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November 6, 1940

QM 451 M-P (Proc. 398-41-9)

MEMORANDUM FOR: General R. C. Moore,  
Deputy Chief of Staff

This office has just received from The Adjutant General the following indorsement:

"AG 451  
(10-22-40) M-D

3rd Ind.

SCS/ld

War Department, A&O, November 5, 1940 - To: The Quartermaster General.

1. The recommendation contained in paragraph 2, 2nd Indorsement, is not favorably considered. The considerations which prompted the directive contained in paragraph 3, 1st Indorsement, are deemed to outweigh those presented in 2nd Indorsement for modifying that action.

2. It is not considered advisable to delay procurement of the Bantam, which has been found suitable, pending service tests of other makes; neither is it considered feasible to order a large quantity of cars from a manufacturer prior to completion of test of a pilot model.

3. The purchase of 1,500 cars from the Bantam Company does not prevent the development of additional productive facilities. Upon satisfactory completion of tests of Ford and Willys pilot models, recommendations for purchase of vehicles for extended service test from those companies will be entertained.

4. In view of the foregoing, the directive contained in 1st Indorsement is reaffirmed and will be executed.

By order of the Secretary of War:

/s/ John B. Cooley  
Adjutant General."

This office will now see to obtaining from the Bantam Company their definite proposal as to price and time of delivery of 1,500 cars which we have been directed to procure. Of course, you understand that this proposal must be approved by the National Defense Advisory Commission before an award can be made.

I wish to go on record now with you that I do not consider the above procedure in the best interests of the government. "The Bantam Company is a small company with no productive facilities of any importance, and their financial status is entirely inadequate for any substantial production program. This office definitely recommended that an award of 500 vehicles be made to the Ford Company and 500 to the Willys-Overland Company. Both of these companies have adequate production facilities and their financial standing is such that there is no question of their ability to produce cars in volume if the War Department so desires."

I understand that the decision of The Assistant Chief of Staff, G-4, was based upon the belief that the Bantam Company could produce 1,500 vehicles more quickly than if an order for 500 was given to each of the three companies concerned and, further, upon the consideration that pilot models of the Ford and Willys companies had not been approved.

I cannot but feel that this decision is based on misinformation furnished by the representative of the Bantam Company. My office has made every effort to expedite the development and procurement of these vehicles, and our original plan had this in mind. If our plan had been adopted promptly when it was first presented, vehicles would have started to flow in January. The bottle-neck is in the production of axles and transfer cases by the Spicer Manufacturing Company. The first 70 sets to be produced are being made with make-shift tools and soft wood patterns at a great sacrifice and cost by the Spicer Manufacturing Company in order to furnish the Army these 70 vehicles promptly. Representatives of the Company tell us that they cannot continue making axles and transfer cases in this same fashion and if they were to do so it would interfere with other orders for the Army, and besides would cost two to three hundred dollars more per vehicle. As soon as they tool up, they can produce in quantities, but there will be a delay due to tooling. All of the three quotations originally offered; that is, from Bantam, The Ford Motor Company and Willys-Overland Motors, Inc., were based upon splitting this tooling cost and the Spicer Company furnishing axles and transfer cases to each of the three companies at the rate of ten to sixteen a day, depending on the amount of money spent for tooling. Because of this fact there would have been no delay as The Ford and Willys-Overland pilot models would have been received and given tests equal to those given the Bantam, and put into production as fast as Spicer could get into production on axles and transfer cases. Unfortunately, due to the delay, Spicer Company informs us that the best guarantee they can give now is to start at a rate of fifty a day on the tenth of March and this will mean vehicles will begin to be delivered toward the end of March. By that time the test of the Ford and Willys pilot models will have easily been completed and those companies will be ready to produce vehicles at a much more rapid rate than the Bantam Company can hope to do, provided the same schedule of axle deliveries is made to the three companies involved. I doubt the ability of the Bantam Company to turn

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Memo for Gen. R. C. Moore  
Continued

out 50 cars a day, even if axles are provided, without additional financing and expansion of their present facilities. There is no question of the ability of the Ford and Willys companies to produce cars as fast as axles can be provided.

The Quartermaster General's office is just as much interested in procuring satisfactory vehicles as rapidly as possible as are any of the using Arms and Services and due to the fact that we are continually in touch with changing conditions in the automobile industry and in a position to affect these conditions by virtue of orders placed, it would seem that this office is better qualified to exercise judgment on matters such as these, than are those who are dependent upon information and sometimes misinformation from limited sources.

I, therefore, wish to reiterate my recommendation that the award to the Bantam Company be confined to 500 vehicles and that authorization be given to The Quartermaster General to place the additional 1,000 with the Ford Motor Company and/or Willys-Overland, Inc., upon the completion of satisfactory pilot model tests and in such a manner so as not to delay the procurement of the entire 1500.

" I regret very much that the War Department should embark on a program of procurement with a company which has no national organization and is not prepared to render any service on the vehicles purchased.

You understand, of course, that the Bantam Company has paid very liberally for the development of a pilot model, plus 70 cars now on order with them, while both the Ford and Willys companies are developing pilot models at their own expense.

Of course you are aware that the present Bantam (4x4) was designed primarily by the Engineers of the Holabird Quartermaster Depot in conjunction with the Spicer Company and the Engineer of the Bantam Company, and that not a single unit of the original Bantam is in the present vehicle, nor is a single major unit of the present vehicle produced by the Bantam Company itself.

RMO

E. B. GREGORY,  
Major General,  
The Quartermaster General.

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