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UNITED STATES DEPARTMENT OF AGRICULTURE
Food Administration Administration
Washington, D. C.
52

January 22, 1943

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To: The Director
Deputy Directors
Asst. Deputy Directors
Branch and Division Chiefs

From: Otie M. Reed, Assistant Deputy Director

Subject: The British Points Rationing Scheme

There is attached a copy of a statement entitled "The Points Rationing Scheme", as prepared by the Ministry of Food in England.

This statement gives a good deal of detail as to the reasons for the development of The Points Rationing Scheme, the objects of the scheme, how it works, and other relevant material.

I trust you will find it interesting.

Otie M. Reed

Attachment

RECORDED
INDEXED

1871

MINISTRY OF FOOD

21st September, 1942

³ THE POINTS RATIONING SCHEMEI. INTRODUCTION

Under points rationing the consumption of the public of certain classes of goods is restricted not by rationing in terms of weight or volume, as under orthodox rationing, but by a ration of points, which are surrendered in purchasing any of the "points foods". Each of these foods is given a definite "point-value" per pound, tin or other unit, and the consumer must surrender the appropriate number of points for each purchase. Distributors must also surrender points in order to obtain their supplies of these foods. Both consumers and distributors may spend their points as they wish on any points foods that are available.

Legal effect is given to the scheme by the Food (Points Rationing) No. 2 Order, 1942, as amended. Most of the provisions of the Food (Points Rationing) (Miscellaneous) Order 1942 also apply. Like other rationing schemes, it operates throughout the United Kingdom, except the Isle of Man, and is administered locally by the 1,500 Food Offices and the 22 Regional Food Offices of the Ministry of Food, a general control being exercised from the Ministry's headquarters.

The scheme began on December 1st, 1941. It then included canned meats, canned fish and canned beans. It has since then been progressively extended and now (September 1942) comprises, in addition to the original items, canned fruit, canned tomatoes, canned peas, condensed milk, cereal breakfast foods, rice, sago and tapioca, dried peas, beans and lentils, dried fruits, syrup and treacle, and biscuits. Further additions to the scheme are in prospect.

II. OBJECTS OF THE SCHEME

The main objects of points rationing are:-

- (i) To provide a means of sharing equitably those foods for which demand varies widely or which are available in such small quantities that an equal ration would be insignificant.
- (ii) To check excessive expenditure by consumers on foodstuffs not covered by orthodox rationing.
- (iii) To provide an elastic means of controlling and co-ordinating the supplies of the less essential foods, and of guiding consumption in the light of the Ministry's long term policy.

III. THE SCHEME IN OPERATION

1. Points Coupons and Points Vouchers

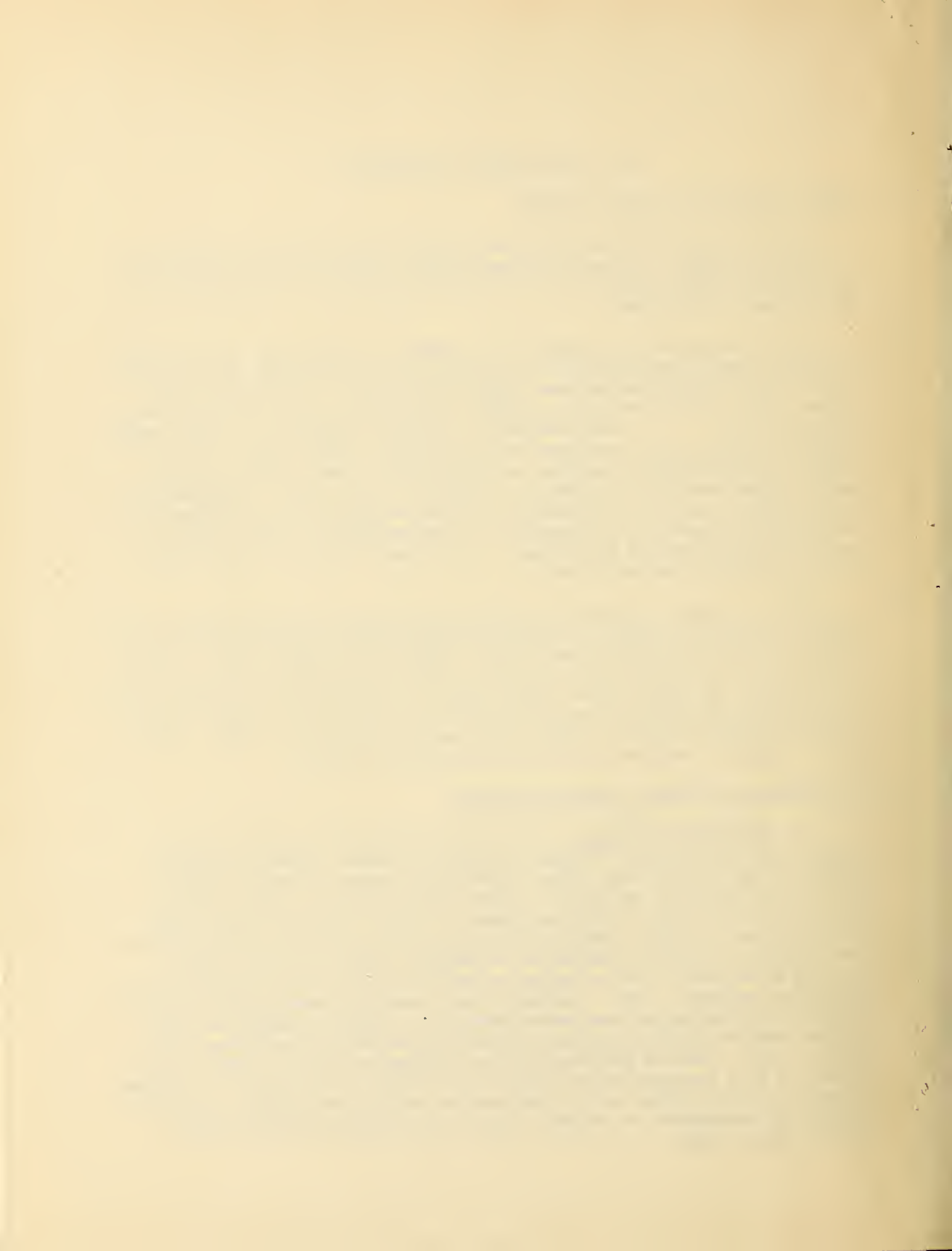
The ration documents used for the scheme are (a) points coupons and (b) points vouchers. When the scheme began a special Points Coupon Book was issued to each consumer, but the points coupons are now contained in the General Ration Books.

6. The points coupons are used by the domestic consumer and there are 12 for each 4 weekly Ration Period, distinguished by the number of the Ration Period. The current Ration Year began on July 26th, so that the period August 23rd to September 19th is Ration Period No.2. Four of the points coupons are marked "A", four marked "B" and four marked "C". Points denominations are fixed for the three sets of coupons, according to the total number of points which consumers are permitted to spend within a four-weekly Ration Period. This total is subject to alteration, according to the Ministry's policy with regard to general consumption. At present the four weekly allowance is 20 points, "A" coupons being 1 point each, "B" and "C" coupons being 2 points each. The coupons are valid only during the Ration Period marked on them.

7. Points vouchers are used by distributors in obtaining supplies of points foods; and are also issued to catering establishments and institutions in order to provide them with their points ration. They are issued in point denominations of 50 and 100, printed in sheets worth 1,000 points; and of 1,000 printed in sheets worth 10,000 points. The 50 and 100 point vouchers are coloured differently from the 1,000 points vouchers. Vouchers have a general validity, that is, they can be used for any points foods. Unlike points coupons, they are valid for an indefinite period.

2. The purchase of points foods by consumers

(a) Individual consumers. Each person holding the general ration book has points coupons. Special coupons for points foods are also included in the ration cards issued to merchant seamen on weekly articles and service personnel on leave. Coupons valid for the current period, and equivalent to the appropriate number of points, must be surrendered in making any purchase. The consumer need not be registered with particular retailers for points foods; he is entirely free to use his points coupons at any shop. No purchases on "points credit" are permitted, nor may loose coupons be used. Consumers may, however, deposit with retailers their points coupons or transverse sections of them (including the space for the name and address of the consumer); this enables purchases to be made by post. Coupons deposited with a retailer and still unspent may be reclaimed by a consumer at any time, until they become invalid. Deposited coupons must not be cut out of the book or section nor tendered to a Food Office for conversion to vouchers unless the retailer has sold points foods against them.



9. (b) Catering Establishments and Institutions. These collective consumers, which include schools, hospitals, etc., obtain their points rations, in the form of points vouchers, in each four-weekly period from their local Food Offices. The ration of each establishment or institution is based on the number of meals served by it; different allowances are made for breakfasts, main meals, and teas. The basic rate of the ration is adjusted proportionately to any change in the points ration allowed to the domestic consumer. Establishments and institutions may spend their points either with retailers or with wholesalers.

Arrangements for distributors

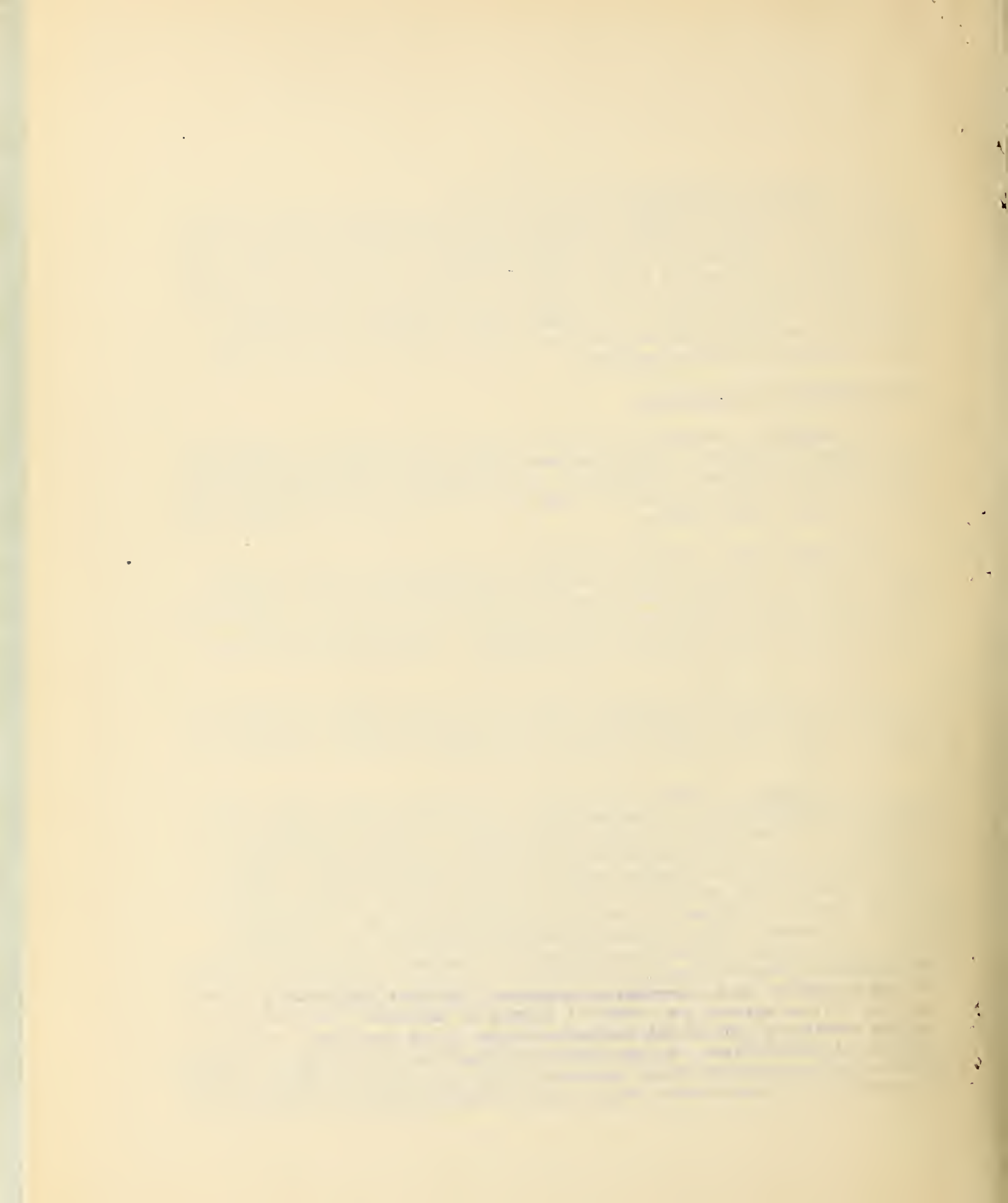
10. (a) General. The supply of points foods to traders is not controlled by a system of permits, as under orthodox rationing. Instead, vouchers for the appropriate number of points must be surrendered by retailers or wholesalers on all purchases of points foods that are intended for ultimate sale as part of the points ration.

11. The vouchers have a general validity and traders may use them, as they think fit, for any points food which they are licensed to sell. Traders will naturally seek to use their vouchers for foods which are in keen demand, and of which their stocks are becoming depleted; their supplies will, therefore, tend to be adjusted to differences in consumers' demand for the various points foods and in the various areas.

12. Coupons from consumers' ration books or ration cards may not be used in wholesale transactions. Wholesale purchases of points foods, otherwise than for sale as part of the points ration, are covered by special arrangements, in which points vouchers are not used (see para.23).

13. (b) Retailers. Vouchers are obtained by retailers either direct from catering establishments and institutions, on sales of points foods, or from Food Offices, in exchange for the points coupons collected from domestic consumers. A retailer may exchange coupons, in round hundreds of points, at any time during the rationing period for which they are valid. The final exchange must be made within the first three days of the following period, when all coupons remaining in the retailers' possession may be exchanged; and on this occasion only, coupons representing fractions of one hundred points are rounded up by the Food Office to the nearest hundred above, before the equivalent number of vouchers is issued. Retailers may obtain vouchers from Food Offices in the denominations most convenient to them.

14. The retailer is not restricted to particular wholesalers in ordering his supplies of points foods. He may obtain supplies from any wholesaler, subject only to the surrender of points vouchers for the appropriate number of points. In general, no "points credit" may be given by wholesalers but retailers may



deposit vouchers with them in excess of their current orders and are entitled to reclaim any vouchers so deposited. In the case of biscuits, a limited credit of 20% is allowed, in order to cover variations in the weight of the net contents of the tins.

15. (c) Wholesalers. Vouchers are obtained by wholesalers from catering establishments and institutions, retailers or other wholesalers, against sales of points foods. Like retailers, they are free to buy from any supplier and may deposit vouchers with him. "Points credit" may be given by a supplier to a wholesaler only in certain cases where the Ministry or its agent is the supplier; otherwise the appropriate number of vouchers must cover each order.

16. Releases of Points Food

The supply of most points foods to first-hand distributors is directly controlled by the Ministry of Food, either as being the owner, or by control of the raw materials of manufacture. For each of the directly controlled foods a maximum release to first-hand distributors is determined in advance for each period; this provides a safeguard in the event of the demand for any food being stronger than was anticipated. In some cases, e.g. dried fruit, first-hand distributors are required to surrender vouchers in the appropriate quantity before any supplies are released to them. In other cases, e.g. canned meat and fish, allocations to first-hand distributors are made in advance of the receipt of vouchers, in order to avoid delay in distribution; but the necessary quantity of vouchers must be surrendered in due course by the first-hand distributors concerned.

17. Enforcement.

Except when special exceptions have been granted, it is an offence to buy or sell points foods otherwise than against the surrender of the appropriate number of points. Quite apart from the legal sanctions against contraventions of the scheme, it will normally be in the interest of distributors to sell only against points. For by selling free of points they deplete the "capital" required for future legitimate business in points foods.

18. No records are at present required to be kept by secondary wholesalers and retailers; but they may be required if necessary to keep such records and to produce their books for inspection at any time. Coupons supplied by retailers to Food Offices are enclosed in envelopes indicating the number of the coupons of each denomination enclosed. **Vouchers are normally issued by Food Offices against the number of coupons so declared; from time to time sample checks are made of the coupons returned in the envelopes. Records are kept by Food Offices of their issues of vouchers. First-hand distributors including manufacturers, are required to make returns of sales and stocks of points foods, by means of which a check may be kept upon their transactions.**

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19. Adjustment of supply and demand

In administering the points scheme, in which the demand of consumers for particular foods is not directly regulated, the Ministry must take into account the supplies of points foods available, and the strength of consumers' demand for them. The general policy must be to equate demand to available supplies, as closely as possible, by adjustments of three factors, viz:-

- (i) Releases of points foods: the rate of release of supplies of each food may be adjusted from time to time and the number of foods included may be varied.
- (ii) Point allowances: consumers may be given more or fewer points to spend in a period, according to the actual or prospective state of supplies of points foods.
- (iii) Point values: these may be varied according to the strength of demand for various foods, in relation to current supplies.

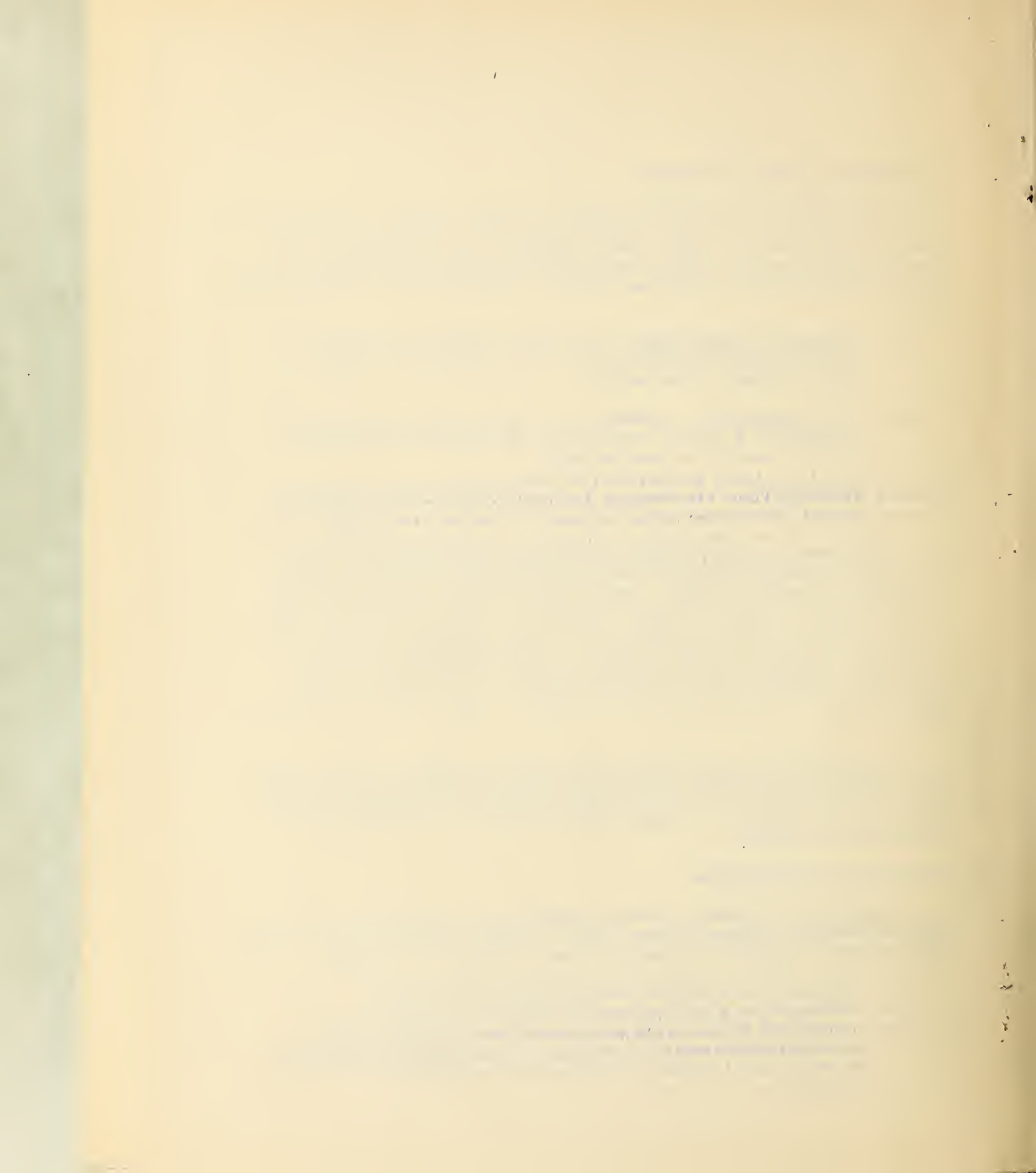
20. If a particular food proves so popular, at its current point-value, that stocks of it are being depleted, the point value must be raised, or the supply increased, or both. Conversely, if a food is selling slowly, so that stocks are accumulating, its point value will be lowered or the supply reduced, or both. A general increase or decrease in the releases of points foods must be accompanied by a corresponding adjustment of a consumers' purchasing power, in terms of points; this can be effected either by a variation in the points allowance or by alteration in the point-values of all point foods, or at least of some of the more important items.

21. It is essential to the smooth working of the scheme that retailers and intermediate wholesalers should have adequate working stocks of points foods. When adjustments in point-values or the rate of release of these foods become necessary, they must therefore be made before stocks have become unduly depleted.

22. Statistics and Intelligence

Adjustments of releases, points allowances and point-values must be based on adequate information with regard to demand and the state of stocks. The information regularly available to the Ministry is as follows:-

- (a) Statistics of arrivals, Ministry stocks and releases.
- (b) Monthly returns of first-hand distributors' sales and stocks.
- (c) Fortnightly reports from Chairmen of Area Provisions and Groceries Committees, on the basis of questionnaires relating to wholesalers' stocks of points foods and the state of demand for them.



- (d) A weekly survey of consumer demand based on a changing sample of 4,000 households, representing over 50,000 consumers each month. This shows the points expenditure and thus gives a useful indication of the effects of points changes on the demand for the various points foods.
- (e) Fortnightly returns from certain large multiple firms of retail sales of points foods.
- (f) Monthly returns from Food Offices of the points equivalent of vouchers issued by them. These indicate the proportion of the points ration that is being taken up by consumers.

IV. SPECIAL ADMINISTRATIVE PROBLEMS ENCOUNTERED

23. Exemptions

The points rationing scheme does not apply to supplies of points foods required by the armed forces; the Navy, Army and Air Force Institutes; the Red Cross; ship's stores; and manufacturers, including bakers, confectioners, etc., using certain points foods as ingredients in manufactured food products. The supply of the points foods to these classes of users is covered by entirely distinct arrangements, usually a permit system.

24. Replacements

Lost Ration Books and also distributors' points coupons and vouchers that have been destroyed by fire etc., or lost in the post, may be replaced by Food Offices after a formal declaration has been made by the applicant and the necessary enquiries have been made. Similar arrangements have been made for issuing points vouchers for the replacement of distributors' supplies of points foods destroyed by enemy action or other causes; requisitioned by salvage authorities; condemned by sanitary authorities; or lost in transit.

25. Allowances for wastage, slicing etc.

The point value of the large sizes of canned meats, which are commonly used for slicing on the shop counter, were reduced by about 10% in order to compensate retailers for the loss of points involved in slicing and weighing and a 5% weighing out allowance is made in the case of biscuits.

26. Allocation of points foods

Both consumers and distributors have sought to obtain certain foods, notably salmon, tongue and beans in tomato sauce, in greater proportions than the available supplies permitted. This has raised the question of how supplies of the more popular points foods should be shared. As far as possible maladjustments of demand are countered by adjustments in point-values. But this cannot always take effect immediately, e.g. in the middle of a rationing period; and it may be inconvenient to introduce a special point-value, e.g. for a particular pack or brand of food. It has therefore been made clear to wholesalers and retailers that they are free to refuse to sell a given food, or more than a certain quantity of it, to any particular customer; but that under the Food (Conditions of Sale) Order they are not permitted to require a customer to purchase one food as the condition of purchasing another.

27. The allocation of supplies of points foods to various parts of the country is adjusted as far as possible to the local demand. The requests of first-hand distributors with regard to the proportions of different foods to be released to them in the various areas will normally be met.

28. Claims for special treatment by particular classes of consumers

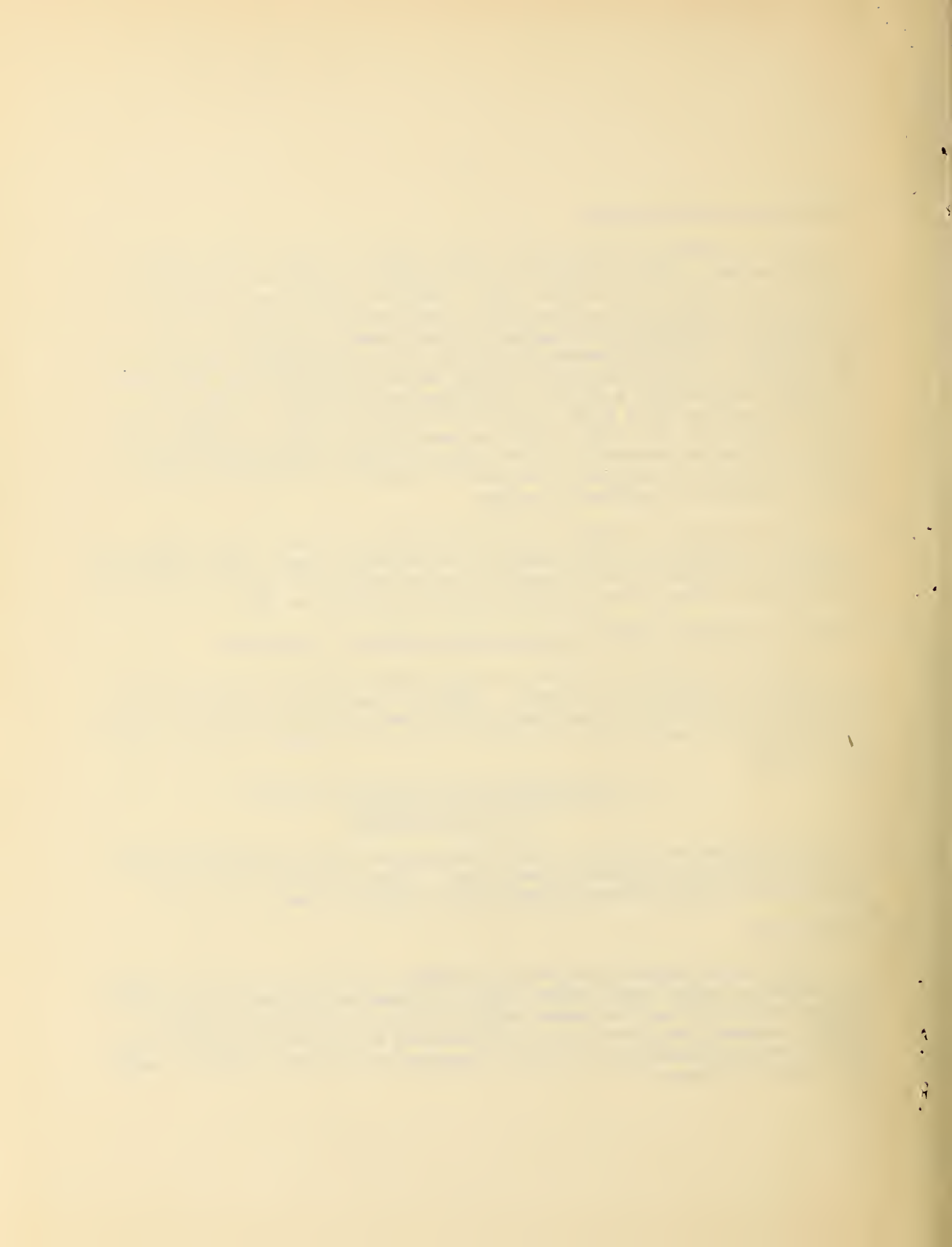
Particular classes of domestic consumers have not so far been given any privileges as regards points foods. Certain concessions in the favour of merchant seamen and lighthouse keepers have been made, and there are special arrangements for infants under 1 year old who need condensed milk on medical grounds.

V. PREPARATIONS FOR THE INCLUSION OF FOODS
IN POINTS RATIONING

29. Special problems had to be met in starting the points rationing scheme and in introducing additional commodities. These related mainly to the stocking-up of distributors and the fixing of point-values.

30. Stocking up

Once points rationing has been introduced, a distributor cannot increase his stocks of points foods unless special concessions are made or new foods become point-rationed. He cannot obtain further supplies except against points vouchers, and these can be obtained only on the sale of points foods; it is therefore impossible for him to increase his business except by means of a faster turnover.



31. It was essential, therefore, before the introduction of points rationing to provide for an adequate distribution of stocks to distributors. Fortunately, it was possible to start the scheme with a large initial distribution of Lease-Lend canned foods, which had not previously been available. The imported meats were distributed according to consumer registrations for butter, bacon and sugar. In the case of canned fish, on the other hand, the trade was instructed to arrange for the allocation of initial stocks to wholesalers and retailers in proportion to their pre-war business, with adjustments for population changes. Home-produced canned meat was distributed as usual. As a result of these arrangements the trade was provided with a very substantial starting stock; retailers probably had a total initial stock sufficient for five or six weeks. Strict secrecy about the proposed scheme was maintained until distribution was well under way. By means of a "stop order" all retail sales of the foods involved were prohibited until the scheme began; this was possible without serious inconvenience to consumers, because for some time previously most of the foods had not been available at all, or had not been available in appreciable quantities, and because alternative foodstuffs were in fairly ample supply.

32. In distributing stocks of canned fruit, tomatoes and peas, prior to their inclusion in the scheme, a pre-war datum basis was followed, as for canned fish. A "stop order" on retail sales was again imposed, but it was not necessary to maintain secrecy about the inclusion of these foods in the scheme.

33. Dried fruits, rice, sago, tapioca, dried pulse and canned beans in brine were included without warning and without any special previous distribution of stocks. The distribution of substantial supplies of dried fruits to distributors was permitted to continue "voucher-free", on the previously existing basis, for some weeks after points trading had become compulsory at the retail stage. This is the procedure now normally followed when new foods are introduced. In some cases no special arrangements are necessary, e.g. fairly substantial stocks of rice, dried beans and canned beans in brine were known to be held by distributors, so that these commodities were added to the scheme "overnight".

34. In certain special cases distributors have been provided with a starting stock by means of an allocation of points vouchers. For example, vegetarian stores were given vouchers in order to enable them to get a larger share of canned beans than they would have been entitled to obtain on the general basis used for the initial allocation of these foods.

35. The problem of distributors' stocks becomes progressively less difficult as more commodities are introduced. Most distributors are already dealing in a number of points foods and they can therefore adjust deficiencies in stocks of particular new points foods by a reduction of their stocks of the other foods.

Initial Point-values

It is not easy to determine the proper point value of a food before it has been included in the scheme. Point values had to be fixed by guesswork for all the foods that were introduced without warning, the necessary corrections being made when some experience of actual demand had been gained; it was found advisable to raise the point-value of salmon and to reduce that of pork sausage meat as soon as possible after the scheme began. In the case of canned fruits and vegetables, however, it was possible to make a special survey of prospective consumer demand, and the results of this were taken into account in determining their initial point values.

VI FUTURE DEVELOPMENTS

37. Apart from the possible inclusion in the Points Scheme of the major food-stuffs not so far subject to rationing, the main task in the immediate future will be the evolution of a more satisfactory means of transferring points between traders than by the use of points vouchers. Looking at points as a form of currency, the use of vouchers throughout the distributive trade is equivalent to business conducting its monetary transactions on the basis of £1 and £5 notes. The total "flow" of points in any four weekly period should be of the order of 1,000 million, and as this vast number has to be made up in individual units of 100's and 1,000's, the labour involved, particularly at the higher levels of distribution, in counting and checking vouchers - and this must be done at each stage from retailer to Ministry - is considerable.

38. Moreover, as long as unidentifiable currency units are in use, the Ministry has no means of ascertaining how much spending power is in the hands of the trade or, in other words, what its potential commitments in goods might be. It is already clear that there is considerable inflation of points currency, and that somewhere in the chain of distribution there are more points represented by vouchers than are necessary to ensure a steady flow of points foods each Ration Period. The reasons for this are various, but the prime cause has probably been the fact that for many months the public has not "spent" i.e. acquired goods for more than 75% of the points available to them, while retailers have obtained points in the form of vouchers equivalent to some 95% of the monthly issue of points. They have done this by surrendering to the Food Offices unused points coupons cut from the books of their customers. Though this is illegal, it is almost impossible to police.

39. Inflation is not necessarily embarrassing to the supply position, so long as the Ministry allocates, or permits the release by manufacturers, of only a predetermined quantity of foodstuffs each period. But it may have more insidious effects. Retailers or wholesalers who have more points than they need will be tempted to reduce their stocks, which is against the Ministry's emergency policy, and to sell off the ration the less popular

of the points foods. In time if such a practice became widespread, it might well tend to bring the whole Points Scheme into disrepute.

40 For these reasons, when the Personal Points Rationing scheme for chocolate and sweets (see Appendix II) was introduced, the voucher system was rejected and the scheme has begun with a method of transferring points by means of forms filled out by the retailer or wholesaler; in other words, a system of cheques instead of pound notes. The Board of Trade use such a system for clothes rationing and conduct the operations through the Joint Stock Banks. The Ministry is endeavouring to work a simpler system through the local Food Offices and the Divisional Food Offices.

41. This system will be introduced for the General Points Scheme as soon as possible. Its advantages from the point of view of the trade are that the transfer forms can be made out for the exact number of points required and that the labour and time spent on counting vouchers is saved. From the Ministry's point of view it will be possible to ascertain each period how much currency is outstanding i.e. the size of traders' unused balances of points, and to take, if necessary, anti-inflation measures such as writing down the balances of traders which do not bear a reasonable proportion to the four-weekly turnover in points foods.

VII CONCLUSION

42. The Points Scheme has been an undoubted success from the consumers' point of view. Even with the greatly increased complications due to the now lengthy schedule of point values the public reaction is, if anything, more favourable than when the scheme began. Complaints are received from traders from time to time on the work involved, but increased clerical work is an inevitable concomitant of any scheme of rationing. The burden of work involved by the Points Scheme on both retailers and wholesalers could be materially reduced only by a drastic rationalisation of the methods of food distribution. So far, efforts in this direction have not met with any marked success.

W. A. B. H.

Points Rationing Division,
Ingleside,
Colwyn Bay.

21st September, 1942.

APPENDIX I

Point Values

1. The following selection shows the scale of point values in force in September, 1942.
2. (a) Canned Meats

Tongues and Briskets	32 points per lb.net.
U.S.A. Luncheon Meat (the 12 oz. can has a differential pointing of 24 for the can).	16 points per lb.net.
Australian Minced Meat Loaf	32 points per lb.net.
Home-produced Meat Roll	2 points per lb.net.
- (b) Canned Fish

Grade 1 Salmon	32 points per lb.net.
Grade 3 Salmon	8 points per lb.net.
Tuna fish, Lobster, Crab	16 points per lb.net.
- (c) Canned Fruit

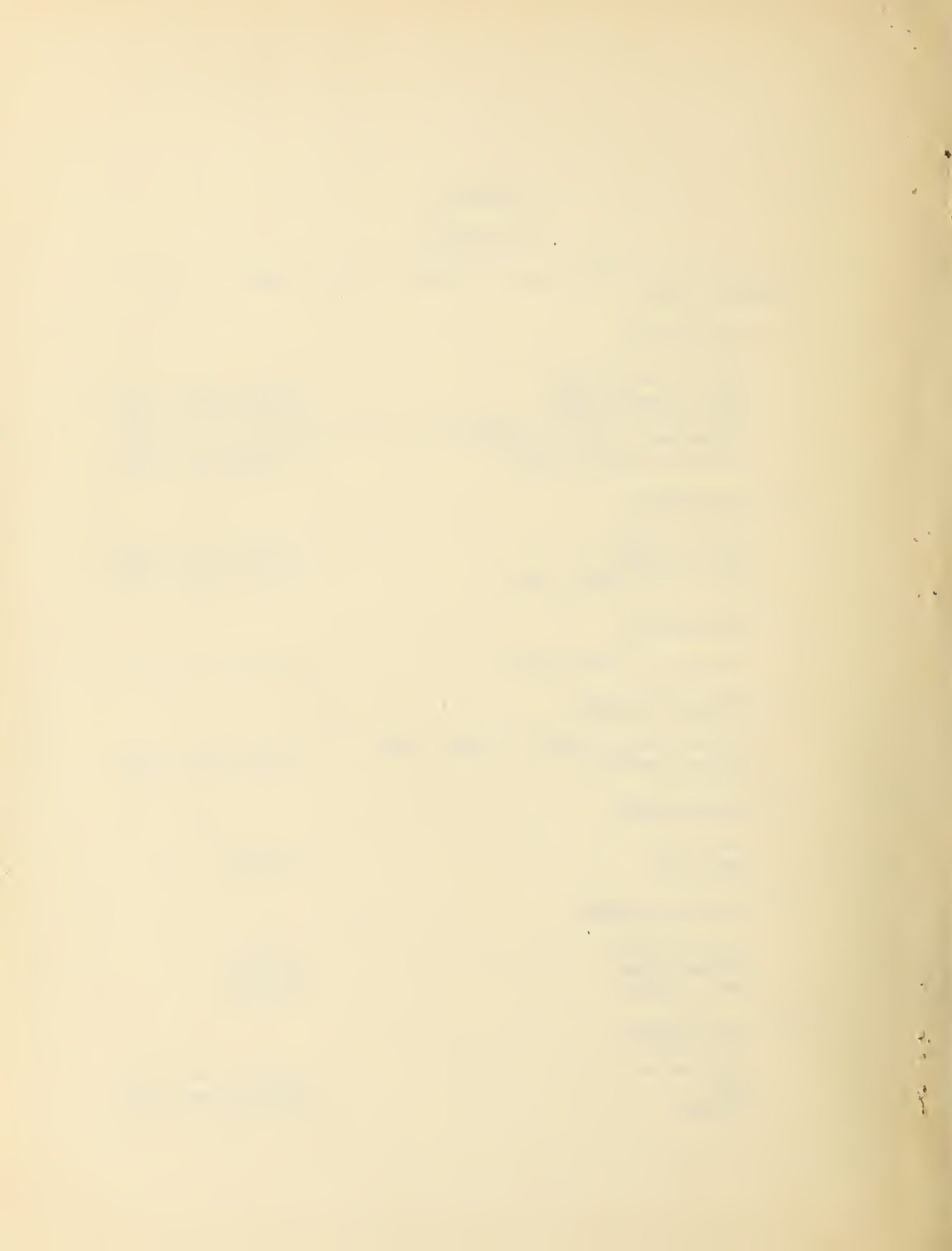
Imported or home-produced	8 points per lb.net.
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- (d) Canned Vegetables

Canned Peas and Beans in Tomato sauce	4 points per lb.net.
Canned Tomatoes	6 points per lb.net.
- (e) Condensed Milk

Large can	8 points
Small can	4 points
- (f) Breakfast Cereals

Large packets	4 points
Medium packets	3 points
Small packets	2 points
- (g) Dried Fruits

Vine fruits	16 points per lb.net.
Dates	12 points per lb.net.
Prunes	6 points per lb.net.



(h) Syrup & Treacle

Any type 8 points per lb.net.

(i) Biscuits

Chocolate biscuits 8 points per lb.net.
Sweet biscuits 4 points per lb.net.
Plain biscuits 2 points per lb.net.

APPENDIX II

Personal Points Rationing

Chocolate and Sweets

1. As from 26th July, 1942 chocolate and sweets were rationed. The system adopted was a points scheme and consumers were given special ration documents known as Personal Ration Books. This book is in fact a sheet of paper which comprises 52 coupons marked "D" and 52 coupons marked "E". In most respects the scheme works on the same lines as the Points Scheme, the separate documents being provided in order that the individual could carry his Personal Book with him, the purchase of sweets being one which would not necessarily be made by the housewife or the holder of the family's general Ration Books.
2. There are 4 "D" and 4 "E" coupons available for use during each Ration Period. Each coupon is at present worth 2 points, and as chocolate and sweets have a value of 16 points per pound, the individual can purchase one pound of confectionery during each period.
3. Before the commencement of rationing some traders hoarded stock which has gone out of condition. To enable them to dispose of it, if they are prepared to take a monetary loss, the point value of confectionery sold at or below 1/- per pound has been reduced to 8 points per pound. A "D" or "E" coupon worth 2 points will therefore buy 4 ozs. of goods not in prime condition.
4. While there is no immediate prospect of the use of the Personal Ration Book for other commodities, it is always available for use should the need arise to ration commodities, not necessarily foodstuffs, the purchase of which is primarily a personal matter.
5. Vouchers are not used in the Personal Points Scheme. Retailers and wholesalers transfer points in respect of their purchase by using a form of cheque.

