitable that such efficiency would be required in case the country should enter the war, and that competitive practices which traditionally were tolerated in time of peace would have to be scrapped. In an address at the annual meeting of the Chamber of Commerce of the United States, held in Washington on April 30, 1941, he advocated that this question be given immediate study with a view to developing well-considered plans and practical methods of implementation prior to the crisis arising. Soon thereafter the subject was more fully developed and copies of a memorandum outlining his views were handed to the Chief of the Transportation Division and to the Transportation Branch, G-4. The proposal was discussed also with the Transportation Commissioner, Advisory Commission to the Council of National Defense. The problem was not within the recognized scope of the War Department, although the Army had a very direct interest in its solution; rather it was one to be worked upon by the carriers themselves, or by a federal transportation agency with overall jurisdiction. Although a certain amount of lip service was given to the idea, no definite action was taken until after the attack upon our Pacific bases had precipitated the nation into war. This event quickly resulted in the establishment of the Office of Defense Transportation by executive order of the President.

A variety of other matters passed over the desk of the Chairman of the Transportation Advisory Group, of which the following are mentioned by way of illustration. Many offers by port authorities and shipping concerns to place their facilities at the disposal of the War Department were studied and decisions formulated. Assistance was given in the preparation of plans for setting up a Traffic Control Branch in the Transportation Division. A working basis was established, in conjunction with the Quartermaster General's newly formed Salvage Branch for the use of luxury transports and port facilities in delivering scrap metals accumulated at the overseas bases to scrap dealers in the United States. Recommendations were submitted with a view to having surveys made of terminal facilities at the principal United States ports, and plans

prepared in advance for the rehabilitation or adaptation of such facilities to meet the Army's requirements in case of war. The prospective need for additional barges and cargo handling equipment at home ports and overseas was surveyed and the accumulation of a stock of such equipment was urged.

On July 1, 1941 the Chairman of the Transportation Advisory Group became also the Chief of the Traffic Control Branch, and some of the matters handled in that dual capacity are dealt with in a separate monograph relating to the latter organization. Among those matters was the establishment of reserve or transit storage depots to assist in regulating the flow of traffic to the ports and forestalling congestion at the seaboard. The need for such depots and their place in the Army transportation set-up had been extensively discussed at the meeting of the group in January. It soon was obvious that lend-lease supplies would require transit storage space on a large scale. Plans for the construction of two of that proved to be a series of ten depots were formulated during July, and Mr. Crooks, as a member of the Group, gave valuable assistance in this work.

With the entrance of the United States into the war, the entire transportation picture changed. The War Shipping Administration and the Office of Defense Transportation were established, with broad powers over ocean and inland transportation operations. The reorganization of the Army in March 1942 took transportation out of the jurisdiction of the Quartermaster General and established an independent Transportation Service, later to become the Transportation Corps. The new headquarters commissioned many officers with extensive experience in the private transportation industry, and expanded its field organization in many directions. With these changes, the need for calling upon members of the Transportation Advisory Group seemed past. The Group was not formally discontinued however, until January 9, 1943, just two years after it was first convened.

The Transportation Advisory Group did not build up a staff. The Chairman's plan was to utilize the personnel of the Quartermaster General's Transportation Division, the associations of carriers which had headquarters in Washington, and the several federal agencies concerned with transportation, when technical aid or research assistance was required. Since the group functioned in a consultative as distinguished from an executive capacity, this arrangement proved adequate.

Footnote Page

¹ Memoranda to Chief, Transportation Division (Cordiner), February 6, 1941 and February 19, 1941.

² A supporting opinion of the Judge Advocate General was given in a memorandum to the Assistant Chief of Staff, G-4, October 17, 1941.

- ³ Memoranda to the Chief, Transportation Division (Cordiner), March 6, 1941, and to his successor (Dillon), April 4, 1941.
- ⁴ Memorandum to the Chief, Transportation Division (Cordiner), February 12, 1941.
- ⁵ Memorandum to the Chief, Transportation Division (Cordiner), March 11, 1941.
- ⁶ Memorandum to the Chief, Transportation Division (Dillon), April 30, 1941.
- ⁷ AR 30-905, C-2, par. 13-b.
- ⁸ Memorandum to the Chief, Transportation Division (Dillon), April 4, 1941.
- ⁹ Analysis of the question and preliminary recommendations were given in a memorandum to the Quartermaster General, June 30, 1941, and final disposition of the matter by the Quartermaster General was made in a letter to the Transportation Commissioner, Advisory Commission to the Council of National Defense, August 22, 1941.