WASHINGTON, Dec. 19.—A new rationing system for the country's 300,000 restaurants and institutions is being phased in to reduce the number of food servings. The new system, which will be based on the number of customers, will take effect March 1, with food allotments based solely on the number of servings.

Under the present system, rations are based on the number of customers, regardless of whether the service consists of food and refreshments or merely refreshments.

The new system will accomplish a more equitable distribution of food, according to Food and Housing Administration administrator Chester Bowles, who issued the statement. Banks, hotels, restaurants, and similar places, he said, will be subject to the new system.

This statement must be carried out to avoid confusion between the service of meals and of refreshments only, he added.

Mr. Bowles said, "The system is following the popular definition of such terms as 'food' and 'refreshments.' It is much larger for both the restaurant and the public in distinguishing between the two by applying the term 'refreshments' to any beverage or food consumed outside of eating, drinking, and the minor cost of food."

He added that the new plan would "even out the inequalities under the present system, which allows certain types of eating places which do not principally serve meals to get larger food allotments than restaurants whose chief business is in food."

To rule the rules for such establishments, the statement added, would bring a saving which in effect would be added to the national supply.

Wouldn't Change Use

The program would also tighten controls over some "a small minority" of establishments which have been overestimating their ration usage and adding more than their legal share of food, he declared.

"The new plan certainly isn't perfect by any means," he continued, "but some industry people who have worked with us agree that it is a great deal more sensible and fair for both restaurant owners and families who normally eat at home."

"There are only two alternatives to this plan—standardized meals or the collection of rations coupons in restaurants. Either of these alternatives would add tremendous complexity to rationing."

The purpose of requiring reports on refreshments as well as food services is to deter the alienation of rationed items such as sugar used in coffee.
Restaurant Men Voice Fear Of Further Slash in Rations

Hospitals and Other Institutions Are Also Affected by OPA's Call for Filing of Point and Food Inventories

By CHARLES GRUTZNER Jr.

Restaurant men, who have interlarded their menus with meat substitutes and cut down on pastries and sugary desserts, were in fear last night of a further reduction in their food rations.

The potential threat extended also to hotels, boarding houses, hospitals, jails and other institutions that have been required to file with their local rationing boards detailed statements of their point inventories and physical inventories of rationed foods on hand last Dec. 31.

The fear was expressed by institutional users that this might be the prelude to the voiding of point accumulations for some foods, particularly sugar. This would wipe out unused points of institutional users, as the Office of Price Administration killed off the point hoards of many housewives last month by invalidating all but one of the six outstanding sugar stamps and all but the recently validated red and blue point stamps.

Beyond saying that there would be no changes, other than those already announced, in the institutional users' January-February allotments (which cover the period from Jan. 15 to March 15), the OPA has declined to give any assurances to allay the fears of the restaurateurs and other users who come under the same rules.

An OPA official who refused to be quoted directly said unofficially that the next step probably would depend on how the food supply shaped up during the next month.

Since the rationing procedure for institutions differs from that for individual consumers, the OPA could not make a retroactive cut.

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RESTAURANTS FEAR
SLASH IN RATIONS

Call for Filing of Point and
Food Inventories Seen as
Threat of Cancellation

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by invalidating certain stamps, as it did with housewives. The way to reduce point boards would be through withholding part of the future allotment of a user found to have an excessive inventory.

The sugar rations of all institutional users were reduced as of Jan. 1, regardless of what individual inventories may show, by a flat 20 percent if the institution does its own baking and by 10 percent if it does not. On the other hand, the OPA permitted institutional users to apply to their local boards, under certain conditions, for increased red and blue point allotments to compensate for the restoration of meat meals and certain processed foods to the ration lists.

Hankel Tells of Sweet Supplies

"The cut of 10 or 15 per cent in our sugar rations means there will be fewer pastries and less variety in desserts," said Paul Hankel, president of the Society of Restaurateurs. "But 20 per cent of the hotels lost only 10 per cent of the restaurants did their own baking.

"I hate to think where we'll be if they cut our sugar allotment still further on account of unseasoned sugar certificates," he added. Mr. Hankel said that the sugar shortage during November and December was so bad that institutional users obtained from their dealers only fractional amounts, against the two-months allotment certificates they had deposited against them.

"Naturally, everyone's Dec. 31 inventory will show the dealer owing him some sugar," he declared. "That was because of an unnatural supply situation and we had hardship. Some restaurants have a favorable red point balance because their suppliers couldn't deliver their allotment of meat. But a majority of the restaurants will be found short of meat points to their suppliers. That's because some time or other their meat supplies were bigger than their ration.

Predicting that most restaurants would be found to have a surplus of sugar credits but to be in debt to their suppliers for meat points, Mr. Hankel said:

"If OPA decides to cancel a man's sugar credit, it should forgive his meat debt. It can't make fish out of one and fowl out of the other."

Mr. Hankel said it looked very much as if the purpose of the OPA inventory was to reduce some ration point inventories. The various local rationing agents and the inventory demand to institutional users about a week ago. Although they required that the inventories be reported by yesterday, there is no penalty for late filing except possible delay in the January-February point allotment.

Hospital Buyers Worried

Dr. P. Schwartzman, director of the Hospital Purchasing Service, said the officials of several hospitals had expressed the fear that the inventory demand was the forerunner of serious reductions in institutional allotments. He said he had put the question to the OPA and had been assured there would be no further cut in the January-February allotments but that OPA had refused to commit itself beyond the January-February period.

An OPA official said last night that, regardless of any cuts in allotments to institutions, hospital patients would receive sufficient rationed foods for their dietary requirements. He said there had been no change, and would be none, in the regulation permitting the medical boards of hospitals to apply for additional allowances of rationed foods for patients, though not for staff members or employees.

Meanwhile, the immediate worry of hospital heads, as well as of restaurateurs and hotel men, was to get sugar delivered from their dealers. Mr. Schwartzman said the amount of the sugar allotment did not mean much if the institution could redeem only a fractional part of its sugar certificate. He said one institution, which had received a November-December ration of 6,500 pounds of sugar to meet actual needs, had been able to obtain from its dealer only 2,500 pounds since the start of that allotment period on Nov. 16.

"They're running on half rations, now, and in another day they'll be out of sugar completely," he said. "Sugar certificates are no good without sugar. We need some arrangement whereby the needs of hospitals and similar institutions will be supplied first."

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Cafe Shutdown Seen With Red Point Scarcity

Restaurants in Southern California are in such a drastic situation due to lack of red points that 80 per cent of them will be forced to close within two weeks.

That was the prediction made yesterday by William W. Bradford, executive vice-president of the Southern California Restaurant Association, as he confirmed dispatch of a telegram to the Senate Small Business Committee which is holding hearings in Washington, D.C., on the plight of Southland eating establishments.

Cut in Allotments

While redeployment of troops and increased war work have resulted in greatly increased patronage for restaurants here, they had to take a 20 per cent cut in red point allotments from the O.P.A. July 1, Bradford pointed out.

He hastened to add that the association’s complaints are not aimed at local or district O.P.A. officials who, cognizant of the situation, have attempted to be helpful, but are made against a national formula instituted by O.P.A. authorities in Washington.

An Associated Press dispatch in which Max McCullough, the O.P.A.’s rationing chief, was quoted as testifying at the committee hearing that restaurants with increased business can receive more ration points from local boards was read to Bradford.

O.P.A. Chief’s Oversight

“That’s true,” Bradford declared. “But, what McCullough apparently neglected to add is that a restaurant must show an increase of at least 20 per cent in both the number of customers...
POUNDS SHORTAGE MAY CLOSE BULK OF CAFES

Continued from First Page

ers and dollar volume before it can get relief. On the other hand, if business should decrease as much as 2 per cent, its red point allotment is cut accordingly."

Bradford said that his advice to the committee was in response to a request by some of its members for information.

"They wanted an estimate of how many restaurants are patronizing the black market," he disclosed. "I told them it was 15 per cent. They wanted to know how many meals are being served daily to war workers in both public eating establishments and factory restaurants. I told them about 1,500,000. They wanted to know how many meals restaurants served daily to their employees. I told them 100,000."

Coverage of Checkup

These figures, Bradford explained, cover the eight counties in Southern California in which his association has 17,000 members.

Bradford scored an asset in the McCullough report to the committees that the O.P.A. cut restaurants' red points on July 1 in the belief that persons eating out were getting a disproportionate share of the available meat compared with those who eat at home.

"The O.P.A. was on the assumption that everyone to whom a ration book has been issued eats every meal at home. That's 21 meals a week. Our surveys show that the average person eats only 12 meals a week at home."

"And statistics also show that, under the present O.P.A. formula, the restaurant operator gets only 484 red points per customer while the householder is allowed an average of 664 points per meal."

Approval Deemed

Bradford also quoted testimony by McCullough that the July 1 cut was approved by the O.P.A.'s restaurant industry advisory committee.

"On the contrary," Bradford declared, "when the cut was first discussed in mid-June the advisory committee militantly opposed it. I have minutes of all the meetings and I know."

In addition to answering qua-
Cafe Rationing to Be Restudied

WASHINGTON, Aug. 7. (AP)—O.P.A. officials tonight agreed to restudy red point rationing for restaurants after witnesses from several States testified "hundreds" have closed or will close.

Max McCullough, O.P.A. deputy director for rationing, told the Senate Small Business Committee he will confer again with the industry advisory committee this week.

Most witnesses testified that many small restaurants had been affected by a cut in meat, butter and fat points as a result of an O.P.A. order July 1 which reduced the maximum allotment of red points to .7 a point per meal per person.

Black Market Figures

Current prices for black market food in the nation's capital, Bayard Evans, a restaurant operator of near-by Arlington, Va., testified are like this:

Steak, $1.50 a pound; turkey, $1 a pound; duck, 75 cents a pound; chickens, 58 cents to $1 a pound; bluefish, 60 cents a pound; mackerel, 45 cents a pound; oysters, $5 a gallon, and tomatoes, $0 a bushel.

City Kitchen Continues Operation in Auburn

AUBURN (Cal.) Aug. 7. (AP)—Operation of a community kitchen in Auburn was continued today by the City Council after restaurant owners voted to stick by their decision to remain closed throughout August.

R. W. Edwards, spokesman for the 15 restaurant operators, said the O.P.A. "withdraw its offer to guarantee a supply of unrationed food."