

AUTHORIZING THE SECRETARY OF WAR TO EXCHANGE DETERIORATED AND UNSERVICEABLE AMMUNITION AND COMPONENTS

FEBRUARY 23, 1927.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. WURZBACH, from the Committee on Military Affairs, submitted the following

R E P O R T

[To accompany S. 4692]

The Committee on Military Affairs to which was referred the act (S. 4692) to amend the act approved June 1, 1926 (Public, No. 318, 69th Cong.), authorizing the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes, having considered the same, report thereon with the recommendation that it do pass.

The necessity for the enactment of this legislation and the objects to be attained by it are fully set forth in the two following letters, one from the Chief of Ordnance, United States Army, the other from the Secretary of War.

JANUARY 21, 1927.

Hon. W. FRANK JAMES,
House of Representatives.

MY DEAR MR. JAMES: Confirming telephone conversation of January 21 regarding exchange of deteriorated ammunition and components thereof for new, under the authority of the act approved June 1, 1926 (Public, 318, 69th Cong.) I wish to call your attention to the extreme desirability of early favorable action on H. R. 15120, an act to amend the above-mentioned exchange act so as to permit the use of money as a medium of exchange in carrying out the work.

The Ordnance Department has been actively engaged for the past five months in endeavoring to effect exchanges under the existing authority of law and to date only two contracts have been placed. This slow progress can be explained by our desire to realize fair values for the property released and by the difficulties of so doing under a barter provision dealing with noncommercial hazardous material such as ammunition.

Present operations are unbusinesslike in that they require barter, fail to realize maximum returns in that they force several party contracts which bring together as guaranteeing partners businesses which normally do not function together, and, finally, are unduly dangerous in that they force explosives through the hands of organizations not trained to the purpose.

H. R. 15120 not only will permit us to sell direct to the user our deteriorated material and buy direct from the maker new ammunition and components, thus eliminating agents between, but also will permit us to separate the ingredients of our deteriorated ammunition to a degree that will place explosives only in the hands of those trained to their handling and use. These advantages should expedite and materially increase the Government's return from our deteriorated material while at the same time they should make much more effective our efforts to protect the public from loss of life and property.

In view of this situation I will very much appreciate any efforts on your part to make H. R. 15120 into law, and assure you that you thereby will have performed one of the most important single services toward protecting the country's reserves of ammunition.

Very sincerely,

C. C. WILLIAMS,
Major General, Chief of Ordnance.

DECEMBER 7, 1926.

Hon. JOHN M. MORIN,
Chairman Committee on Military Affairs,
House of Representatives.

DEAR MR. MORIN: Under date of February 10, 1926, I addressed a letter to you urging the legislation which later became the act approved June 1, 1926, Public 318, Sixty-ninth Congress, entitled "An act to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes."

The purpose of the legislation was primarily to permit the Secretary of War to convert deteriorated and unserviceable ammunition into a corresponding value of serviceable ammunition. This could be done practically either by exchange of old ammunition for new or by selling the old and using the proceeds of the sale to procure new. While I considered at the time that both methods should be authorized, the Director of the Bureau of the Budget felt that only the exchange feature should be used, and I therefore did not recommend a sale provision.

Actual operation under the legislation as enacted has shown that the exchange method is in many cases very cumbersome and does not result in the maximum return to the Government. As a result of this experience the Director of the Bureau of the Budget is now in accord with the idea that both exchange and sale should be authorized.

It is believed the following proposed legislation will eliminate the difficulties referred to above:

A BILL To amend the act approved June 1, 1926 (Public 318, Sixty-ninth Congress), authorizing the Secretary of War to exchange deteriorated and unserviceable ammunition and components and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the act of June 1, 1926, authorizing the Secretary of War to exchange deteriorated and unserviceable ammunition and components and for other purposes (Public 318, Sixty-ninth Congress), be, and the same is hereby amended to read as follows:

"That the Secretary of War be, and he is hereby, authorized to exchange deteriorated and unserviceable ammunition and components thereof for ammunition or components thereof in condition for immediate use, or to sell the same and procure new ammunition or components thereof from the proceeds of such sales, provided that the proceeds of such sales also shall be available to defray either the whole or part of the expenses of the necessary breaking down of deteriorated and unserviceable ammunition, of preparing ammunition or components for sale, of selling, and of reconditioning and placing in storage ammunition or components to be retained; and he shall make statement of his action under this provision in his annual report.

"Sec. 2. The Secretary of War is further authorized, by contract or otherwise, to reclaim, by reworking, reconditioning, or otherwise converting into usable form, either in complete rounds or in serviceable components, such deteriorated and unserviceable ammunition and components thereof as it may not be advisable to have so exchanged, and to pay either the whole or part of the cost thereof through the exchange of deteriorated and unserviceable components not desired to retain."

In the event of hearings before your committee, Maj. C. T. Harris and Maj. C. R. Baxter, Ordnance Department, have been designated to appear as witnesses representing the War Department.

The proposed legislation is in the interest of economy and efficiency, and its enactment into law is urgently recommended.

The proposed legislation has been submitted to the Director of the Bureau of the Budget who advises that it is not in conflict with the financial program of the President.

A similar letter has been written to the chairman, Committee on Military Affairs, United States Senate.

Sincerely yours,

DWIGHT F. DAVIS, *Secretary of War.*



