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CIVILIAN REQUIREMENTS IN WAR

18 SEPTEMBER 1946

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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

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CIVILIAN REQUIREMENTS IN WAR

18 SEPTEMBER 1946

CAPTAIN WORTHINGTON:

We are very fortunate this morning to have as our speaker Dr. William Y. Elliott, a member of the Department of Government at Harvard University.

During World War I, Dr. Elliott served in the 114th Field Artillery, 30th Division, A.E.F. During World War II, Dr. Elliott served in Washington as a consultant to various government agencies, including the National Defense Advisory Committee and the Office of Production Management. He was the Director of Stockpiling and Transportation and also Vice-Chairman of Civilian Requirements, all of the War Production Board.

The subject of Dr. Elliott's lecture today is: "Civilian Requirements in War."

DR. ELLIOTT:

Captain Worthington and gentlemen: This room gives me a slightly funny feeling. The last time I said anything in it I had the temerity to predict to the Army War College the downfall of France; that was in late 1939. The gentlemen who were listening to me at that time thought, I am sure, that I had better talk about something about which I had some knowledge. My argument was simple: I thought the French, frightened and unprepared in aviation and modern weapons, were getting bored with the so-called "phony" war; but that the British never got bored with anything because they were used to their climate and consequently lived in a perpetual state of boredom. Well, it turned out to be more correct than we had any right to think at the time.

Looking back now on that period, I remember how many of you gentlemen and certainly I, had made futile and useless efforts to get stockpiles of strategic materials--an obviously necessary thing to do--for ten years. The first memorandum that I prepared for Mr. Roosevelt before he went into office was written on that topic, urging him--I hope with some persuasive reasons--to settle the war debts of the First World War in return for strategic materials. Think what a difference it would have made in the entire conduct of the war if we had been prepared in time, even to that limited extent, rather than having to proceed as we did, namely, improvise our staff work and disrupt industry in all directions because we had not planned out the scale of the magnitude of our requirements; or laid in even a stock of strategic materials.

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The War Department was often criticized for its inadequate requirements in the first years of the war. But we must remember that both its D-Day plan and the War Resources Board were rejected by Roosevelt. In the Summer of 1940, when I came to Washington with Ed Stettinius, Don Nelson, Bill Batt, and a few others--in late May or possibly early June--we knew very little about the requirements. We were set up only as an Advisory Commission with no head! It would have ruined our preparation for war had we taken completely seriously the minimum figures that were presented to us, for planning facilities. Yet, it was not the fault, in any real sense, of the Armed Forces. That is going to be the key of my remarks about civilian requirements this morning.

Planning for any kind of policy whatever depends on the objectives of the policy. The strategy keys the tactics. The fact is that the planning had not been done top-side in any sense whatever, nor was it compatible with the temper and organization of the government to be willing to do it. Our American people, perhaps, just weren't prepared by their history or leadership for this effort.

I remember, at the time the President set up a Committee on Administrative Management, on which I acted as a staff member, a luncheon conversation with Mr. Roosevelt which I think I can now tell you about without any breach of confidence. In 1936, at the time he assigned me the job of setting up the staff memorandum on the White House staff and secretariat, I brought up the necessity for having a general staff around the President comparable to what Mr. Forrestal has put out in his report, based, if you like, on the general model of the British Committee on Imperial Defense. I thought this would furnish, in a quiet way and without ostentation, the strategic planning and follow-up in industrial organization that was obviously necessary in the kind of world in which we were living.

Mr. Roosevelt, whatever his failings may have been, was a very shrewd person in analyzing, at that time at least, the dangers from the Axis powers. I may give it as my personal opinion that we later fell out very considerably about his analysis of the dangers from other quarters. That is another story, but it is a story for the future. He did see the necessity for preparing the country for war. As the political head of a democracy vulnerable to pressure politics in the way that we are seeing evidenced every day before our eyes, he felt unable to take the point of view I suggested. I begged him again in 1937 to consider it from the possibility of doing it very quietly, without any publicity, by merely setting up this Executive Policy Council which was organized in embryonic form by Bill Phillips, as Under Secretary of State. Principally, it was initiated for the purpose of bringing together the Army, Navy, and State Department,--I do not think we can limit it only to those, but that is at least the beginning,--in such a way as to have those services in continuous contact and have some joint planning accomplished.

But when we reached the subject of setting up a War Production Board in being, in skeleton form, which, in my opinion, is more necessary now than it was then by a thousand per cent, he said: "I can't do that for several reasons. In the first place, it will be treated as a war-mongering gesture by this pacifist country. And, in the second place, if I did, Mr. Baruch would run away with it." Despite this, Mr. Baruch ran away with it, sitting on the bench in Lafayette Park!

I give you that merely as a sample of some of the questions of personalities that sometimes affect very important decisions. I believe the second reason was the more important of the two. I said I thought Mr. Baruch had done excellent work in the First World War and although he was old he would be useful and, as an elder statesman, could be put in an appropriate position. But that was the President's position. I was not arguing about who was to run it. After all, he was the President. Someone must run the country.

The reason I bring that episode up, gentlemen, is this: there was no planning, before the last war, in the top political branch of our government. There was no planning as to the scope and objectives of our policy.

It was obvious from 1933--and certainly, I think, from 1931--that we were going to have to fight Japan and probably after 1933, Germany and maybe Italy. Certainly after 1936, when Germany was allowed to reoccupy the Rhineland, nobody could have any doubt about the implications. The nature of those systems was perfectly apparent to every student of politics; there was widespread agreement on the coming war. But our people as voters did not like to think the world was as tough as it was. That is the basic reason. They just would not confront it. They went off into a dreamworld of neutrality acts rather than Maginot Lines as barriers to war.

Now I think, politically, the same conclusions today must condition any analysis of requirements for civilian developments because they affect the nature of the requirements of war. We always stand the gravest danger of fighting the last war over again, and the next war, in my judgment, will not permit us that luxury. The French lost this war on that technique. Many a battle has been won on the playing fields of Eton by the British, but I'll be damned if I don't believe more of them have been lost there.

The idea of going over the past as an indication of the future is fatal. This country, in my judgment, is confronted by the inevitability of war within a period of 15 years, unless certain very difficult political decisions are made soon. It will be most fortunate if it can prevent that war by taking action, as could have been taken before this last war, of a preventive character within the time limits of the next five years. I, personally, do not believe that the country will take the necessary action.

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I believe we will repeat all the errors that democracy has made before in refusing to recognize the real nature of the Russian system today, which is the only source of any danger.

You may think what I am saying is not apposite to what I am going to talk to you about. I think perhaps I can show you that it is.

I had a long conversation with Stalin after I had resigned from the War Production Board--I wasn't among those gentlemen in that Board who followed the Harry Hopkins line--and I was told in Russia, over some vodka, by one of our hosts, that I had caused them a lot of difficulty in the W.P.B. I had. I tried to stop lend-lease to them following the second battle of Kharkov, certainly all of it for their post war reconstruction. Lend-lease wasn't created for this purpose. I also asked the United States to stop delivery of electronic equipment, radar, and everything else after it was certain they could not take care of the Germans in their own territory. Most of all, I objected to priorities being given to them for rebuilding Russia over the post war years that would delay our own reconversion. That was the point at which the conflict became critical and I make no bones about that.

As a lifelong student of politics--as far as I have lived--and having looked into the faces and felt the character of the rulers of Russia and studied their system, fully appreciating its ruthlessness and its totalitarian character and quality; its infinitely more subtle propaganda than that of the Nazis; its superior fifth column within our own country, assisted by fellow-travelers in high places, I am convinced that the danger from that system to ours is greater, and will be greater in a future war than the one we have just gone through.

The tactics and strategy will be entirely different. I do not need to go into the familiar rigmarole about the nature of modern warfare with modern weapons. I am not talking about atomic weapons only, but jet-propelled weapons, rockets, and supersonic planes and things that are no secret to the Russians. But the main thing is: that the insidious penetration by espionage, sabotage, and infiltration of our system by that system is possible here, where no counter-measures on our part are possible against them there. Until we realize that, and act accordingly, we stand in the gravest possible danger of having a war that breaks upon us in days, with no Britain in front of us this time; with the distances substantially annihilated by the possibility of delivering weapons either by planting them like mines in our cities, or from either nearby bases or borne from very far distances in destructive mass that can certainly be crippling; by an enemy to whom surprise is a natural weapon (as it is to all totalitarian systems); as they lit on Finland; as they acted when their ally, Hitler--and he was their ally--beat them to the jump in Poland and also in the Baltic. He beat them to the jump, to his own destruction, a little later; but, any way, it was a near thing.

If that is the case, the whole philosophy of civilian requirements is affected by it. Even if it isn't the case, any kind of major war that we are going to fight will be of that character, whether I have selected the precisely right analysis of its source or not, no matter from what source it comes. A war in which the world is divided in support of the United Nations, if such a thing is possible, would nevertheless involve the same element of immediacy. There would not be the two years that we had as a period of grace in World War II, and the more than a year, really two or three years in World War I--we didn't get into it until 1917--to get ready.

Therefore, the whole organization of civilian requirements will be an entirely different proposition from the one we had this time. We got along with a reasonable degree of success because, you see, we could intervene almost at the time we chose. Japan kicked us in, but we were nearly ready for it. Britain was holding North Africa, the Mediterranean had not been closed, and there were a number of other factors of a favorable character, assisted by that Providence which heretofore has been so consistent in protecting drunken men, fools, and the United States. My only proposal on this is that we ought not to press Providence too far; and that, in consequence, we will not have that schedule that Jack Small of the C.P.A. has gone over with you, of several slow stages in our preparation to go into the next war.

Therefore, the conversion problem will be an entirely different problem. It will be a matter of grabbing immediately those industries that can be used and those materials and manpower that remain to be grabbed, among other things, in every direction.

Under forced draft, the Army, Navy, and the Air Forces, under what I presume is now decided to be a policy of merger, will have their plans made for such an emergency. But the effect of this sort of leap into war, all-out, on the civilian requirements is very drastic and requires thinking through. Instead of having fat to live on, gradually lopping off area by area, by Limitation and M Orders, and by the persuasion of industries, segment by segment of the civilian economy, the situation will be that of a quick, surprise war for which we had not planned in detail with all the staff planning--not just blueprints, but an apparatus in being. I am assuming that planning and follow-through will not be done, and I do not believe it will be. Of course, the ideal would be to keep a W.P.B. in skeletal form, with plans all set and reserve personnel ready to operate on a day's notice. On the basic assumption that this organization and pre-planning won't be done, which I propose to examine, civilian requirements would be in the following order of priority. Priority proper without controlled quantitative allocations is, of course, doomed to inflation and uselessness. Definitely planned quantities and earmarked plants for production of them must be decided upon. It is obvious that the basic public

services are direct war needs and must be so treated; utility systems, the railroad systems and transportation systems must be left functioning for military purposes. But that even those systems in a quick war of surprise and attack would not be given the backlog of replacement and diversion of the economy that we were able to afford them in this war. They would have to be maintained. They could not be refurnished, rehabilitated, just kept going, on a bare bones basis at best.

I prepared at least 20 memoranda in the War Production Board, beginning in 1940, on the need of getting a couple hundred thousand freight cars and an adequate rolling stock and locomotive provision, particularly in Diesels that were so easily handled, during the war. At that stage we could have done a great deal without in any way seriously hurting the war effort. Really our biggest transportation handicap at some stages of war, as now in reconversion to peace, came from a lack of enough of the right types of rolling stock. At every stage during the war it was doubtful whether the transportation system would support it. It did, but there was much wasted effort, and considerable production, materials, and manpower had to be diverted, during the height of the war, from the war effort.

The transportation system in shipping broke down. I remember one night receiving from the White House one of the Harry Hopkins "drawn" memoranda signed by F. D. R. which directed Admiral Land, Clay Williams and me to cut civilian requirements on imports, which I had been trying unsuccessfully to cut for some time with the then Maritime Commission, just before it was made the War Shipping Administration. The directive said by 50 per cent. That should have been done long before, by stages, not at one blow.

Now our allocations and quotas for import shipping were not being carried out. Clay Williams was being prosecuted at the time for some kind of a tobacco deal against the Anti-Trust Law, so I didn't look him up. I just took the order to Will Clayton--you have to interpret your orders, you know; just a little slip on Harry's part and signed by the President as an order! Admiral Land washed his hands of the whole business and said he would take no responsibility for anything like that. So Will Clayton and I got together, sat down, and agreed to cut imports. The results afforded about 20 ships to the Navy and as many to the Army that they would not have gotten otherwise.

The civilian requirements of the country are not capable of being cut indefinitely in that manner. We went over that brutal draft with a committee of experts from various agencies. We found, and you found in your own studies, that the war supporting economy of the country has to be maintained, and that goes quite a long way. Some sugar and coffee had to come in. It is desirable in the highest degree to have people able to get things laundered instead of having women, ~~laundry~~ *who otherwise can get to work on war plants*

~~can go to work in war plants.~~ It is extremely necessary to have bus transportation available to take the people to work. Automobiles and motor busses and trucks must be kept up on the roads.

The second major priority for all civilian requirements, in my judgment, would be repair services to keep the existing mechanism functioning. Production of new equipment is almost entirely discontinued and it, therefore, becomes absolutely critical that repair parts, services, and men to service existing equipment be provided. Believe me, if that part of the civilian economy is not kept functioning, you do not get the full efficiency of your labor market. You do not possess the ability to fully mobilize the entire population. You can talk hard-boiled, but people cannot function efficiently unless they can move freely; unless they can live with that kind of an economy of effort that the American home produces, that permits women to work outside, unhampered by time-consuming menial tasks. Washing machines, refrigerators, even vacuum cleaners and especially oil furnaces, plumbing, etc. must be kept in operating condition.

That is a very important point to get into the thought of people who are dealing with this problem. I did not myself fully understand it, because I spent the first two or three years being hard-boiled, prodding the generals like Somervell and Gross, and some of the others, to try to get them to be tougher, to stop sending the damned transports around from the Philippines clear to the East Coast. They could not help it because their orders told them to get their military personnel there the cheapest way possible. I certainly used the axe every time I got an opportunity. But during the last year of the war I backed up on that. We ran along on our fat just as long as we could. We were beginning to lose efficiency. We had to change our figures to fit facts just as you must revise your figures to fit policy in any other kind of an operation.

I do not know how long an atomic war would last, but it becomes evident that your immediate reaction is the critical one. Any cuts made in the civilian economy would have to be brutal and absolute. Plans must be laid, excepted quantities of production should be kept out of military conversion, to get these minimal things I have spoken of. This part of the economy must be sufficiently protected. I have spoken of utilities, transportation, and so forth--things that affect, basically, the economy. I think there are others that must be equally protected.

Along with that, the supporting economy that is necessary to keep the war economy going must be protected. It was found time after time that if any of these were limited, almost always bottleneck items developed which affected those in the civilian supporting economy.

So that the third major priority is the supporting economy for a war economy. That is the one that requires the closest analysis and is the most

difficult of definition. A great deal of the staff work was done on that in the Office of Civilian Requirements in Leon Henderson's day for the rest of the Board or O. P. M. They talked about rock-bottom economy, but when they began to examine it, it turned out to be impossible to handle it quite that way. The British, in their own experience, when they were "backs against the wall," concentrated, for instance, their perambulator production in one war factory, and the Germans got that! It turned out to be an exceedingly bad business from the point of view of the morale of England. The baby crop increased--with a little adventitious help from other quarters--and the result was that prams became an article of absolute necessity. You just can't do without things of that kind. There are a number of items of absolute basic civilian use that are not luxuries in any sense, but that are just a part of living. You simply cannot go below that level without losing efficiency in war. You have to have your planning carefully drawn up in time to protect that level of production of essentials.

Civilian necessities is the fourth level priority, in my judgment. But in order to give them some protection a limited amount of production has to go on. Programs for these amounts must be treated like military maintenance programs. For instance, in a thing like farm radios, when we were making walkie-talkies and using every dry-cell battery we could lay our hands on and the facilities for making them, we cut the farmers below 50 per cent of the normal requirements for dry-cell batteries for running farm radios--farm radios are not electrically hooked up--there were not only political repercussions stemming from the White House and Congress, but there developed a situation where the farmers were out of touch with the war effort in ways that were deleterious to them. They could be cut 50 per cent without harmful result, but no more.

Then there was the problem of batteries for hearing-aid devices. These are characteristic examples. The need for hearing-aids for war workers was great.

Another problem was the installation of gas and electric ranges in new housing for war workers. These had to be installed in areas that were not serviced by other forms of power. They were absolutely essential. People simply would not move into or work in those communities.

We found it necessary to arrange distribution by rationing, with preferred categories. There had to be a priorities set up, but also enough production had to be going on to meet ration claims. In this connection do not forget that a most important factor is the military use of a great many civilian items. Refrigerators had to be supplied for blood plasma at the hospitals. While we secured an inventory and stockpile of existing refrigerators, nevertheless that stockpile finally ran out, and we had to take some of the limited production of electric refrigerators for strictly military purposes.

In addition, and just as important I daresay as any other thing, we were using up our share of the production of penicillin, and drugs of that sort, for the most essential civilian health.

Now it is in that area of planning that staff work becomes absolutely critical, to see what facilities you are going to keep going with manpower for that purpose. Take, for example, a thing as simple as the best use of the Timken bearing plants in 1940. When the Navy went to Timken in 1940 and 1941, and said: "What can you make besides axles and bearings?", the Timken people said: "For God's sake, who's going to make the axles you and the Army have to use? What happens to essential transportation? Why divert us to doing some other thing for you and consequently turn us into a conversion problem? You will then have to turn us back to axles and bearings."

To pick out the facilities and have them earmarked so they are already set with orders, and going, is to give the supporting war economy a chance to do its job.

Let me pay my respects to some of the military planning in the last year of the war that I fought tooth and nail because it did not take civilian essentials into account as against military over-insurance. I did not hesitate to do so and events have subsequently proved, I think beyond any peradventure, that it was right to fight them. Bob Patterson tried to ram eight million sleeping-bag covers down my throat--it cost three yards of combed cotton textiles of the best sort for every yard that was put into a sleeping-bag--in mid-1945 for a campaign in the Pacific where certainly he was not going to deploy that number of men, or use all those bags, even if the fighting had continued through 1946.

Furthermore, he had enough tenting to go around the world, several times. Apparently, he had figured tenting for troops scattered throughout the world. It just didn't make sense. It was depriving the civilian economy of certain materials like denims for workmen by being taken out of current production to make cotton duck, and I thought the risk was worth taking. We finally stopped the production at more reasonable levels, but very late. Incidentally, I slept in some of those sleeping-bags up in Canada recently and I found them rather nice.

That kind of planning is stupid; but, actually, it was because the underplanning earlier had made people so desperate. They began to figure what they had to have to support this effort in several theaters at once. The supply lines were, in some instances, ten months long. They forgot we were not still convoying, and a few other things. The boys in the Pacific, when I talked to them in G-4, said: "Keep those fellows from piling this stuff up on us the way they're doing it. We haven't any place to put it. We have no warehouses. Give us stocks for a month and a half and a steady

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pipeline and we're okay." It is a little hard for the field to get to them sometimes. You all know about that too.

But that planning had been based upon the necessity of turning a civilian economy--in textiles, let us say--over to military uses, without an adequate study of the mills in the country. It was knocking the props out of workmen's clothes and gloves. We could not get them for use in the hot rolling mills for a while, or for picking cotton and corn. If any of you have tried to shuck corn without them, you know it is pretty tough. Of course, there are some men with horny hands that can do it, but it isn't so good. You must have workmen's gloves.

We also tried to stop the women from wearing blue jeans. It got to be fashionable to wear denim, even heavy denim, and all the girls with nice-looking hips went around wearing blue jeans when the blue jeans, by right, should have gone to the farmers and workmen. We did stop it eventually after a great struggle and many Congressional investigations. But, you see, there was no adequate preparation for preserving that essential part of the civilian economy and for nine months we ran with 15 to 20 per cent of the amount of denims we needed for workmen. Denims wear out in nine months. A man can make a pair of denims last for nine months, but not a year.

You must have an arrangement of replacement and replenishment for things that are basic--work clothes and things of that kind. That is what I mean by a war supporting economy.

Then there is screen-wire. The Navy was using it for tow-targets, for sleeve-targets, and things like that and we weren't able to keep out malaria. The Surgeon General was raising hell because we couldn't do it. It is nice to be in the saddle, gentlemen, but you must think about this both ways. I had been on your side of the fence for so long that when I got switched over to the other side it was a revelation to me to learn the many types of things which really had to be done.

The rationing system, imperfect as it was, at least was adequate to do the job. There were periods when gasoline shortages on the East Coast threatened to stop trucks, transportation, and things of that sort. It is an obvious lesson that the civilian economy and the supporting economy can only be protected against military requirements if rationing is tough, if it is really put into effect and made to work; otherwise, the military have a perfect right to move in.

I do not think it is a secret any longer and I don't need to keep it, though I kept it very carefully at the time, that a very large part of the L and M orders that went on the books for materials in W.P.B. was accomplished as much as anything else by a very simple device. All you had

to do was say to a fellow who was allocating a material, "Look, brother, you put an L and M order on the use of that material and cut off those unessential uses or else you won't get any from abroad by imports into this country and the stockpiles are not going to be opened up to you."

It is essential to maintain that hold on the situation. But when you have secured and maintained that hold on the situation through absolute import controls and war orders, you must protect things like civilian health. They must have some penicillin.

The factor of the civilian economy which is a true supporting economy cannot be neglected. You cannot operate efficiently on a "bare-bones" basis. A basis of efficiency must be maintained. There is a very great distinction. When people are forced to a bare-bone basis they become deficient. They cannot produce. They must be kept on an efficient basis. And, depending on the strategic situation, this ought to be raised to the highest possible degree.

There is no use in being idiotic about the matter. I never could follow the reasoning of Bob Patterson who used to say: as long as we allowed the civilian population to drink Seven-Up--which by the way was in the War Food Administration bailiwick and not mine, although that did not bother me too much--he could not see any reason why we shouldn't give first priority to the Russians on their reconversion; they at least had fought the war. I used to urge him to believe that we had fought the war too and that we were doing quite a job to help them fight it. That was a point of view I think was a little idiotic. I said so to him then and I'll say so tomorrow. What the hell? It's stupid!

Now if 7-Up can be manufactured without taking away our basic transportation, all right. I stopped 7-Up from being shipped during the gasoline strike and cut down the deliveries to one a week and eventually cut them out entirely when the gasoline shortage came along and I caught hell for doing it. The Coca-Cola people, Pepsi-Cola people, and everybody else were in on it. Fortunately, for all concerned, it didn't last long. Now when we began to cut Coca-Cola off from the Army encampments, I didn't find Bob so much on the same side of the fence. It was all right for the Army, but to hell with the civilians!

The morale of the worker is something to be thought of. Moving pictures and amusements have a part in a true war effort if it is going to be a long, drawn-out affair. These must be considered, if you are going to get people to stay in new war communities.

But from the point of view of any manpower draft, from anything else, in the next kind of unplanned surprise war that element of the economy will

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be open game, fair game. It would have to be because of the very nature of the strategic requirements.

Now how do you figure the necessary volume of these things? How do you program them? Believe me, that is the most difficult job I have ever undertaken, and I have played quite a lot with statistics, figures, and requirements; I helped set up the Requirements Committee and the Combined Board's staffs. You know you are safe, as a general slide-rule proposition, in saying you don't need, in a rationed item, more than a low year's production--1933-1934--in order to keep a reasonable degree of efficiency. Therefore, you pick the base period, which is like depression times. If you can maintain that flow, on a rationed basis, you are probably all right. It is not efficient; it is not the best rate that you can use, but you do know that the people can get along. It would not be the most efficient basis. Adjustments must be made in individual items. A base period is the lowest period of civilian use, eliminating the Army's production, subtracting the men from the civilian users and adding the babies. That is a very big item.

As soon as I got in, I decided to do something about it, adding the population statistics on a realistic projection basis for the increasing number of infants under four years old: infant shoes, knit sweaters, underwear, things like that. Believe me, if you want to have morale among the fathers in service, they want to know that their people at home are getting these essential items. It must be done. The figures must be adjusted as carefully as you are able to adjust them. The "sampling" technique might be used. We had very good aid in doing that from Roper, Gallup and others. None of these things can be thought about on an unplanned basis.

Let me summarize my remarks by talking about the planned basis, which would do all this preparation in advance, as I fear we won't. A surprise war with no planning to meet it would be disruptive in the extreme, for it would mean going in and taking over a factory having no basic preparation for conversion, stopping its production of automobiles, perhaps completely, if there were no stand-by facilities, stockpiles of military supplies, etc. It would also mean grabbing all raw materials because, by hypothesis, on this basis there would be no stockpiles ready at hand, earmarked with priorities and allocations for different categories already assigned. Transportation must be figured out so as to maximize the efficiencies of delivery. There are low-grade domestic ores available in the United States, and transformations in your technology that you can fall back on while you are living on the stockpile if you are cut off. I do not think we will be cut off any more unless our ports are wrecked completely. I think the day when any power could keep us from controlling the seas may be gone, although the Schnorkel sub that gave us trouble is now being made by and for the Russians. I think we actually stand much more danger of being smashed at the industrial centers.

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But, it is not equally true that no foreign power can prevent you from getting the production of those things. A power that can stop, by strikes, production in India of manganese or mica, or can jeopardize your access to any of the other forty basic minerals which we had to have in this country in some quantities, in addition to domestic supplies, is a different proposition. That is not a naval control proposition any longer.

A stockpile is essential from that point of view, and a fairly large stockpile at that. In fact, let us consider it in this way: civilian requirements can best be assured in reasonable proportion to the war by the avoidance of unnecessary waste of manpower in developing new facilities for treating the low-grade ores, and that sort of thing--the kind of thing we had to do in connection with bauxite. We had to do it. I tried to get it done a year before it was done. I wanted the aluminum division to go over to medium-grade and low-grade bauxite from Arkansas. Just about that time we lost a hundred ships going to the Guianas for high-grade ores and we couldn't afford that. But to save ships from subs we finally made large scale conversion to the lime-soda-sinter process with domestic ores. It was extremely wasteful. It took components out of every program you can possibly think of. Bottleneck components: it hit high octane; it hit rubber production; it hit aircraft carriers, escort vessels; it hit everything. Using bauxite of low-grade character required a process that had to be completely changed from the old process. It would have been much better if we had had two or three million tons of high-grade bauxite in stock, delivered, or at the plant that could be used, thus eliminating the necessity for this shift of tremendous technological proportions.

The same thing would be true in the case of manganese, gentlemen. New processes will cut down the proportion of manganese needed. Also, you can use low-grade manganese and you can beneficiate it. Sure, and the miners raise hell to get you to do it. But what is it going to cost you, not only in dollars but also in manpower, facilities and time? You simply can't afford it. You can change specifications for a lot of things. For instance, you can use Alabama graphite for a crucible that will last one-third the time that a Madagascar graphite crucible will last you, and one-half the time that a Ceylon graphite crucible will last you. But what is the sense in it? You are wasting your manpower.

We have begun to understand--and we understood it late in the war--that manpower is also a great bottleneck when you have to draw on it, as we will have to draw on it in any future war, to the limit of the bottom of the barrel. Every time you have to protect some man as a specialist for something and take him out of the military reserve, you are wasting striking power and supporting power. It is a critical thing you are doing. Therefore, you do not want to waste it.

A planned war would have the following characteristics that would tend to change the civilian requirements problem and make it a more intelligently-handled one: It would have, first of all, a political attitude toward the war that would take steps in time so that it might not happen. If it did happen, it would happen in a favorable way. But that is outside of your bailiwick and mine.

The last war could have been stopped very easily any time up to 1937 with minimal effort. In 1932 it could have been stopped with a very short, sharp engagement with Japan, even if Japan had forced a showdown, ~~improbable~~. In 1936, when Hitler reentered the Rhineland you could have gotten rid of Hitler. Now you cannot stop this next war quite as easily. But if I am any judge of the situation, one thing is certain: Russia does not want war. It cannot support it at this time. They will fight it if they have to and they will make a damned unpleasant job of it. But their transportation system is in desperate need. Stalin got mighty pleasant when he talked about 10,000 locomotives that he needed right now--that is three times our annual production, by the way--and a couple hundred thousand freight cars (just a bagatelle in the Five Year Plan). Every commissar and every planner right up the the Gosplan people told us that their plans do not depend on imports. Oh, no; don't let us think they depend on anything they are going to get from us! How they can plan without those dynamoes, generators, turbines, and railroad equipment, I don't know. They must slow up and purge again, if they don't get big imports. They are flat on their backs as to transportation equipment. Another thing, Russian labor doesn't maintain what it has for a very long time.

The trucks that rolled out of the Stalin auto plant looked like a Jerry-built model of Studebaker. They are modelled exactly on the Studebaker assembly-line. They don't run long; they are so damned light. Some of them don't start when they roll off.

But they are clever people. I am not trying to low-rate them. When they get Germany hitched on to their system and the manpower of the Far East, then I don't like the looks of it. And they are going to hook them on, if we let them. Don't make any mistake about it and don't let anybody tell you differently. I am not a war-monger. I have five boys and one of them is still in the Army. I got through the first one feeling that I had had enough of that kind of thing. I know what it is like. But I do try to use some sense about preventing it. These fellows--if you could just sense the odor of fear that goes up in that system, the ruthlessness; the fact that when they get deliveries they tell you, as one of them told me at the Ballet, "We mean to take you." They were just as friendly as anything you could imagine--but just as ruthless. As to their whole operation with the idea of a single-party line, you can go back and read that chapter on "The Grand Inquisitor" which was written by Dostoevski about the episode during the period of the Roman Church; it fits the Soviet system.

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We operate politically under handicaps like Wallace's backers. The following steps should be taken immediately. They will not be taken, but we need them and we must keep on plugging for them and improve our political system until we finally get them. We need, first of all, of course, an integration of our foreign policy and a backing for it. We won't get that immediately. But beyond that we have to plan for what will happen whether or not we get it. That means that we need to go out--all out--at all costs and without any regard whatever any more than we did during the war, for the development of those scientific new weapons which give military superiority at this moment.

I remember Forrestal, before whom you may have gathered and for whom I have a very high respect, calling me in one day when we had been worrying and sweating out that first Fall in 1940--that was after he got in office in the Winter--and saying "Those admirals keep talking to me about a "train" we have, supporting train ships. And I said, 'Where are these ships?' And they say, 'We grab them.' I said to them, 'Well, go and grab them, then we'll have them. Don't talk and plan on them until you can show me we have them in hand!'"

That urgency is very important to me. I say that is the second thing we need now, and something you can do something about. For the moment your appropriations have been cut very drastically in Congress; sure. If you use your own priorities, I would certainly put the funds where they will count the most.

Some people think that to let Germany starve is sheer idiocy and simply playing into Stalin's hands. I do, myself. Yet, I think the Army did the right thing in cutting the civilian supplies for Germany because the howl for that will be felt and finally they will get the money. I think that is just a tip. Remember to put it where it counts most in the next war.

Now I am an old artilleryman and it goes pretty hard with me to realize that the 75 is an antiquated weapon--and was in this war. You know, you just can't help it. It's like a cavalryman who feels unhappy about tanks and that sort of thing. But, for God's sake, we have got to get out of that frame of mind. The Army's own organization has to save manpower by thinking and planning in new terms.

In connection with such a program, a general staff, not limited to the Army but placed at the top of the President's staff, is more than ever necessary to integrate civilian planning in peacetime with war procurement. There are some elements in that, I think, that you can knock off pretty quickly. That staff must be tied into Congress. Now I have worked with Congressional Committees--at the moment I am with the Colmer Committee. Those fellows really mean well. If you were in their position, in all

probability you would behave pretty much as they do because, after all, they are subject to elections of the character they are going up against soon. They will begin to rely on the staff people to help them out. You know, Congressmen cannot, in the very nature of things, cover all the globe. A Committee system with a staff of an expert character, such as made the President what he is today--and it did make him; that is, a good staff made him.

Now below that level--I agree with Jack Small--there must be an industrial reserve callable at any time. That is necessary. But I want something much more than that. I want a War Production Board in being all the time with a skeleton force operating with a tie-up in industry; that has these men on call in industry. When the Germans were cut out of the General Staff after the first war, do you know what they did with the members of General Staff? They put them into business. They did a remarkably good and smart job in that because it educated those officers two ways. Furthermore, they had a small problem in taking over industry when they were under-way again. They had key men all up and down the line.

Now the Army and Navy called people in from business, but it was necessary to break them into the new way of doing things. You see, the thinking is very limited and, if I may say so, speaking as a friend, Mr. Patterson must change his mind concerning something about which I used to argue with him in 1940: staff assignments. Staff assignments perform too small a part of an Army career and are not sufficiently specialized, especially in intelligence and technical matters. In any case, they do not give that intimate contact with the interior of production problems at this time which is a very basic part of getting people to do it. Therefore, you must have civilians to help. You must have a force that will look outside at the total economy.

I do not believe in the military control of the economy in war time. I do not believe that we have yet developed--and I doubt if we will ever develop--inside the Armed Forces a sufficient flexibility and a sufficient breadth of experience and scope to run the whole complex organism of our economic life. It is quite enough for you to get those specialized things that you are responsible for producing and for getting produced. That, I think, in the last analysis is what actually counts; but you do have to be tied into the mechanism of staff planning, including civilian planning.

Therefore, the third of this series of steps that I have proposed is to have not only The Industrial College of The Armed Forces operating, as you are doing today, in basic studies and, I hope, geared to some real problems, with your foothold in industry--you have a fine opportunity to get money that you control in subsidies, and so on;--but to have also a War Production Board in actual operation at this good moment--skeletonized,

true; you would not want a big one--with consultants on tap who will be down here at least once a month and more often if possible, with a permanent working staff passing these things back so that the production of weapons is being geared to planning inside the industry. If that is not done, then the civilian requirements are going to be knocked into a cocked hat by a grab-everything policy.

That is a big job for this country if we are to live in the kind of world we are living in, because it costs money. But you have some standby facilities and operating plans for using them and engineering blueprints--you can't possibly put up something new and have it kept up to date all the time with the technological processes that are continually being developed. Neither do you have to proceed with quite the ruthlessness I proposed in the first part of my discussion, ruthlessness made necessary because of lack of planning.

I suspect we may be entering into a period when war will tend, because of changes in weapons, to become a much more specialized job and, therefore, a less totalitarian war, except as a supporting one. Your percentage of striking-power need not be so far flung, once atomic weapons have been improved. You know, there is a big job to be done. Afterwards, there will be a mop-up job, but surely the decisive and critical aspects of war will change.

Now I do not think we can possibly afford to talk about the underground dispersion of plants. It is economically completely impracticable. But the key installations of science must be so protected. The Swedes have shown that some underground factories, built to protect them against expected German attack, actually operate more efficiently and cheaply than above ground plants.

I would like to say one thing in conclusion--the final point: civilian requirements on this kind of an analysis have to be geared into military requirements. Therefore, there must be military personnel inside the War Production Board that I have proposed, in a very different way from that which we had this time, where we had Army and Navy Munitions Board personnel sitting at desks and feeling a bit isolated. They must be assigned jobs and become a part of the W. P. B. Whether they are in uniform or not I think you must have an intermingling of the civilian and military that goes far beyond anything we did yesterday.

The civilian personnel of the war will have to be under absolute orders to report for duty. It must not be necessary to go to a company and beg time for someone, as we had to do, and horse around and try to keep him, when he knows that his job is in danger. We must make it possible for these people to have a career that is as much safeguarded by their participation in service to the country as if they had joined the Services and come back with seniority.

This plan works both ways. That is a very important part of it, because to keep good men in Government today is almost impossible. In the Government you cannot strike. You cannot go and raise hell about your wages, or anything of that sort. You simply hope that a grateful public will realize you have to rear children, clothe them, and feed them, and so on. I could not live on the salary I was getting as Vice-Chairman of the War Production Board and put my boys in college. Even a college professor does better if he has the leeway one usually enjoys to write, lecture, and things like that. That is, I think, very important.

The personnel problem is not a question simply of expertness, which has been very well treated by Jack Small in his talk to you, but you must also think about making the public service and the public interest coincide by making it possible for men to serve their country and not some special interests. I might say we have progressed a little way on that road by getting the Congressmen's salaries raised. You know, until you got their salaries increased you never would have gotten anything else raised.

These are, in my judgment, things to supplement what I said to you last year. I have been thinking about them very seriously. I think we should have, very shortly, a series of hearings, of an executive character and beginning very quietly, on these problems by the House and Senate Military Affairs Committees and the Naval Affairs Committee. I suggest that it would be highly appropriate if you gentlemen got ready for them. I hope you will be.

CAPTAIN WORTHINGTON:

Dr. Elliott will now answer your questions.

DR. ELLIOTT:

I have been so long-winded that I ran over my time; but I will try to answer your questions if you will just bear with me.

A STUDENT:

How were the civilian requirements for lend-lease determined? Who determined those?

DR. ELLIOTT:

That's a nice one.

At the beginning of the war, our war (the lend-lease part), the British with characteristic skill shoved some of our people like Bill Batt and some

others into the theory of accepting "equality of sacrifice" as the basic formula for reckoning how requirements were to be figured.

There wasn't any equality in carrying the war and there wasn't any equality in the immediacy and impending danger of the war, but we went along on this kind of thinking too generously. The President, himself, of course backed by Harry, or shoved by Harry, or something, took the line that we must support not only the Canadian economy, with which I was willing to go along because it was so closely tied in with our own, on equal terms, but also the South American economy; and, afterwards, the United Nations' economies. When we got into that realm we were really carrying nearly everybody in the world on our back. We did succeed in stalling off the impossible burden of some of these.

The British people had gone down about as far as they could go and it was extremely necessary to keep them in the picture and pitching and producing all that they could produce in the joint war effort. That was figured out by taking all the available statistical information and comparing it with prewar comparative standards. There was only one person, one country, that we did not have the chance of shoving through our Requirements Committee. The British, when they reached a certain point, would go back and say, "It is a Cabinet matter" and Mr. Churchill would come over and have a little deal and we would have to throw our previous deals out the window. But in general we made the British prove their needs.

The Russians didn't bother with that at all. A Russian told me why. I wouldn't mention his name because he would be liquidated; he was a very nice guy, a good drinker, a pleasant fellow who was ready on call to cut your throat. We couldn't get enough nickel ourselves to put in merchant vessels. That is the reason we are having so much trouble selling the Liberty ships today because the piping and tubing will have to be taken out. The civilian population wasn't getting nickel. It was tough all around. The Russians came in and upped their requirements over 100 per cent. He said, "That was a clever idea of yours to get the supplying of that nickel shoved on to the British. Then we had to pay for it, not get it free." They cut their requirements 40 per cent, a modest 40 per cent, but it was very useful. They could have cut them a whole lot more, if they hadn't wanted a stockpile, when we had none.

Well, I smiled most amiably and we had another vodka, or two, and when we were out of the reach of the NKVD man, who had been watching him like a hawk all the time, I asked: "Did you get Harry Hopkins to put that back on Lend-Lease?" He replied, "What is it you say, 'Just like taking candy from the baby?'" That was his estimate of Mr. Hopkins' technique. Whatever they wanted, they just went in and got it, without figuring need or showing it as others did.

In answer to your question, I do not know how they figured it.

A STUDENT:

I particularly enjoyed your remarks about looking into the future as to what future wars will be like instead of all the talk about the antiquated past, regardless of atomic bombs and all our other technological advances. But, I suppose like any American, I was rather upset to hear you say that a planned war for the future, although it is necessary planning and you told us the steps that are necessary to have this planned war, in your opinion is impossible.

I wonder if you have any ideas you might give the Class as to what we, not only as officers but as citizens, may do to get our economic or rather our political system to work on such a plan?

DR. ELLIOTT:

Well, sir, that's a \$64.00 question. I will answer it the best I can. I do not, honestly, know the answer to it. If I did, I would be doing more than I am doing about it now.

I wrote an article in the Virginia Quarterly last Spring in which I tried to lay out some of these problems. I reviewed this Russian situation in one that is coming out. There are two things involved; one of them is the political mechanism. We label that one "pressure politics" and a stranglehold like the one we have at our throats today.

Again, I wrote a book about that in 1935, called "The Need for Constitutional Reform," which you can take or leave. I think it is the only way we can escape fascism, because the Russians are going to push us into fascism if we don't get adequate government, just as sure as shooting. They would not give you a democratic way of answering them. They would not permit you that leeway.

They told me in Moscow they were going to get me, if I was too "critical." They were pretty frank about that. In one way or another they will try because I criticized them; I opposed them, which I shall continue to do. I think perhaps I understand that system.

We ourselves must put the President in a position to get a showdown in a general election in this country--when he is in the position that Truman is in today--and if he is not supported, get him out and get in another President who has party control in Congress. Give him the right, just once, to go out to the country and to stake his life on the issues confronting them. Let Congress elect his successor, if he loses the election. I would like to add 50 men to the Senate and swamp the Senate. It would be better than packing the Court. For example, you have Nevada with two representa-

tives in the Senate, able to continue an idiotic silver policy with 15 or 20 other Senators. That situation is incredible. We must remedy it constitutionally. But it is clearly an educational process and I don't know whether we can get a constitutional convention to do the job.

Now, the other thing is the nature of that educational process. You tell me how you can get people to understand what these Russians are like until you have dealt with them. Now you can get some of them, like Pepper, who went in to see Stalin with just the attitude of "Master, tell us what we must do to be saved?" All Stalin said was simply, "Just keep your hats on, boys," or words to that effect. Well, he is keeping his head and doing a right bang-up job around here, for Stalin.

Now I was on Pepper's side before this war and I guess I was right out there with him, but I am worried about him. And I am also worried about a lot of other good Americans, who do not seem to be able to see that this is the same thing we had to face before.

I would like to say there was a lot more anti-Nazi opposition in Germany than there is anti-Communist opposition in Russia. The Soviet control is tighter. Personally, I wouldn't give a nickel for the real "Moscovite" in the United States if a showdown comes. But those fellows who don't understand the conditions but who are playing the game; fellow-travelers; the students who are moving in student unions; the labor and trade groups who are holding mass-meetings about American and British imperialism and God knows what, they are our real danger. Do they ever say anything about Russian imperialism which takes about 50 per cent of everything that is produced industrially in Eastern Europe? That is what they are actually doing. They are taking 80 per cent in Hungary. No they don't! These fellow travelers never criticize Russia.

So I really don't know the answer to that. I don't see how you will get people to feel something that, if they don't want to see, they won't see in time. They almost think you are a bloody reactionary fascist if you talk the way I am talking this morning. I was the first fellow to fight fascism in this country, on record. Before Mussolini was dry behind the ears, as a dictator, I was speaking against him and spotting him as being dangerous, and Hitler after him, and Stalin after him!

Now I love this country and I love all of its liberties and everything about it. What I fear is that we are not going to protect them and keep the kind of life that will keep people unafraid or that lets me talk to you the way I am talking to you this morning. In what other country in the world can you do that kind of thing? I want that to stay so that we can have that kind of a world where boys grow up with clear and open eyes, capable of being cynical if they feel like it, but fundamentally ready to die for the land that gave them birth and freedom.

A STUDENT:

Dr. Elliott, do you think the degree of Russian penetration in this Nation, and ideological penetration, is sufficiently great as to make it impossible for us to win the Nation over to a war against Russia within time to protect ourselves?

DR. ELLIOTT:

I think the Russians have been giving us a great deal of help lately in that matter. Their behavior has been pretty crude. But it seems every time it comes to a real showdown they back up. When it looked as if we were getting tough with Tito, instead of talking about it, they backed up. That is really the danger. They are clever enough to push us just so far and then back up when we get tough and they keep doing that little trick until it is too late. Actually, that is what frightens me.

But, on the other hand, a great many people have had their eyes opened. There is no possible doubt about that. Politically speaking, the Russians are not popular with the Catholic Church, which is an important element in our population. For the first time, I find some of my Irish friends talking the same language that Winston Churchill talks, which is indeed a very curious kind of a situation!

Then, there is the fact that the Germans--in this country at any rate--do not view with happiness the idea of their mother country being enslaved to Russia, which is undoubtedly the intention of Russia as a first installment on Europe and the world. The Poles here and those who are not terrorized in Poland do not feel very differently about it. To all the boys that I have gone along with in the past, quite often the fellows who fought the Civil War in Spain--and I was on the Loyalist side in that struggle--Pepper and Wallace are simply symbols. Some of the trade unions have somehow gotten this thing all screwed up, because if there is any enemy of trade unions and free workmen it certainly is the Russians.

I am, therefore, very pessimistic about your question, but I don't give up for that reason. I do not think you ought to underestimate the difficulties involved in getting that conversion in time, for it is, again, a part of our democratic system which does not function very well unless you get 80 per cent of the people behind something. Politicians are really frightened. Roosevelt may have had 50 or 60 per cent of the country behind him on his Quarantine Speech, but Charlie Michelson told me if Roosevelt did not have 70 per cent of the people behind him he would not touch it; he would not go ahead with any kind of a foreign policy because the remaining 30 per cent could throw him out of office in an election. That I think, is a bad sign.

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A STUDENT:

You speak about a representation, both civilian and military, on a War Production Board in being during peace. This School did a great deal in planning mobilization from 1923 until 1939. According to your viewpoint, do you believe there should be greater representation of business and labor in this School in planning for future mobilization?

DR. ELLIOTT:

Well, I doubt if you want them in this School. My view would be that The Industrial College probably can do that educational job with advice. But I do think you would want them represented in your War Production Board in being, in which this School, I hope, will play a very important role.

Now, with all due respect to the people who worked on this problem, the plans which were made last time were very stupid. They were based on certain assumptions that were not realistic for this particular war and which, if the assumptions had been realized, would possibly have been carried out, that is, the conversion of whole industries immediately to war purposes, and so on, without thought of the sustaining economy. I think a good deal of that can be avoided by bringing in labor and management into the advisory setup for your War Production Board. But I would think that your purposes of preparation by staff studies are better served by not trying to broaden yourself too much as a College, in students: but in using businessmen and others as consultants.

A STUDENT:

In your Constitutional reforms have you considered the way this country appropriates money for one year, and the Constitutional limitation of two years, for the support of the Army?

DR. ELLIOTT:

Yes. I think two things can be said about it. The policy of this country is often formed more by the Appropriations Committees, particularly the House but also the Senate, than by the individual departments concerned, and by the committees in Congress that are supposed to be dealing with those matters. You know, the power of the purse often gives you the whip-hand to crack. Take, for example, what they did in the State Department, about telling them not to include any "propaganda" in any of their foreign broadcasts. Appropriations criticism took care of that situation. Departments take that as gospel. Now it is not the Congress talking; it is the Appropriations Committee. But it is a fact nevertheless.

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For your time limit, the two-year appropriation for the military as a constitutional limit, I think can be avoided by capitalizing some of the outlays of the Army in lump-sum appropriations. That would be the way in which I would do it. I think it is a good thing to hold and absolutely fatal for the Congress ever to lose the power of the purse. History is too full of that. The French swept out representative institutions by losing that power and the British kept them by their annual appropriations system. But I think Congress achieves the same result by lump-sum appropriations on a capitalized long-term basis. I do not believe that the Army's planning should be, in all respects, five-year planning or ten-year planning, or anything of that sort, not subject to Congressional scrutiny. It would seem to be entirely appropriate to have a capitalized lump-sum appropriation for certain types of research and for certain types of development of weapons.

CAPTAIN WORTHINGTON:

Dr. Elliott, I am afraid we could continue asking you questions all day

DR. ELLIOTT:

I am sorry I have taken so long.

CAPTAIN WORTHINGTON:

I want to thank you for your most forward-looking talk, sir.

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