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RATIONING AS AN ESSENTIAL TO FOOD CONSERVATION AND EQUITABLE DISTRIBUTION, INCLUDING CONSIDERATIONS OF VARIOUS METHODS*

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By this fourth year of the present world war, the majority of nations has adopted some form of food rationing. Some countries went so far as to ration strictly and with few exceptions nearly all foods, to all their people on farms and in cities alike, from the first days of the war. Both in the extent and in the methods applied, rationing today differs considerably from the preliminary and experimental stage that it attained in World War I. As a process of a centrally managed and planned economy, the theory and execution of rationing have advanced with the progress made during the last two decades in the exploration of and experimentation with this type of economic policy.

We understand by rationing the act of governmental control of the maximum rate at which individual consumers are permitted to purchase specific classes of goods in the market, an act which is aimed at regulating the rate of consumption. Although usually applied in view of present or threatened shortage, such a policy does not necessarily presuppose absolute shortage, existing or even anticipated, but may be adopted for other purposes such as the creation of reserves, the boosting of exports, or the diversion of purchasing power to other goods.

Recently America has witnessed the typical sequence of events in the market which prompts public demand for rationing. Retail supplies of certain foods were too small to satisfy all the customers. The rumor spread that the shortage would become serious and chronic. Consumers with time, money, and inclination began to raid stores and to hoard. This made the shortage more acute. Retailers resented the store-raiders, but were loath to refuse to sell them all they could pay for. The people who came last and who could not be served felt that injustice had been done. Since prices were already frozen by government policy, local shortages could not attract greater supplies via better prices. Some consumers began to pay higher-than-ceiling prices for food obtained from sources other than the regular retail trade. At that stage rationing was put in force. The government had not waited for such developments, but planned rationing long in advance in order to bring the war economy's vital food sector and food prices under central control.

Before we discuss various aspects of rationing, the question must be raised why freely moving prices would not adjust the supply-demand situation as they do in peacetime, and why the maintenance of the price automatism would not make rationing unnecessary. The answer is that freely rising prices might perhaps bring about those adjustments in production,

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supply, processing, storing, distribution, and consumption so that a new equilibrium would be attained, but that many of the adjustments would be detrimental to the operation of the war.

By necessity of warfare an increasing proportion of productive resources must be diverted toward war needs. Hence the food sector must not expand indiscriminately at the expense of war industries. An increasing proportion of the existing food output must be diverted to the armed forces and to allies. Imports of food must be kept in line, with priorities for available shipping space given to war necessities. High food prices would curtail consumption, but they would discriminate against the low-income groups by making many types of food inaccessible to them. All these considerations speak against a policy of letting prices of food rise freely. However, free movement of food prices becomes even more objectionable because it sets in motion a spiral of inflation of all prices and wages with its dislocations in the financial structure, its evil social effects, and its destructive aftermath. Rationing superimposes quantitative governmental control upon the power of prices to regulate the use of resources, and the flow of goods into consumption.

Thus, as soon as a major proportion of the economy is devoted to the prosecution of war, a policy of freely moving prices for food becomes untenable. Prices will be controlled by public authority. With a greater volume of business and higher payrolls, and limited supplies of many goods other than food, controlled or frozen prices enlarge the purchasing power of consumers for food. This puts still greater emphasis on the necessity of rationing, because otherwise demand for the preferred foods would exceed supply even more quickly.

There can hardly be serious disagreement about the necessity of food rationing in wartime when any major degree of shortage of important specific foods develops. Difference of opinion comes to the fore when the aims of rationing are defined. A nation engaged in war must try to secure, for the duration of the war, a distribution of available food supplies among civilians which meets the following basic requirements:

1. It must prohibit the lowering of the levels of health, especially among children.

2. It must secure for all workers rations sufficient to maintain strength and efficiency under the strain of long hours.

3. It must do its part to keep up morale by prohibiting gross injustice and establishing an equitable share for all in the national food basket.

4. It must fortify the control of food prices as an anti-inflation policy.

In other words, nobody shall go hungry, nobody shall become ill because of a lack, shortage, or deficiency of food supplies, nobody shall do a poor job in his work because he cannot obtain proper food, nobody shall feel that some people are hoarding and gorging or speculating in food while others cannot get what they need, and food prices must not get out of control.

This sounds simple, yet in planning a rationing policy, many controversial issues have to be met. It is, for instance, a well-known fact

that in times of peace some people go hungry, some get sick or never reach real health because they do not buy enough, or, more often, the proper food, and for the same reason quite a few people do a poor job in their work. There are also always some people who claim that the distribution of food is unfair because it follows the diversity of income. The question arises whether food rationing should attempt to safeguard the existing peacetime pattern of food consumption, or whether it should break with that pattern and reorganize the distribution and consumption of the nation's food. Neither of the two extreme courses seems practicable. The latter would require a distribution which disregards income. The former would attempt to perpetuate under public control anomalies for which, in times of peace, people bear their own responsibility, but which in time of compulsory collective action and conscripted life and wealth would undermine esprit de corps. Yet some reasonable and practicable policy must be drafted. Obviously, it can be found only in intelligent compromise.

To begin with, it should be noticed that rationing does not directly solve the problems of consumption. It must not and cannot regiment the food economy to the extent that it determines how much of what sorts of food people shall buy and how much of it they must or will eat. If that were the goal the best method of attaining it would be to feed all the people in public canteens, a practice both undesirable and impracticable. Food rationing must try to grant claims against the total supply for civilian consumers in an equitable way, and leave it to them whether they will or can avail themselves of that opportunity. In the United States the people assume the right to pass to their fellows ration coupons which they do not use, although it is against the law, opens the gate to a multitude of serious violations, and renders control ineffective. To guarantee that the food to which such allowances have been granted can be purchased by consumers who are too poor to buy the necessary minimum of food requires additional administrative action. Rationing makes coupons available, but not the food itself.

However, the technical side of food rationing, namely the distribution of maximum claims against the national pool, is far from being simple arithmetic. The greatest difficulty lies in finding proper guideposts for establishing equity. The over-all pattern of the American national diet covers the greatest diversity of dietary habits of regions, and of racial, religious, and other social groups. If one could administer rationing under an over-all national policy but on a regional and local basis, it would be possible to adapt the system much better to habitual dietary preferences, and thereby to the normal flow of supply to the retail trade. I surmise that centralized uniform rations cause a great waste in transportation and distribution resources. In such a vast and diversified territory as the United States, administrative problems can be solved only through much decentralization. While national unity may superficially call for uniformity of rationing, it is certain that unity will be strengthened most by a rationing system which functions smoothly and upsets the normal economy as little as possible. We have chosen differentiated regional rationing for gasoline. Though this did not establish equality, it was felt that the privation should not be carried beyond necessity for the sake of equality.

If rigidly applied, uniformity may lead to such radical departure from the allowances for the habitual diet in certain regions or groups that it generates feelings of injustice and leads to disobedience. It will be seen later that it is possible to provide enough latitude in the rationing system to eliminate the worst features of nation-wide

uniformity.

The best paragraphs in the unwritten code of what the people consider equitable and just in rationing seem to maintain that equality requires unequal or preferential treatment of pregnant and nursing mothers, of children, and of invalids. They all should obtain an above-average share in certain types of protective food such as milk. Such exceptions become more necessary as soon as rationing is expanded to many foods and as ration limits are tightened. However, the same unwritten code says nothing or contradicts itself when it comes to questions like these: Should a person weighing 250 pounds have the same ration as a person weighing 125 pounds? Should a strict vegetarian have the same ration as an omnivorous eater? It is quite possible, by too rigid and too uniform a system of rationing, to create hardships to individuals which are almost as unbearable as the hardships entailed in the absence of rationing.

All these considerations may serve as a general orientation of what is desirable from the standpoint of the civilian population, and what psychological requirements the government's rationing policy must meet.

It might be inferred that instead of considering the psychology of the people, rationing should concern itself exclusively with the physiology of nutrition and be guided by nothing but the requirements determined by a council of nutritionists such as the Food and Nutrition Board of the National Research Council. Valuable advice can certainly be obtained and should be taken from experts in nutrition. The existing food pattern, however, which is deeply anchored in types of production and distribution, must be the basis of all calculations.

Nutritional scientists will make their greatest contribution by acting as guardians of minimum requirements in rations and as consultants on desirable adjustments in production. As long as rations based on empirical supply-demand considerations do not strike below the danger line of health, nutritionists should not seek to interfere with the bulk of food distribution, but instead concentrate on suggestions for supplementing rationing at critical spots.

As the responsible administrator and general manager of the national war economy, the government itself has to cope simultaneously with the control of supply and demand and the fight against inflation.

It is one of the first principles of rationing that commodities must not be rationed if they are in such abundant supply that even expanded consumption cannot create shortage. Hence various countries have left flour, bread, and potatoes ration-free. Indeed, it is a cardinal point of British policy to insure abundance of such staples. If people shift to a higher consumption of these basic foods, it will be a gain for the food administration. Shifts in consumption are one of the important features in a rationed economy. Rations below demand lead inevitably to increased demand for other items. Such shifts must be anticipated and met by appropriate methods.

The total amount of a food commodity to which civilians shall be granted allowances, i.e., rations, must be determined by a procedure of allocating shares in the available supply to different groups of claimants according to their priority rank and their adjudicated requirements. One of the chief needs of a war food administration is to keep the total volume of civilian consumption in check as a protection for the other claimants as well as protection for the price system. This must be accomplished partly through open-market purchases and various quantitative restrictions

in the wholesale trade, but partly it must be safeguarded through rationing.

Whatever amount is allocated to civilian consumption must then be subdivided by some key. Rationing means the splitting of the total share of all civilians to a certain available or expected supply into portions for every individual civilian. At this point the various principles of equality must be expressed in terms of pounds and ounces (or money units) of specific commodities or groups of them. The simplest solution is to divide the national civilian allotment equally among all living souls--children, adults, workers, and retired people alike. This, of course, gives the children and thereby large families relatively too much, and the heavy physical workers too little. Yet many countries have chosen this method for foods such as sugar, jam, cheese, eggs, etc. Great Britain applies it essentially to most foods except milk, cheese, and some vitamin-bearing fruits. While it does not establish the greatest possible equality, it assures more equal distribution than without rationing, and it is simple to understand and simple to administer. The requisite differentiation of food supplies is attained in Great Britain by supplementary institutions.

If the available total food supply is so small that it demands the utmost thrift, justice and equality gain in importance, and the supplies accessible to individuals need to be adjusted to age, sex, family status, type of work, and health condition of the consumers. If attempted by special rations, such differentiation leads to many more technical difficulties than appear at first glance. Not only does it require a vast amount of additional administrative work, personnel, and costs, but it also calls for continuous adjustment of individual rations whenever the rationing status of the consumer changes. Moreover, such differentiation begins to exert a certain pressure toward changing the status. This may or may not be desirable. In any case, it leads to more administrative work and opens more lanes for violation of the law. Such a system can function well only if a competent civil service can count on the widest co-operation of the food trade, and of the consuming as well as the general public. Inefficiency in handling files and records, many errors, and long hours of waiting at rationing offices all tend to undermine the rationing morale. Generous grants of sick rations by doctors or misclassification of workers by their employers for the sake of securing high rations operate toward the same end. Yet there are countries where all the prerequisites for and efficient administration of a highly differentiated rationing system exist, and where it functions satisfactorily.

The differentiation according to the type of work does not eliminate one dilemma which all food rationing has to face. Food production is more widely decentralized than production of any other goods. If equality were the supreme law, farmers would have to be treated like all other people. However, no government yet has found a method of enforcing such rationing. All governments are eager to stimulate agricultural production in war. One compromise consists of applying consumer rations to producers but not attempting to enforce them. Another is omitting farmers from rationing altogether. In the latter case, certain restrictions upon the sale to individual consumers are imposed on farmers. The system applied at present in our country, namely to grant 30 million farm people full consumer ration books irrespective of their home supplies is in the long run untenable, and calls for an early adjustment. Another problem concerns the farmers' direct sales of food to non-farm consumers. Simply to suppose that the farmers will sell against coupons is no solution, and

simply invites more violations of the law. If there is to be a feeling of fairness and justice among urban consumers, it is necessary also to keep the gift distribution of food by farmers among their non-farming friends within strict limits.

Another loophole in food rationing lies in the small-scale home production of food by consumers which may, if uncurbed, jeopardize the entire rationing system. If millions of people start feeding pigs and goats and chickens, besides cultivating "victory gardens" to supplement their rations, the government may be forced either to deduct this home production from rations or to curtail feed and fertilizer supplies available to them.

These illustrations may indicate the difficulties of establishing equity, diminishing food privileges, and enforcing the law. They all lead to the conclusion that any policy of rationing finds itself in the same straits as do tax policies. Both have to compromise. If they become perfectionist, they hamstring themselves by too complicated and costly administration. Aside from this technical angle, they have to compromise between different aims. The difficulty of enforcement of the law must be met by choosing the most enforcible rules, not by laxity and weakness of execution.

Apart from equity, one of the other important aims is the maintenance of health and physical fitness for work. Even if the status quo were maintained, much room would still be left for improvement. The necessity of public control of food consumption offers the opportunity for forcing various social adjustments, and beyond that for forcing a general dietary reform.

In England and the United States this has led to energetic efforts by some nutritionists to seize this opportunity to accomplish in war what had not been accomplished in peace. This led to an expansion of school lunches, subsidization of protective foods and special vitamin-bearing foods or concentrates, smaller or larger ration allowances of certain foods, and educational campaigns about diets and health. The general emphasis on the effect of the diet on health and the health-consciousness of the rationing authorities can be regarded as beneficial. It is to be hoped that it will lead to lasting progress in some lines of nutrition. Some authors (10,18) make bold assumptions about the profound effects which wartime regulation of consumption will have upon long-run consumer habits and preferences and the unparalleled opportunity for moulding preferences for the proper food. Some such influence is likely to be exerted, especially by public feeding of children; its long-run effect may be largely overestimated. People like sugar, white bread, tea, coffee, and even alcohol. They still eat, for the most part, what their palate and their purse suggest, and they are likely to relapse into their preferences once the war is over. I for one find it difficult to visualize ten million soldiers coming home and insisting on army rations at home. It seems more probable that they will yearn for the variety of traditional home-cooked food.

On the whole, skilful rationing will not be able to do much more than to maintain the elements of balance and variety in a national diet necessarily changed under war conditions. If this could be attained, it would be a remarkable achievement. At the same time, our War Food Administration must not shrink from the job of adjusting our civilian diet downward from peacetime levels as it becomes necessary to assure victory or reduce the sacrifice of lives at the front. Such curtailment could be arranged so as to make the diet more frugal and coarse, but at the same time keep it above the danger line from the standpoint of health and work efficiency.

Downward adjustments touch upon a critical point of general rationing policy. If rationing serves as much the purpose of maintaining high morale as one of slowing down the wheels of inflation, then it is of utmost importance not to scare the people by the prospect of a gradual deterioration of the food allowance. Before Pearl Harbor it was suggested repeatedly in public that rationing should be introduced to awaken the people to the national danger. Such advice is not in line with the concept of the sovereign people in a democracy who govern themselves. Moreover, if the arbitrary use of rationing to frighten the people is to be excluded, the rationing policy should not let fright creep up on the people. I consider it one of the main principles of a sound war food administration to remove from the public all fear of food shortage (in contrast with shortages of particular foods), and in place of fear to build up well-founded assurance that the matter of food is "well in hand." The execution of this policy requires much foresight and caution, accumulation and maintenance of sufficient contingency reserves, and stabilization of rations at a level that can safely be maintained. Amidst shortage the German war food administration has accomplished the amazing feat of removing the fear of food shortage from the people. Making adjustments only gradually as they become unavoidable, in order to escape making a bad impression on the public, seems to me to be unwise, because it may lead to the necessity of extreme curtailments which could have been avoided by courageous though unpopular earlier action. However, this is a matter of strategy in mass psychology and is therefore open to dispute.

Another consideration of psychology is beyond dispute, although it may not appear so. In all countries people are addicted to certain specific items in their diet and resent too severe curtailment of those more than that of other foods, however absurd such resentment may be from a nutritional standpoint. In England this holds for tea, jam, and cheese; in the United States probably for coffee, sugar, candies, and soft drinks. These public preferences cannot be ignored. Indeed, the more rationing has to curtail essential food items such as butter and beef, the more important looms the need to maintain some supply of these other morale-affecting items.

However wisely the general rationing policy may be conceived, its success or failure will largely depend on the methods chosen to carry out the program. The experience of World War I, in Soviet Russia with rationing in peacetime from 1928 until 1935, and several years of new experience in many countries during the present conflict have accumulated an arsenal of implements for rationing, the variety of which is great enough to offer the administrator a much greater leeway for adapting rationing to particular needs and making the whole system flexible.

Before direct consumer rationing needs to be introduced, consumption can, to a certain extent, be controlled by devices of priority distribution and allocation of food raw materials or food itself to processors, wholesale users, and somewhat even to retailers. In order to curtail the consumption of baking fats, orders may be issued to all commercial bakeries to reduce their consumption to a certain percentage of a base period. This method of allocation is widely used for all sorts of war-essential materials. To make it effective, licenses ultimately must be issued to each establishment. This method has the advantage of simplicity of administration. It involves the establishment of priorities; as in our example of baking fats, a priority for households over commercial bakeries. For moderate curtailment of specific commodities, this method can be applied even to the entire retail system, particularly so long as the consumer has the opportunity to shift to other commodities.

As soon as such restrictions through allocation lead to serious shortages and hence to hoarding and unfair advantage for a few, another device may be introduced which still sidesteps general coupon rationing. This consists of compulsory registration of consumers with a retail store for their purchases of certain commodities. This device prevents "raiding of stores" one by one, or shopping around on the part of those who have the time and inclination to do so. It also facilitates a more equal distribution of existing supplies among the registered customers by the retail store. Great Britain and Germany have successfully used this method for a variety of foods. The main objection to it arises from the curtailment of consumer choice of quality and service. So far as it goes, this objection is valid, although consumers are granted the right to change their registration. By tying customers to a store, savings are made in the retail system due to less fluctuation of business.

For more exacting control of consumption beyond registration at retail, there remains only rationing proper. It can be applied to all foods or only to selected ones whose supply is short. It can be applied to individual commodities or to groups of commodities, and it can take the form of rationing by value or rationing by volume.

Rationing of specific individual commodities is preferable in all cases where a relatively uniform quality prevails in the market, as holds true for sugar, breakfast cereals, flour, coffee, and various other staples. In these cases the simplest form is the allowance of a certain weight per capita.

For other commodities with a wide range in character or quality, for instance meat, cheese, and fats, it is unsatisfactory to make specific allowances, because extreme differences in prices may lead to a great spoilage of unsold goods in some categories and to extreme and unnecessary shortage in others. To avoid this, instructions may be issued to butchers and other retailers to distribute cuts of meat according to certain rules, giving every purchaser a certain share in the preferred cuts of meat if he so desires. This, of course, is a very unsatisfactory solution. Another method, chosen in England, limits the amount of money a consumer can spend on all cuts of meat combined. This value or expenditure rationing balances quality of purchase with quantity, and leaves room for consumer preference and purchasing power. It interferes least with the normal distribution of food, and avoids the dilemma that poorer qualities remain unsold. It has another important advantage. By limiting the total expenditure of each consumer on, for example, meat, it keeps the demand for meat and thereby the price level of all meat in check. At the same time it does not interfere with the prices of different cuts of meat. Therefore there is no stoppage in the channels of trade so easily caused by price-fixing of retail prices for all cuts. Since the consumer has the choice of buying either a small amount of the best cuts or a larger one of the poorer cuts, and since the highest income earners cannot buy more meat than the allowance, experience shows that the prices of the cheaper meats have a tendency to rise and the prices of the best cuts to fall somewhat.

As a method of price and inflation control, the expenditure ration has such advantages that it has been suggested by the Oxford economist, M. Kalecki (11), as a means of rationing all consumer expenditures combined; and a similar plan, with progressive taxation on spendings in excess of a rationed amount, is said to have been under serious discussion in the United States Treasury (18).

Another device operating toward the same result is point rationing. It was applied first by the Germans and later on by the British to textile goods, in order to control the consumption of scarce fibres as well as other raw materials. Recently it has been applied in the United States to meat, fats, cheese, and canned meats and fish, and later canned evaporated milk, for all of which combined the consumer receives a given number of ration points. This method combines two features: it fixes for the goods in the group a limit for the total amount that can be withdrawn from the market, and it establishes a scale of point values for each item within the group. These point values are the equivalent of prices as they would be without ceilings. Thus they substitute for such freely moving prices without affecting the general price structure. They express the relative scarcity of supply in relation to the actual demand. The consumer now buys with two guides instead of one. At least theoretically he considers money prices as well as point prices, and compromises.

This scheme of point rationing applied to a group of competitive and interchangeable food commodities is an ingenious instrument of consumption control. It leaves the consumer considerable freedom of choice so that regional and dietary preferences do not require the administrator's special attention. From the administrative angle it has the advantage of permitting an easy adjustment of point values according to supplies. It also permits the public authority to dodge the responsibility of making available specific items in the ration. Though it is used in the United States in combination with retail price fixing and standardization for every cut of meat, the blanket point system can be used leaving the individual prices of cuts free. The price level of meat can be controlled from the other end of the market and through the restriction of demand by point allowance. The same holds for all competitive grades and types of other groups of foods.

The weakness lies in the lack of any precision in controlling the consumption of a given commodity, a defect which is compensated by the possibility of adjusting the point values from time to time. Another more serious weakness is the cumbersomeness of the system. It involves governmental fixing and adjustment of point values for each item everywhere. It requires much intelligence, alertness, and patience on the consumer's part, and much extra work and expense in the retail trade.

The great variety of rationing methods does not solve all rationing problems, however. If a uniform system of equal rations for all is applied, it is impossible to avoid introducing correctives and flexibilities by additional institutions, such as canteen-feeding for workers, school-feeding for children, and extra or alternative rations for people with various diseases. Despite these correctives the uniform system still has the advantage of administrative simplicity.

There remains, however, a vital need which rationing itself cannot satisfy and which, at the same time, if not met adequately, may corrupt rationing altogether. Rationed food must be available. To make the coupons available on the one hand, but not the food on the other, is worse than no rationing at all, and will lead to riots. The availability of the rations at all times, everywhere, can be guaranteed only by the activity of a powerful, competent, and alert food distribution administration to control or adjust the flow of food in the channels of trade, through retail price relations as well as through the direct movement of supplies taken from contingency reserves. Faulty price relations will play havoc at any time with the even flow of food to consumers, and wreck

the best rationing system. The use of price relations in all stages of the market as the regulator of the flow is the most powerful tool of a war food administration. Hence rationing can be successful only and exclusively if its administration operates in harmony with the administration of the food market. The War Food Administration and the food section of the Office of Price Administration must by necessity be under one head.

And yet, even with perfect co-ordination and integration into the war food economy, rationing has its limitations and pitfalls, of which the rationing authorities and the public ought to be well aware. Some have their roots in the nature of the commodities, and some in the technicalities of rationing, but the most serious ones lie in the psychological attitudes of the people. The most perishable sorts of fruits and vegetables defy rationing. It has also been mentioned that it is next to impossible to enforce rationing among farmers. The invisible yet very real limit to rationing power is set by the willingness of the people to obey. Disobedience takes many forms, such as trading in a black market, circulation of counterfeit or stolen coupons, theft and sale of rationed foods, compulsion to buy unrationed goods with rationed ones, and sales to certain customers of more goods than they have coupons to cover against sufficent bribe. The black market and counterfeit coupons are the worst of such criminal activities. The black market is the continuation or the revival of a free market outlawed in favor of a planned market. Since every rationing authority is aware of the danger, a drastic penal code operates to strengthen the morale of the people. Many countries have imposed the death penalty for the worst violations of rationing law with the result that prices rose in the black market because of added risk. In our country we have put a fine of up to $10,000 or 10 years in jail into the rationing law.

The experience with rationing in all countries, as well as with Prohibition in the United States, has shown that it is not intimidation but general approval by the public which will enforce such a law. One need not elaborate the fact that the temptation to break the law is a direct function of the pressure that is put on by the restriction of food supplies. A rationing system which distributes as much or almost as much as the people would consume anyway has little to fear from a black market. What requires some emphasis is the relation between the fairness and general performance of food distribution by rationing under increasing curtailments. The more privations have to be imposed upon the public, the more in tune with the sentiments of the public the rationing policy must be. Enforcement of the law and constant policing and checking of compliance with it is a vital necessity. One must not allow a weak policy to become established.

At the same time, it must be realized that it is virtually impossible to prevent some leakage and some bootlegging of food, no matter how good the policy or how good its execution may be. One must be satisfied so long as the major purpose is fulfilled, and so long as it is not altogether jeopardized by the degree of violations. To avoid this danger, the authorities must try to avoid a food situation which leads to public, although silent, revolt.

This public includes more than the consumers. It comprises very particularly the wholesale and retail trade. Without their support and cooperation, it is impossible to maintain order in the food economy. A rationing and price policy will meet the resistance of the trade if it is infused with motives other than the legitimate ones of meeting the emergency. If the mere suspicion crops up that those who plan the rationing are guided by animosity against the private trade or are attempting to force a public utility or government monopoly system of food distribution, the

rationing morale of the general public will begin to deteriorate. Rationing must therefore be kept free from attempts at reforms which are not an adopted national policy and are not a part of fighting the war. Shrinking the distributive sector of our food economy, in so far as it is dictated by war manpower requirements, must be left to policies other than rationing.

This leads to a consideration of the costs of rationing, which are important mainly in so far as they absorb resources vital to the operation of the war. Since it was acknowledged in the beginning that rationing is a necessity, the problem is not how to avoid the costs, but how to keep them down. The cost consists of manpower, communications, and other overhead in the administration and the trade as well as in the greater amount of time used by consumers for shopping. We have many thousands of rationing boards with so far 90,000 full-time employees and probably twice as many volunteers, most of them working half-time. These boards ration all rationed commodities, not only food, but the trend of their manpower requirements is steeply upward. The much greater amount of work caused by rationing lies in the wholesale and retail trade and in the additional shopping hours of housewives. The more strain develops in our war economy, the more it will be necessary to avoid further complication in the methods of rationing, because the people, consumers and trade alike, will otherwise disobey rationing laws. To make rationing so awkward that many food retail stores have to close, or to ignore the results of certain methods, violates the principles of sound rationing. At the same time there seems no way to avoid abandoning the untenable simplification of granting all farmers full ration cards indiscriminately, and to leave all peddled food free.

From reviewing rationing in different countries, I draw the following conclusions:

Rationing of food is necessary when a nation is engaged in a major war, but it cannot serve the purpose of securing an even flow of controlled amounts of food to the consumer unless it is a well-integrated part of an energetic and efficient war food administration which controls production and distribution and uses price relations as the main instrument of controls. Food rationing cannot be more than a necessary supplement in a policy of curbing inflation. The power of rationing rests in the moral support and endorsement of the public, and not on the penal code. Public endorsement depends on the confidence that privations are fairly shared by all groups of consumers and that the system is administered with competence and free from favoritism.

The system must be simple to understand and simple to administer; it must be subordinated to and guided by the purpose of winning the war; it must be free from reformational bias; and it must not hesitate to impose privations when they become unavoidable, but it must not curtail essential food below the danger line of non-compliance. Rationing requires constant effective policing of the entire market; yet the best weapon against the black market is still the avoidance of too severe shortages.

While we are bound to make a success of rationing, we should not begin to make a virtue of necessity and conclude that rationing is a system superior to or even comparable to the ordinary exchange of goods under the rule of prices in a peacetime economy. I may quote from an article by an official of the OPA, Reuben Oppenheimer (15), in which he states:

"Rationing and price control represent the antithesis of the normal American way of life. The regulation which they entail interferes with our normal habits to an extent which only the war could make us tolerate."

I fully subscribe to that opinion. Those who resent the competitive price economy so much that they now praise rationing as the solution for attaining justice and equality in the future peace economy should study the abolition of rationing by the Soviet government under the Second Five Year Plan, upon the joint appeal of the Central Committee of the Communist Party, the Soviet of People's Commissars, and the Central Co-operative Union.

The more we realize that rationing is nothing but an emergency measure, the better we will succeed in keeping its weaknesses in limits and in using it toward the only end which justifies its use, but justifies it fully, to win this war.

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RATIONING AS AN ESSENTIAL TO FOOD CONSERVATION AND EQUITABLE DISTRIBUTION, INCLUDING CONSIDERATION OF VARIOUS METHODS

A discussion of Dr. Karl Brandt's Paper at the Annual Meeting of the Western Farm Economics Association at Berkeley, California, June 24, 25, 26, 1943

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Dr. Brandt's excellent paper puts me in somewhat of a quandary. I find myself in such general agreement with most of what he has to say that it is difficult to live up to my reputation for always finding something on which to disagree. In order to keep in form, I will take issue with Dr. Brandt on a statement he makes at the end of paragraph three. Thereafter, I will devote the remaining time at my disposal to elaborating two aspects of the problem mentioned by Dr. Brandt, namely (1) whether rationing eliminates the need for retail price ceilings, and (2) organization for food control.

In dealing with the recent extension of rationing in the United States, Dr. Brandt states that "The government had not waited for such developments (that is, purchase of food by consumers at higher than ceiling prices from sources other than the regular retail trade) but planned rationing long in advance in order to bring the war economy's vital food sector and food prices under central control." It is possible that there was forward planning, but the government was tardy in putting such plans into operation. Experience in other countries in this and the last war showed that the need for rationing particular foods frequently rose overnight. Similar situations should have been expected in this country. To meet such eventualities a country needs not only plans but the necessary administrative machinery for quick action. This involves not only the elaboration of technical details of rationing, but also the erection at least of a skeleton administrative set-up.

What happened in the case of meat? As early as October, 1942, there appeared signs of a growing meat shortage. By November the situation had become acute and by December, desperate. Yet it was not until March 29, 1943, that meat rationing was put into operation. This long delay was destructive of morale, encouraged the development of black markets, and shook public confidence in rationing. Both the public and the trade wanted meat rationing weeks before it was introduced. It is action, not planning, that gets results.

During recent weeks a well-known radio commentator has been urging the abolition of ceiling prices on foodstuffs. His views are supported by several farm organizations and apparently also find favor among members of our national legislature. The contention is that point rationing coupled with the law of "supply and demand" will serve as an efficient regulator of both production and consumption of farm products. Price ceilings, it is maintained, tend to discourage production and are unnecessary to limit consumption because this can be done effectively under a flexible point rationing system.

Every economist knows that the "law of supply and demand" is a generic term applied to that complex of relations between price and demand on the one

hand and price and supply on the other. These relations vary as between commodities and for the same commodity under different situations. The law of supply and demand is not an immutable law but may be modified by institutional interferences which themselves become part of the variable factors. Economists also know that reactions of buyers and sellers to price stimuli will vary with the length of time in which these reactions will be measured. In the long run a sustained rise in prices for a particular commodity will tend to restrict the amount purchased and to expand the amount produced and offered for sale. In the short run a diametrically opposite reaction may follow a rise in prices. If buyers believe that a rise in prices heralds still further price advances, they increase, instead of decrease, their purchases, especially if they have surplus buying power. Sellers, on the other hand, are likely to hold products off the market in anticipation of higher prices later. If products can be used both for current consumption or for later production, fewer units will be marketed concurrently in order to insure more units for production later when prices will be higher. Farm economists know that a rise in livestock prices is not infrequently followed immediately by a decrease in the number of livestock marketed.

Because of the unpredictability of buyer and seller reactions in the short run, it is idle to argue that free prices for foodstuffs will effectively regulate consumption and production in a war economy. Point rationing may help to curb consumption, provided black marketing is eliminated. It would seem, however, that free prices of foodstuffs would tend to encourage rather than discourage black marketing.

In peacetime, when days, months, and even years are not a vital consideration, free prices serve as an effective regulator of economic activity. Production, consumption, and prices tend to fluctuate around the norms or moving equilibria. Not infrequently violent and long-sustained departures from these norms are necessary before corrective factors are brought into operation. In wartime, when months and even days are of vital importance, we dare not wait for the delayed action of corrective forces, if desirable results can be obtained more rapidly in some other way. Furthermore, in time of war, certain non-price factors, such as availability of supplies, labor, an assured market, and so on are likely to be as important, if not more important, than prices in determining volume of output of farm and other products and in causing shifts between products.

Proponents of free prices for food products assume an elasticity of supply for agricultural products that does not accord with the facts. During World War I, in spite of a very substantial rise in farm prices under conditions of well-nigh free prices, there was in four years only a very modest increase in the total volume of agricultural production. The agricultural plant (the total area in farms together with buildings and equipment) cannot be greatly expanded. Some previously unused cultivatable lands can be brought into use; grasslands can be plowed, and all arable land used more intensively. Even such changes will cause only a fractional increase in the total volume of production, which could be more than offset by unfavorable weather conditions. It is true that we can bring about very considerable shifts in the production of certain minor crops, for example, a three and four-fold increase in peanut and soybean acreage, but these are usually accomplished by diverting land from some of the major crops. No such marked increases appear to be feasible for wheat and corn and even for livestock.

Furthermore, even if prices of some products double or triple, increased output may not be forthcoming for several years. This is true for livestock and

horticultural products. Because of the inelasticity of supply of many farm products and of agricultural production as a whole, it is not unreasonable to expect that a 50 per cent increase in prices may be accompanied (after sufficient time has elapsed to permit producer responses) by an increase in output of no more than 5 or 10 per cent. Changes in the relative levels of prices of some farm products may cause important shifts in production, but we have no right to assume that under a condition of free prices these shifts will be in the direction that is desirable from the standpoint of our national food economy. On the contrary, with vast buying power available, it is not unlikely that the shifts will be toward luxury and not essential products. If such undesirable shifts are to be prevented other controls, such as limitation of transportation, credit, fertilizer, equipment, and even actual prohibitions, it may be necessary to deter undesirable shifts.

This sudden emphasis on the efficacy of free prices to regulate agricultural production and economic activity generally is in strange contrast with the attitude of most farm leaders in the 1920's and 1930's. During that period farm leaders claimed over and over again that the free price system had broken down. They argued that manufacturers were able to control their prices, but that farmers operated under a free competitive market. By means of production controls and marketing controls, farmers were enabled to secure prices that gave them more nearly parity with industry. Farm leaders now reverse this stand. They want controlled prices for industrial products but free prices for farm products. This reversal of attitude can be understood when we realize that during the inter-war period farm products were sold in a buyers' market whereas we now have a sellers' market where absence of control will result in higher prices than are possible with control.

Under freely competitive conditions there is always some wastage of resources. This is due to the fact that entrepreneurs may fail to predict the future accurately or that consumer buying habits or techniques of production may change. We can say that such wastage is the unavoidable price we must pay for progress. In wartime when all resources must be used to the fullest possible extent and when some resources are in such scarce supply that we have had to resort to priorities and prohibitions we dare not risk wastage of resources. Moreover, we have to redirect the flow of resources into new channels. These are radically different from those found in peacetime when the vagaries of consumer buying habits, coupled with buying power, determine the direction of productive activity.

Consumer buying habits serve as a rather unreliable guide to economic activity in wartime. Because of ignorance, imitativeness, and the desire for ostentatious display, we will often buy expensive luxury foods of little nutritional value and of high labor input requirements, thereby lowering the efficiency with which we use our limited resources. Free prices of foodstuffs, coupled with vastly expanded buying power, would tend to aggravate the situation. In total war it would be folly of the worst kind to permit scarce manpower and other resources to be diverted into production of foodstuffs that are of low nutritional value and high in inputs of land, labor, and other resources. In wartime the pattern of farm and all other forms of production must be changed so that we get the greatest output of nutritional element per unit of input.

The argument is advanced that buying power has increased so greatly that consumers can well afford to pay higher prices for foods. In effect, this means

that, because the government has been unable to draw off all excess purchasing power through taxation and savings, the farm population is to have the right to tap this excess buying power. Put somewhat differently we may say that the agricultural industry is to be permitted to tax consumers through unrestrained increases in prices of farm products. Although we can show statistically that both wages and earnings of labor have increased materially during the past few years, the increase has not been uniform. Millions of workers are now in receipt of wages which are little, if any, higher than in 1939. They have suffered a material decrease in buying power, which will be aggravated still further if food prices continue to rise. History also tells us that rising food prices are likely to cause labor unrest and demands on the part of organized labor groups for still further increases in wages.

It is well to recognize too that the proponents of free farm prices want these prices to be free all the way from producers to the ultimate consumers. Students of price economics know that increases in prices or costs at one stage of the marketing process tend to be pyramided in subsequent stages. There is thus every reason to believe that in the absence of effective controls of margins of processors and distributors, an increase in prices to producers will be accompanied by a more than proportionate absolute increase in the prices paid by consumers.

Those who argue in favor of free prices for farm products do not argue in favor of freeing all price restraints. They still want floor prices and minimum loans, presumably in line with parity prices. They would like to see a continuation and even stiffening of the restraints on wages. They want a continuation of price controls over industrial products, especially those purchased by farmers. In other words, free prices are to be confined only to the vital food segment of our war economy.

From a practical viewpoint I doubt very much whether the United States can work out a logical well-balanced war production program by regulating only certain phases of our economy while leaving other phases free to find their own level. Such a situation has led to disturbances and maladjustments in peacetime; it is likely to distort the economic pattern of production even more violently in wartime. We may deplore the need for controls, but if we are to have price control it must embrace all phases of our economic activity. Universal price control (direct or indirect) is one of the important safeguards (along with fiscal controls, taxation, and so on) against inflation.

Economists of course realize only too well the difficulties involved in price control, even under the most ideal circumstances. They realized, moreover, that the O.P.A. was given an exceptionally difficult task because that agency was required to administer a law that was full of loopholes. If all segments of our economy had been brought under control immediately, the task would have been made infinitely easier. Wages and farm prices, however, were exempted from full control. Furthermore, price regulation is only one of several concurrent measures against inflation. The other steps necessary to control inflation were either not takenimmediately or were not introduced in sufficiently rigid and effective form.

Although the case against free prices of foods has by no means been fully covered, the above arguments, supplementing those of Dr. Brandt, indicate that rationing alone will not serve as an adequate regulator of the production and consumption of foods during wartime. Rationing and price control supplement

and strengthen each other. Uncontrolled prices of foods, in the absence of offsetting control of some other nature, are likely to distort the pattern of farm production, to encourage output or luxury rather than essential foods, to decrease future supplies of foods that may now be in plentiful supply, and to make buying power, rather than biological needs, the factor determining who will and who will not purchase certain types of foods. The cost to the government of foods purchased for our armed forces and for lend-lease will rise along with prices paid by civilians for foods.

The second broad topic I will discuss is that of organization of the food control administration. Sir William Beveridge in his book "British Food Control" attributes the success of British rationing control in World War I to the following factors: (1) The right balance between centralization and decentralization of authority was attained; (2) the British food controller never issued a ration book with a distribution system (including adequate control of supplies) to back it; (3) the technical details of the British system were elaborated with great care; and (4) the principle of fairness to rich and poor was applied with peculiar thoroughness. Let us use these criteria as a basis for evaluation of our own food control and rationing machinery in the present war.

It was not until December, 1942, that any attempt was made to set up a single food authority in the United States. Up to that time direction of production was in the hands of the United States Department of Agriculture, and rationing and price control divided between that department and the Office of Price Administration. 1/ In December, 1942, the Secretary of Agriculture was given fuller control over production and distribution of foodstuffs, but the enforcement of rationing and price control was left in the hands of the O.P.A. In April of this year, a separate Food Administration was set up in the Department of Agriculture, although the Food Administrator appears to be directly responsible to the President. Supervision of rationing and price controls, however, are still in the O.P.A.

This division of power and authority has resulted in much confusion and indecision. Dr. Brandt is in favor of concentration of all food controls in the hands of one agency. I am afraid I am not in full agreement with him. I believe that there are two distinct functions: (1) organization of production and (2) control over supply after production. There are conflicts of interest between consumers and producers. Concentration of control over both production and supply in a single agency is likely to result in indecision and conflicting loyalties. I would, therefore, advocate that the Secretary of Agriculture or an

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1/ There is a significant difference between price controls developed in the United Kingdom and the United States. The British have dispersed control over several agencies, such as the Ministry of Supply (raw materials), the Ministry of Food (foods), the Department of Agriculture (farm products), the Board of Trade (non-food consumer goods), and the Department of Health (rents). In the United States all price controls have been concentrated in one agency, the Office of Price Administration. From a technical administrative standpoint it would seem logical to entrust price control to only one agency. From a practical strategic standpoint, however, dispersion is desirable. Price control is likely to be unpopular. Control in some fields will prove more effective than in others. Public sentiment against control in one field is likely to undermine the whole control machinery where there is concentration, whereas if authority is dispersed, only the unpopular controls will require overhauling, the others continuing unchanged.

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agricultural production administrator be given full authority over production, including determination of prices to be paid to producers. A second agency, known for example as the food administration, would have full control over supplies, rationing, processors, and distributors' margins, and retail prices.

Such a change would involve transferring (1) control over farm prices from the O.P.A. to the agricultural production administrator and (2) control over rationing and retail prices to the food administrator. The two administrations would have to work together closely in determining total food needs.

When once these determinations have been made, however, full responsibility for seeing that these supplies are forthcoming will rest with the agricultural production administrator who, of course, will also have control over production of non-food items, such as fibres. The food administrator would acquire control over all food after production and also over all imported foods (for example, coffee and sugar). He will determine (1) how these foods will be allocated between lend-lease, the armed forces and the civilian population, (2) the seasonal movement of foods into consumption, (3) the regions and places where foods will be stored, (4) the rations that will be permitted, (5) processors and distributors' margins, and (6) retail prices. This separation of powers is analagous to that developed in the United Kingdom. It permits a clearer separation of responsibility for production and of control over all supplies (including imported foods) after production. It permits a more definite separation of producer and consumer prices. Finally, it insures more adequate consideration of both producer and consumer interests.

A second important administrative problem is that of decentralization. This is particularly significant in the field of control over supplies and rations. Food habits differ by regions and between racial and occupational groups. Centralization of authority is likely to result in inflexible and uniform rationing schedules the country over and in undue delay in making adjustments to meet local variations. This leads to poor utilization of resources, to undue cross hauling, and to inequities. For example, people on the Pacific Coast where fruits and vegetables are available and cheap have a distinct advantage over people in other parts of the country where this is not the case. Yet people on the Pacific Coast are allowed about the same number of points for canned goods. Farm families are allowed the same amount of sugar as urban families in spite of the fact that farm families do most of their own cake making and seldom eat at restaurants where additional sugar is supplied with meals. In areas where lamb is relatively plentiful, lamb may well carry fewer points than beef and pork which have to be shipped in. Similar variations could be made in points for beef and pork where they are plentiful. This will tend to reduce cross hauling.

Much more decentralization of control than now exists appears to be highly necessary. Regional, state, and local administrators should be given fuller powers to adapt centralized policies to local conditions. Centralization of policy-making is desirable; decentralization of policy administration is essential in a country as vast and diverse as is the United States. If decentralization were found desirable in a small compact country like the United Kingdom, it is all the more necessary in a country like the United States.

A third problem is that of adequate control over supplies and distributive machinery. Obviously if rationing schemes are to function effectively, especially where supplies are short, the food authority must be able to exercise rather full control over supplies. Confusion and delay would result if new distribution machinery were to be developed. The only practical policy is to utilize the

existing trade channels. The food control authority should undertake to acquire more definite title to supplies, but should use the existing channels of trade as its agents. Experts in the various food fields should be relied upon to coordinate, along logical and practical lines, control over title and the use of existing distributive machinery.

Although the Office of Price Administration appears to have done a reasonably creditable job in developing its rationing controls (when they were once introduced), the same is not true for some of its other functions. A smoothly working food control agency requires a fine blending of technical trade experts, experienced and practical economists, and capable civil servants. This fine balance has not been obtained so far at least. Young and relatively inexperienced economists, perhaps with good theoretical knowledge but lacking in administrative ability, have been elevated into positions of responsibility. Trade experts appear to have played only a minor role in planning technical controls. Too frequently they have been regarded as unnecessary evils, instead of essential cogs in the machine. The result has been a bulky and inflexible administrative machine with little coherence between its various parts and with no clear-cut lines of authority. Members of the trade and of the public have experienced difficulty in contacting the officials responsible for administration of different commodity and functional controls. Decisions on important matters have often been delayed and each extension of control to new commodities has been accompanied by a multitude of orders, counter-orders, directives, correctives, and amendments. Some of this was perhaps inevitable. Much of it could have been avoided if the overhead administrative machinery had been more carefully planned and if more consideration had been given to technical perfection in individual controls. This has been most unfortunate because public confidence in an important and essential governmental war agency has been undermined. Because of indecision in some instances and unnecessary arbitrariness in others, people have come to question whether the cure is not worse than the disease.

The final point to be considered is equity of the various controls and of rationing in particular. One can agree with Dr. Brandt that, with minor exceptions which will undoubtedly be corrected at a later date, equity is the central tone of our rationing programs. In the final analysis, however, the equity of rationing will depend upon enforcement. This does not mean that the administration must continuously wield the big stick. Compliance by the public and the trade can be obtained best through cooperation, which in turn depends upon a program of education and the development of public confidence. Basic to such confidence is the knowledge that willful infractions and violations of control measures will be dealt with severely and promptly. The widespread development of black markets is an indication of lax enforcement and that, for the present at least, our rationing programs are falling short of the principle of equity. More decentralization in administration and more care in developing the technical details of rationing and price control seem to be a prerequisite to successful enforcement.

SPEECH BY GUY R. KINSLEY, O. P. A. FOOD RATIONING DIVISION

BEFORE WESTERN FARM ECONOMICS ASSOCIATION

JUNE 24, 1943

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It pleases me to make the last first. It would be helpful if every food rationing executive, every consumer, every commentator could keep in mind the closing paragraph of Dr. Brandt's excellent presentation. May I repeat it:

"The more we realize that rationing is nothing but an emergency measure - the better we will succeed in keeping its weaknesses in limits - and in using it toward the only end which justifies its use - but justifies it fully - to win this war."

I believe food rationing in its present form in the United States justifies its use, and should have full cooperation and support.

Both of the distinguished gentlemen who have preceded me are better able than I to state the case for rationing as a weapon for winning the war. Dr. Tinley has put it aptly when he said in one of his recent books: "Totalitarian governments have used rationing to destroy humanity. We may use it as an equally powerful weapon to restore humanitarian principles to a stricken world."

I will make no reference to statements on price control, other than to say that, although prices are concomitants of the food problem, and although prices are handled by a division under the Office of Price Administration, as is rationing, price and rationing divisions are separately organized. Administration of each program moves from the one general source to its objectives along parallel lines. Unfortunately, in my opinion, the lines cannot always remain parallel, which may make more difficult the task of price control (warding off inflation) or rationing (which is to conserve essential food and, if not to win the war, at least to set up a protection against losing it).

To emphasize, at the beginning, the hope that no one infers that we are discussing an exact science and, accordingly, one requiring perfect accomplishment, may I say, on no less authority than Dr. Tinley, that in Germany in 1918, twenty-five to thirty-five percent of all food consumed was sold illegally and at prices ten times above fixed prices. Today, we know little about enemy home conditions, except that coffee is quoted in recent eyewitness accounts from Germany as having a value of $100.- a pound.

It is a strange phenomenon by which the American people, unacquainted with regimentation and sternly resenting any interference with a way of life, have asked for rationing, pushed aside the dollar mark, and accepted an arbitrary point system.

Limitation orders usually precede rationing. The difficulty with limitation orders is always that, whil they limit the distribution at a specific level, they do not reach down and sustain an even flow to the consumer. A limitation order, also, is a signal of shortage, and it is followed in natural sequence by hoarding. Following the rationing of sugar, and shortly after the first limitation order on coffee, the demand for the rationing of coffee became insistent, even to the point that retailers in convention passed resolutions requesting immediate rationing of coffee. An even more insistent clamor arose demanding the rationing of meat which was unfortunately but necessarily delayed. This delay gave black market operations opportunity to grow to a size that now menaces the success of the meat rationing program.

The rationing of coffee produced testimony tending to prove the advisability of rationing related products, often considered substitutes. Today, coffee is available to consumers, but cocoa, chocolate and other beverages are almost non-existent in many markets.

As Dr. Brandt has said, rationing does not directly solve the problems of consumption. An example in point is that of heavy industry workers, particularly logging camps. It has been the practice in logging camps to use food as an inducement for employment. The logger, naturally, because of the type and more remote

location of his work, is a heavy eater. He may be said to be a prodigious meat eater.

It is not unusual for logging camps to feed each man 10 to 14 pounds of meat per week. With the advent of meat rationing, this appetite quickly became a national problem. The logger has not even passing interest in the subject of proteins versus calories, the meat allowances of our enemies and our allies, the allotments to our own armed forces, or the dangers surrounding differential rationing. If his consuming desires - not needs - are not satisfied, he walks out of the woods, and timber is not available for the production of ships and planes. The solution must be in line with national policy and must provide a pattern to fit similar conditions everywhere.

Deep sea fishermen, also, have coffee consumption habits which have been recognized.

Mexican labor so greatly needed in our fields subsists largely on a special type of bean, and, although the rationing program was readjusted to this requirement, all other bean eaters were equally favored.

Reference was made by Dr. Brandt to the fact that citizens assume the right to pass to their fellows ration coupons which they do not use. It is, of course, as Dr. Brandt stated, against the law. More, it is against the interests of the consumer, himself, and is, also, against the cardinal precept that rationing is an ally in winning the war. By the percentage that coupons are not used, the larder for all is increased; if the demands on the larder are not exhaustive, it follows that the allotment can be increased for all consumers, or, if needed, more food is available for our armed forces.

Dr. Brandt refers to the unwritten code of what persons consider equitable and just in rationing, which equality requires giving preferential treatment - such as consideration for pregnant and nursing mothers, and children, and invalids.

It has been our experience that rationing has been more considerate of the spirit of the unwritten law than has the public. Two outstanding examples are

provided by the provision for the issuance of doctors' certificates for the sick, and in the utilization of baby foods. In England, abuses of doctors' certificates were so great that all such special rations have been abandoned, except for cases of diabetes. In our Pacific Slope states, we have welcomed the cooperation of medical associations who review, reject, amend, or approve requests for special food supplies, certified by their own members.

Baby foods are intended primarily for consumption by babies, not to fit in dinner pails and desserts. Point values were made relatively low, but so quickly were the shelves depleted of baby foods by other than parents or guardians of children, that it may be necessary to require purchasers of baby foods to present the baby's ration book, showing age as a qualification for purchase.

These are examples of the unwritten code becoming written by rationing, but being violated by public action.

Dr. Brandt discusses fear as a part of rationing and reminds that even before Pearl Harbor, there were those who suggested that rationing should be introduced to awaken the people to the national danger. We must agree with his conclusion that rationing should not be used to frighten, and that the policy adopted should not permit fright to creep up on the people. When sugar was first rationed, many honestly believed that there was no need to ration, that a plentiful supply of sugar remained, and accordingly, no need existed for conservation. In fact, the government was not really rationing sugar as much as it was rationing ships' bottoms. Sugar was, and is available in Cuba if the ships are available to bring it in. It was in supply in the Philippines and Cuba, but we were limited by transportation.

Coffee is in heavy supply in South America, and we may conquer the submarine and overcome the shortage in much needed ships to bring in greater supply. When that condition exists, the American people should feel certain that the policy makers in Washington will relax present restrictions.

You may have heard that there are proponents of an honor system in rationing. It is urged that this would avoid the red tape, bureaucratic weakness - along with many bureaucrats - and set aside the complicated regulations so obnoxious to our citizenry. It, also, would set aside rationing itself which, we believe, is not in fact the end desired by the people. A rationing program cannot, in my opinion, be short and sweet. To make it short, let's win the war, and then in fading memory, perhaps, we may hope that it will become sweet.

The true concept of rationing is not yet understood by enough of our people. Many states, many localities, many individuals still consider that rationing is a method of distributing the contents of an oldfashioned pork barrel; and that it is up to each participant in the largesse to obtain at least his mathematical share and, if possible, an even larger share to cover the special situation which he represents. On the wall of the office of the Regional Administrator of this region - behind the desk of Mr. Frank Marsh, hangs an attractive frame outlining these words, "'Fr instance, take my case." Many welcome equity when the other fellow is equalized. Some still want control of what they buy, but freedom when they sell.

It is difficult to reconcile the commonly accepted qualities of sacrifice, loyalty, and generosity as the degree of devotion to a cause - how much we give in time, money and blood to the Red Cross; how many stamps and bonds we buy; how great a service do we render our courageous fighting men - it is difficult to reconcile this spirit with the all too prevalent desire to get every jot and tittle of food to which we have claim, and more, especially when we know that the less we use, the more there is for him. An unused stamp can be a bullet.

It is, of course, possible that the perspective of anyone associated with the administration of the rationing program becomes distorted. Undoubtedly, it is not true that 97 percent of the people of the United States represent special and particular claims for extra goods, and that the task of really rationing 3 percent is thereby made extremely difficult. Undoubtedly, it is only a mirage, but there are many times when it appears to be hard fact, and not pure fancy. We are

cognizant of the unforgetable fact that equality is an administrative goal, and we, also, recognize that impatience with the human agency that effects the distribution interposes an aggravation which may blur out a high resolve.

The theory and practice of rationing have not been the subject of wide and profound study in the United States, just as the theory and practice and preparation for war have never commanded paramount interest until the emergency is upon us. The United States, in all its history, has had just a little over one year's experience in a program of enforced rationing. Just as in fighting a war, it is difficult to train men and make them capable of efficiently handling their weapons, when the men and weapons must be developed at the same time -- so, with a rationing program, it is difficult to determine the guide posts, and yard-sticks of a national policy, which can be laid down in regional and local communities, without experience on which to draw. We have been compelled to borrow from the rationing experience of nations that have fought more wars than we.

Between the choice of each locality handling its own rationing problems with, perhaps, a minimum of local discomfiture, and the imposition of national, centralized regulating, causing irritation, some injustices, and tense resentment, it would appear that a national program keyed to the war effort is of prime importance. It is, also, true that where local inequities are made apparent, adjustments can follow, but such adjustments should still be made in line with a national policy, and be consistent with equal treatment for all.

May I offer the fact that more than 200 amendments have already been issued to food ration orders, only one of which orders, that for sugar, has been in effect a year. It proves a flexibility that is praiseworthy. It evidences a desire on the part of the men in Washington to make the rationing program responsive to conditions. Certainly, it is not a picture of immovable bureaucracy. These amendments portend a desire to obtain information, accept suggestions, and adjust a national program to a people living in localities as diversified by geography, climate, religion, food customs, and living standards as any section of the globe. Today, we remain the best fed nation in the world.

According to the American formula, rationing does not produce: it should not hinder production. It does not create scarcity, it should not accentuate shortages. It does not create new methods of distribution, and it should interfere as little as possible with existing channels. In other countries, complete changes have been made, and in England, the Ministry of Food is the sole importer of all foods, and the sole purchaser of home-produced meat, sugar, and creamery butter.

The American plan divides the public into processors and primary distributors, wholesalers and retailers, industrials, institutions, and consumers. It must know the amount of goods available to move into trade channels and the rate of movement. This requires reports and compilations which become burdensome, but the business channels have undertaken the imposition of this great task in splendid spirit, knowing full well that the present necessary discomfiture is negligible as compared to the penalties of losing the war.

Only a hermit on a lonely desert island, not touched by ship, mail or radio, could be unacquainted with the fact that the rationing program has been the recipient of criticism. Often the remedy is distasteful but let us assume the disease is worse.

It is my humble opinion that the rationing program to which the American people have been asked to subscribe is set up merely as an emergency measure to win the war. It is not an implement designed to change our peace-time processes, or effect a reformation. It does not reduce levels of health. It has not undermined efficiency, and it does not contribute to a lowering of morale by failing to establish regulations which provide equitable treatment. As pointed out by Dr. Brandt, the more privations, the more in tune with the sentiments of the public the rationing policy must be.

It is a source of recurring pleasure to contemplate as a part of the rationing program the fully equipped landings of our boys in every part of the world - to think that rationing helped put their feet on solid ground. Is there a greater thrill than the simple radio report of Collingwood at the height of

the battle in Tunisia - "The skies are filled with planes - AND THEY ARE ALL OURS".

We should never forget that when American soldiers landed in Africa to start to turn the riptide of war, they displayed on their sleeves and on their helmets the flag of the United States of America - not boastfully, but so that those who did not speak our language but who had seen the armed might of other nations could remember that flag as the symbol of a nation whose warriors came to give and not to rob, who brought food and did not take it, and whose giving was made possible by millions at home who rationed themselves - not to destroy humanity but to "restore humanitarian principles to a stricken world."