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THE ROLE OF THE EXECUTIVE OFFICE OF THE PRESIDENT  
IN WAR ORGANIZATION AND ADMINISTRATION

2 June 1947

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GENERAL MCKINLEY: Gentlemen, this morning I take pleasure in welcoming here an old friend, Mr. Donald C. Stone. Mr. Stone is one of the nation's leading experts in the field of public administration. He has been prominent in numerous government and academic organizations concerned with management planning and public administration. Such organizations include the Cincinnati Bureau of Governmental Research, the International City Managers Association, the Public Administration Service, of which he has been the Executive Director, and nearly a dozen Federal agencies. Since 1939 Mr. Stone has been the Assistant Director in Charge of Administrative Management in the Bureau of the Budget. He has represented this Government in many international conferences. His subject this morning is, "The Role of the Executive Office of the President in War Organization and Administration" with particular reference to the Bureau of the Budget. I take extreme pleasure in introducing Mr. Stone.

MR. STONE: General McKinley and members of the College: I agreed with alacrity when I was invited to come over and meet with you today, because I have been greatly interested in the program that you have been pursuing. It happened to be my lot to play a little part, more precisely I might say, to be on hand when a great many of the principal decisions were made during this past war relating to the civilian side of mobilization. I had also some opportunity to work in close relationship with the military side.

As I reflected on what might be of most interest to you, I thought I might dwell largely on the environment in which decisions get made in wartime. In approaching that, I think it might be worth while to take a quick look at the Bureau of the Budget and at the office of the presidency itself, to see the difference that exists in their peacetime and wartime operations.

The Bureau of the Budget is an agency in the Executive Office of the President, established originally by law in 1921. I find that there is not much known about the Bureau of the Budget except by a few people who have close contact with it. Most people in the Government, of course, and many other people know that it reviews the estimates of appropriations that the departments submit, and annually gets out a big book, weighing seven or eight pounds, which the President sends up to Congress.

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Some people know that the Bureau reviews report forms before they can be used for collecting information from business establishments and from other groups in the population. The top officials know, or they soon learn, that they may not go up on the Hill and testify on proposed legislation before a committee of Congress without clearing what they intend to say with the Bureau to find out whether it is in accord with the program of the President. That the Bureau participates actively in the preparation of reorganization plans, Executive orders, and other actions relating to over-all administrative management and that it assists agencies in the improvement of their internal management is not so well understood. These are just a few skeleton functions which the Bureau performs. They give only a hazy picture of the day-to-day operation of how the Bureau functions in dealing with the general stream of actions that must be taken centrally in the Government and by the President.

I think that the role of the presidency is even less understood than the role of the Bureau of the Budget. The Constitutional statements relating to the President are very simple, very elementary, and extraordinarily good in their flexibility. They permit the development of the presidency in the light of experience and need. While the Constitutional provisions are extremely broad on the one hand, yet the President has been walled in with a myriad of minor laws and regulations. At times the President is given great grants of authority. In times of stress he can exercise this authority. In contrast, when it was desired to move those little marble pillars there on the street between our building and the White House, the President had to request an act of Congress to do it. Here we see some of the anomaly of this office.

When we think of the presidency, it seems to me we must consider at least five different facets of that office. Those of us in the Executive Branch ordinarily think of the President, first, in terms of his functions as Chief Executive. There we can identify in his operations what you might call the general manager of the Executive Branch, although he is not that in the sense that a department head or the general manager of a large industrial establishment is a general manager, because he has so many other functions to perform.

Second, the President is also Commander in Chief and is charged with the conduct of foreign affairs. His responsibilities for the conduct of foreign affairs and as Chief Executive and Commander in Chief are constantly affected by other responsibilities that he must discharge. He has a responsibility as party leader. He is the chief of the party which put him in office, and he has to maintain the party organization and effective relationships with his party during his incumbency.

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Third, the President is a representative of the people of the entire Nation. He is the only official in the United States who represents all of the people. When we think of the significance of that in terms of his responsibility for national leadership, we see that it transcends any responsibility that he has to discharge as Chief Executive or party leader.

Fourth, there is his legislative role. The President is the chief law maker. Few people think about that aspect of his functions. Many laws originate under his leadership. Moreover, the requirement that every piece of legislation must bear his signature if it is to become a law and that his veto requires extraordinary action of Congress if the will of Congress is to be achieved over the purposes of the President means that the President must participate actively in the whole legislative process. This further ties him back into the party, buttresses his role of national leadership, and distinguishes his responsibilities as Chief Executive.

Fifth, the President is the ceremonial head of the Nation. He is the person who receives foreign ambassadors. He is the person who conducts those things which the head of the State must conduct.

While we may not elaborate further, this broad summary may help you to see the environment in which specific plans of action are developed. It becomes less simple to generalize about what the President is going to do or should do, and how he should act when the time comes to put plans into effect.

One of the principal roles of the Bureau of the Budget, as I see it, is to anticipate how the President must perform in these different roles, even though his role varies widely according to the capacity in which he is acting. While the Bureau plays no part in his role of party leader, even here it cannot be unmindful of the way that must affect his action on other matters. The role of the Bureau of the Budget changes tremendously as the role of the President changes. From one month to another or one period to another, the national situation has a tremendous effect upon the role and influence of the presidency, and, in turn, upon the Bureau of the Budget. That is one of the things which we must consider in any program of planning for a future emergency.

I think we can see here the great difference between the role of the President as head of the Executive Branch and that of the Chief of Staff in the military establishment, that of a department head, or that of a general manager. The President is only in part the general manager of the United States Government. This fivefold job I have described affects vitally his whole approach to administration and to the manner in which he can use and rely on "general staff" facilities.

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The issues with which the President must deal are not internal alone. They are not matters that grow solely out of Executive planning and decision. In an important Executive decision, the President is usually making also a political decision. He is making a decision as national leader. He is making a decision which he must make in relation to what Congress will assent to, if not support. He is making a decision in which he must weigh repercussions not only among the people of this country, that is the effect on public opinion here, but the effect on world opinion. That throws the kind of decision he must make and the kind of action he must take into a completely unique setting, a setting which we must understand much more than we do now if our effort to serve the President is to be effective.

This aspect of governmental life presents military planning staffs, just as it does the Bureau of the Budget, with a very grave problem. Our problem is how to get the staff of the Bureau thinking in these terms and in these dimensions. Often they get immersed in technical questions like how two agencies can be consolidated or how the functions of some organization can be changed to enable it to achieve its mission, without interpreting the technical question in terms of the other questions and issues that the President must resolve.

Part of the problem that faces the President is getting informed. There is no way of setting up simple and elementary machinery for that purpose. You cannot devise some unit in the Bureau of the Budget or in some other staff office of the President and say to it: "Your job is to anticipate the things that the President must do." Staff anticipation results from a program of building individual responsibility into the staff at all levels.

The President must get advice from many, many sources. The Bureau of the Budget is the principal source of advice with regard to the operations of the Executive Branch, its programs, its management, and matters of that sort. It cannot be the sole source of information or advice on these matters. When it comes to high political policy, party matters, or questions of national leadership, the President, of course, gets advice largely from other sources. I have always advocated that the arrangements in the Executive Office of the President must be such that the President can constantly check with other persons on the advice he gets from the Bureau of the Budget in connection with actions that would have important repercussions within the Government or without.

You can carry the picture further in terms of sources of advice which he must secure from persons who are able to help him in his relations with the Congress and his relations with the public. These involve speeches and other public commitments, the persons he must see, and other matters of that sort.

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You may say I have described an impossible responsibility, but that is the kind of responsibility which rests on the President. All of these conditions the way that he must act when the time comes to carry out particular programs for which advance planning has been made.

What I have outlined points up to the fact that there must be great flexibility in the organizational arrangements and working relationships at the center of the Government. We may not view the President fitting into a pattern. We should not view the Bureau of the Budget as fitting into a pattern. The administrative assistants, the special assistants, the Council of Economic Advisers, and other bodies and individuals that serve as a part of the formal and informal arrangements around the President--advising him, assisting him, providing intelligence and keeping him informed--do not form a fixed structure.

Obviously, the participants need to know how they fit into the arrangement and how they should work with one another from one month to another. But just about the time that you evaluate where a particular individual fits in his relationship with the President, you find that he is not being consulted any more, that changing conditions require the President to develop brand new sources of information and advice, and you have to adjust your own working relationships in that regard.

That is all perfectly proper. It is all necessary in a democracy. It is all necessary in the republican form of government that we have. It is a part of the process that must go on. We ought to welcome it, work with it, and make the best of it that we can.

You can readily see that in this kind of environment most of the participants must be "generalists." You cannot have specialists and technicians working at the center except in subordinate roles. Presidential assistants must constantly weigh specialized programs and technical considerations in the light of these broader considerations. Thus, the President requires persons who have had wide experience in dealing with programs of many types, with administrative considerations, and political factors. Even though permanent personnel under civil service are mobilized to perform many of these jobs, if they are not politically sophisticated, the product they turn out will be inadequate to that extent. I have often said to my own staff members that they need to be politically sophisticated but not politically motivated.

Another aspect of the lesson to be learned from this picture is the fact that charting the organization and working arrangements serve no useful purpose except for analysis. One can define as a process the way

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the organization works, the positions required, the way people fit in and adjust, and the way they work around other individuals. But you cannot present a valid picture in the form of an organization chart. The more detailed the chart is, the more misleading it becomes. What is set up today will be of little value next week.

Let us consider the development of organization during this past war. I have encountered a great deal of feeling that, because we had not worked out the organizational structure necessary to fight this war in a manner that would be accepted, there was some failure in planning. Well, there were failures in planning. There always will be failures in planning. Administrative planning can never be a process which produces something that a high official can initial without applying value judgments in the light of all the conditions that exist at the time the plan is put into effect.

In the case of the President, he must make his judgments in the light of the manifold factors I have mentioned. We can never hope to develop high-level plans, particularly plans for the over-all organization of the Government during wartime, which we can expect the President to quickly approve. That would be a capitulation of his responsibilities as President of the United States.

I have been as distressed with what Presidents have done with plans that we have developed as were some of the authors of the industrial mobilization plans that were developed prior to this last war. I think one of the great mistakes in planning for World War II was that the persons engaged in it thought in more static terms than could possibly exist when the plans would be put into effect. They did not think in terms of the political and social factors and all the rest of the environmental factors that would bear upon decision. They did not think in terms of the way that the President would have to adjust, and adjust progressively, to all of the forces and factors which he must take into consideration.

For that reason it was not surprising that the President did not sign his name on the dotted line. On the other hand, many of the procedures and processes which were developed and which would have put into effect specific features of mobilization work were of very high quality. It is regrettable that the rejection of general structural arrangements also resulted in numerous, very excellent programs and procedures being discarded.

Many persons seem to consider the fact that we had to keep adjusting the organization of specific segments of the civilian and military establishments during the war to reflect a failure of planning. I do not think that conclusion is valid. I do not believe we can ever plan

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an organization that is going to last unchanged from the beginning of a war. If we are successful in maintaining even the general elements of a plan and in keeping a considerable number of the major features of a plan, I would say that the initial planning had been extremely well done. The changes in technology, public attitudes, the way people work together, and other factors bearing on modern warfare and mobilization are too rapid to anticipate all of them.

Even if we do anticipate a great many of them, we have the problem of harnessing people to work together in an environment which cannot be predicted. We do not know what will be the environment within this country if we get into a war again at the end of one year. We do not know even what it would be at the beginning of a war.

Take as an example the field of economic warfare. There was a woeful lack of advance preparation in that field before we got in this war and even during the early months of the war. We started setting up some preliminary machinery. Some of it worked well. Some of it was well calculated. I think it would have worked better if the decisions had been made in the light of some of the plans that had been developed. The President could not get those plans supported in the Executive Branch. Attitudes on the Hill and repercussions that would take place in other parts of the world were all factors. The Government has always undertaken new functions with reluctance.

The very fact that we went through several stages in this field was to my mind healthy so long as each stage remedied defects in the previous stage and put the Government in a better position for carrying forward sound programs. The consolidation of the Lend-Lease Administration and the Board of Economic Warfare into the Foreign Economic Administration was a year over due in my view. We pressed to have it adopted a year earlier. There were several reasons for the President's deterring such action. This illustrates how we must anticipate such situations and take those added factors into consideration as we develop administrative plans.

We cannot put our stocks and bonds away in a safe deposit box and expect twenty years hence to find that we have the best group of investments which could be developed. We cannot make investments in our personal economic future in that manner. We cannot make them in that manner in this field of government.

The role of the President and the role of the Bureau of the Budget and the other staff facilities of the President, as I have suggested, change greatly in wartime. If you assessed the current position of the

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President of the United States, you would find that in the last three months his position has changed tremendously. Six months ago there was even talk that the President ought to resign, that he ought to let a president be selected from the major party, instead of having the anomaly under our Constitution in which we find the country today. Both the fact of a divided government and changes in public attitude and conditions put the President in a constantly different position--a different position in all of these capacities I have mentioned. There are things he can do as the Chief Executive now that he could not have done six months ago, and there are things within his authority he cannot do. The imminence of war changes the situation far more than anything we have seen in this short period of six months.

There are a number of reasons why the President's position is strengthened in times of stress. First, of course, the Nation turns to the President for leadership and expects him to act. Many of the little obstacles put in his way in normal times to block action are forgotten as the clouds of bigger issues begin to roll up on the horizon. His position as national leader, his position as chief law maker, his position as Chief Executive and Commander in Chief, and his position in the conduct of our foreign relations all become tremendously clarified. Bickering over minor negotiations that he is carrying on with the heads of other countries declines as the country becomes alerted to the critical issues.

Along with this change in environment and status, the President must of necessity make a greater array of decisions. The type of decisions also change. He can begin to delegate decisions which he could not have delegated before, because he could not have gotten by with it before. He can make his influence felt to a much greater degree within the departments and agencies of the Government. During peacetime we have commerce programs, we have the interior programs, we have agriculture programs. Special interest groups are naturally concerned with these programs above all else the Government does. Likewise individual members or committees of Congress who are concerned with these activities tend to view them in a proprietary light. The problem of getting coordination, of achieving unity, is perfectly tremendous, but not of life and death importance. But when war appears on the horizon, coordination becomes of life and death importance. At the beginning only small measures to establish strong direction and coordination can be taken. Greater strides can be taken as we are able to subordinate these particular interest programs and the assertions of individuals and of individual departments as to what they want, if they do not fit into the necessities of the larger emergency which the country faces.

All of this has a vital effect upon the way the Bureau of the Budget can function. In critical periods the Bureau of the Budget then has a

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single overriding objective to which it can relate the programs of the individual agencies. It can, for instance, initiate, cut out, or reorient, under direction of the President, all sorts of activities within a department which in peacetime are thought of as concerning that department alone; and, while there may be some squawking, the actions which the Bureau initiates and the President takes succeed. At other times the chances of their succeeding may not be very great.

In a war environment, the military forces themselves turn much more toward presidential leadership than they do in peacetime. The President's role as Commander in Chief begins to emerge. He becomes a strong man. No matter who is President, the Presidency becomes a strong office. If the person who is in office should not be a very strong person as an individual, those individuals and staff offices such as the Bureau of the Budget that surround him, that advise him, would all contribute strength to his office. This accounts for some of the contrasts that we have now as compared with the early stages of our country, when the Government was simple and the institutional aspects of government were not highly developed. In those days the presidency has become an exceedingly strong office by the force of circumstances.

Part of the problem of making that office strong, as it must be in wartime, is, of course, continuity in the staff resources of the President. I think probably one of the greatest contributions the Bureau of the Budget makes is the continuity that it provides. It knows what has happened before. It knows many of the forces that are at play and, therefore, what is likely to happen if the President takes a certain action at a particular time. It is, therefore, in a position to help bring the right people together when the President approaches a problem that needs a decision.

I recall well a conversation with Assistant Secretary McCloy just as he was leaving office. We were discussing the arrangements to be made in carrying out the President's decision to abolish the Office of Strategic Services. In talking about the problem of getting coordination and the effect that changing personalities have on that problem, he said something like this: "Here I am about to leave. I don't know who is going to come in as my successor. Every time there is a new Secretary of State or a new Secretary of War we have a whole new set of relationships to establish through SWNCC." He went on, "The main job that you folks in the Bureau of the Budget have is to keep continuity in the functioning of such a body as SWNCC." Here we see one of the main contributions which the general staff facilities of the President can make for him.

Let me try to translate what this means in current mobilization planning. I will briefly summarize what seems to me to have been the inadequacies within the Executive Branch in the past. In this I am referring

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to inadequacies in the Executive Office of the President, in the departments and agencies, in the military establishment--inadequacies all the way along the line.

The first certainly was the failure to anticipate the conditions under which we would go to war. We failed to anticipate that a principal aspect of our war program would be that the United States would become the arsenal of democracy. We failed to anticipate the Lend-Lease idea until we were in the middle of the crisis. The Neutrality Act was a wonderful example of failing to anticipate the conditions of the present world. The operating plans for Selective Service was another example. I hope we are not now planning to operate our manpower controls and mobilization on the basis of the selective service system that was developed during World War I. We got by this last time because we were fortunate in having a great excess of manpower, particularly technically trained manpower, in contrast with other countries.

We failed to anticipate the nature of the war itself. It is understandable why we did this, why we had these failures. Even the initial plans of the War Department itself had to be scrapped. Staff of the Bureau of the Budget, as some of you may recall, assisted the Army Air Forces for several months before Pearl Harbor in developing an organization which would enable it to expand from a small unit to an establishment of a couple million or more persons. We worked on the problem of program development and scheduling for two or three years. There were constant changes in plans.

The character of new weapons, the character of the combat operations themselves, the areas in which the war was going to be fought, that it would be more than a two-front war, that we would be on the defensive initially were not anticipated.

The main conclusion to be drawn is that we cannot anticipate many things, therefore we should not be on the defensive about plans merely because they have to be changed. We must plan with all intensity, but we must recognize that a plan is only a base on which we make a new plan as new factors can be foreseen.

These are the obvious and well-publicized deficiencies of our prewar planning. There are a few other things which are less obvious or at any event less publicized. One of these, it seems to me, is the danger that we may be led into believing that a better plan can come solely from a better anticipation of the conditions under which a war will be waged. True, we will get better plans; but a better anticipation alone is not going to solve all our problems, some of which I wish to focus on at this point.

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One not sufficiently understood or publicized lesson we can draw from experience is that industrial and economic mobilization on the one hand and military mobilization on the other can occur without mobilization of the Government as a whole and of the Nation as a whole. This assumption leaves out the vital fact that the President's role is of the character I have depicted here, and that we have the problem of fitting economic mobilization and military mobilization into the mobilization of the total Nation and the total Government. Moreover, I find little recognition that mobilization must take place in the type of environment I have mentioned and under the leadership and responsibility of a political official, the President of the United States.

Another lesson, it seems to me, is that we must avoid rigidity, even in the initial plans, if we are to keep our minds flexible. It seems to me that we must deal much more in currently useful generalizations of how to proceed than in detailed organizational plans. In planning for the last war, it seemed to me that we failed all along the line to put in footnotes for contingencies, for alternative approaches, for the fact that we must scrap plans and develop new ones for different phases as the phases progress.

One of the great obstacles which I frankly set before you is the fact that the President does not have civilian staffs that are adequate to engage in advance planning of total national and governmental mobilization. The National Security Act of 1947 now before Congress makes provision for planning machinery. Parenthetically, may I say that the amendment to this bill changing the name of the National Defense Establishment to National Security Organization is unfortunate. The problem of national security is not alone a problem of military security. It is a problem of mobilizing all the resources of the country. This bill provides for a National Security Resources Board and a National Security Council which would take the lead in the broader type of planning and programming that I have mentioned. Military planning and economic mobilization planning will always be handicapped as long as we do not have a dynamic spearhead for across-the-board planning.

Looking at the problem in this light, the planning job must, of course, head up centrally in the Government under the President, and must utilize all the facilities and resources of the Government. That will give you a place for fitting in your effort in a much more effective manner than you can do now. I would encourage you to pound the table and orate about that and do anything you can to bring about a recognition of the need for these central, over-all governmental planning facilities for mobilization, because you will always be greatly handicapped until they are created.

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Pending that, or even after such facilities are set up, it seems to me that mobilization planning should receive its greatest effort in developing program requirements of total mobilization, in inventorying the resources that are available, and in determining how the resources that are available can be converted to new programs which will need to be developed at later phases to fill up the gaps. That was one of the places where we had so much trouble in this last war. We did not identify the program gaps; when we did, we did not fill them in soon enough.

Here again we can draw a lesson from the earlier industrial mobilization plan--namely, that we should do as thorough-going a job as we can in planning the procedures through which these programs can be geared in with each other and with the total effort and in keeping those procedures, whether they are forms or drafts of contracts or drafts of legislation or reserve personnel or whatever they are, constantly adjusted to meet the new conditions insofar as we can anticipate them. On the other hand, I feel we ought to go slowly on detailed organizational schemes, particularly for the over-all operation of the Government in a war crisis, because I do not believe that any precise and meticulously described plan that can be developed will ever work or get adopted. We should think about it and develop a lot of hypotheses and generalizations. We should do all the advance work that we can; but the danger in getting it down on a chart is, I think, that in the long run it will almost always end up by making impossible the acceptance of the over-all plan, with the consequent loss of the fine pick and shovel procedural and stand-by features of the more detailed procedural planning. The idea that plans of this sort should be legislated in advance, as often suggested, makes me shudder. I can think of no better way of assuring national paralysis in time of crises.

There is one final thought that I would like to throw out. I am referring to a problem which certainly faces the country today in a way that no other problem faces it. As we consider the contingencies under which war may arise, we can see them increasingly as the product of ideological conflict. You have often heard the phrase, "We won the military battle, but we have not yet won the battle of ideas, the war of ideas."

It seems to me that today the weakest link in the whole operation of our Government domestically as we carry out our foreign programs, whether they be relief programs or whatever they may be, is that we have not woven into the fabric of those programs the elements of democracy which were woven over the years into the very fabric of this country as we dealt with one crisis after another. We tend to think that if we develop an economic program, a fiscal program, or political measures, we can solve some of the conflicts that exist around the world.

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We are dealing, as you so well know, with a world of tremendous instability. It is unstable because people are unstable or irrational. The adequacy with which these people can approach a new situation depends upon the extent to which they can bring into play what psychologists call nonlogical processes; in other words, the extent to which they do not have to use logic, that is, wisdom and knowledge in making new decisions or in arriving at a conclusion as to what they should do. It depends on the extent to which they do things spontaneously because they are conditioned as a result of environment and training to operate or react in a particular way.

The mere uprooting of people, taking them out of their social groups, out of their families, out of their communities, of course, brings about a tremendous unbalance in the extent to which persons have to make these logical decisions. Most human beings do not possess the stability and capacity to make many decisions. That is why so many individuals break down under the strain and develop eccentricities, frustrations, fears and other mental and spiritual stresses.

The mere fact of war produces a breakdown of social institutions and individual stability. We must thus be prepared; for when persons falter under the strain and find themselves caught in the insecurity that arises when they feel inadequate for dealing with their environment, they grasp at the ideas which the social structure holds out to them from the top. And all over the world the main idea that is being handed out to these folks is the idea of Communism.

We hold up the merits of the democratic form of life, but we mainly talk about it rather than live it. It seems to me that democracy is a problem of individual living, a way of life, the way a person lives in his relationship with his fellow people, those with whom he comes in contact in the office, in the family, or wherever he is. A major problem of mobilization planning in getting ready for any crisis that may come is incorporating this way of democracy as a part of our individual way of acting, of incorporating it in the organization of which we are a part, of asserting it and living it abroad, of bringing it into all of our relationships with the countries and peoples with which we are dealing. It is not something to be kept on a shelf and dusted off when a speech is made.

It seems to me we must give far more attention to this whole field of public opinion and human behavior, and of the psychological aspects of those ideas which have enduring quality. Unless we can mold the moral values and the requisites of democratic life into all of the plans that we are making and carry them forward on a dynamic and effective basis, the technological and other types of mobilization planning are not going to be very effective.

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Those are some of the thoughts that occurred to me as I looked over your program and thought about what in my own contact with the processes of government during the last few years might be of most interest. I do not know, General McKinley, whether I have touched on anything that is new. I suppose most of these things are old subjects to you, but at least these are the best thoughts I have on this subject.

GENERAL MCKINLEY: They are not at all old. They are excellent. Are there any questions?

A STUDENT: Do you believe that formalizing and standardizing the White House offices to provide the President with a general staff would be of assistance to the presidency in formulating plans for economic mobilization or for national security?

MR. STONE: That is a very good question, because it is a subject in which I find a great deal of interest around the country. Many proposals have been made for "straightening out confusion in the White House."

Let me phrase my answer this way: The problem of planning the organizational arrangements of the Government during wartime is part of a problem of planning the programs and problems of the Government during peacetime. You cannot put off into one compartment a group of planners and say: "Now, you folks here work on the programs and administrative arrangements for coping with agricultural, natural resources, or foreign policy problems in peacetime," and to another group say: "You don't need to worry about these peacetime programs, but you plan what we need to do during war." War planning grows out of peacetime planning, and vice versa. We can see the process going on every day.

A lot of it looks rather disorderly. Some of it is a bit disorderly. It is not quite as disorderly sometimes as it looks. I would certainly support having staff work done at the level of the presidency in relation to this problem you have mentioned, but it must be geared into and related with other planning efforts.

The National Security Council that is proposed in the National Security Bill is, I think, a step in the right direction. I am not quite so much concerned about who is on the Council. That needs to be very flexible. The part that the individuals play needs to be flexible. The main thing is that there be some staff man serving the Council who is responsible to the President and who can mold the staff work in this field into the rest of the planning and staff work under the President. This staff assistant would need to work hand in glove with the Bureau of the Budget. He would have to tie the planning back into the Commerce Department, into Agriculture, and the War and Navy Departments. He should help get our sights set

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at higher levels and do some of the broader things that I mentioned, into which the more specific aspects of the mobilization plan can then be tied.

This is not accomplished by setting up one staff for the President. I do not think that could possibly succeed. The moment any single person is ticketed as being the "deputy president" or the "alter ego of the President," he has a one-way ticket to the gallows of administrative oblivion. Such an individual cannot survive in the political environment that this country provides. And rightly so. The nature of our political system just does not permit it. In the same way no single staff organization could survive in that setting. The multiple role of the President about which I talked earlier precludes the possibility of his being served in the way in which the Chief of Staff is served by a General Staff.

One of the strengths of the Bureau of the Budget as a staff agency is that the President has other competing sources of advice and planning and assistance which can offset it. That is one of the reasons why the Executive Office of the President will never be a single, orderly outfit which heads up to one person who serves the President and hands him all the advice.

GENERAL MCKINLEY: I am very much interested in your observations about having, shall we say, a master planning group activated to make broad plans within the scope of which the other departments could make their plans. But I must observe that the forces of economy would certainly hamper that group in trying to get from the underlying organizations the information that they must have in connection with their general plan, because it is in that type of work where most of the cuts could be expected to be applied when Congress cuts back the personnel funds.

MR. STONE: That is a tragedy!

GENERAL MCKINLEY: It is a tragedy. It is the planner that goes rather than the operator. The planners are the ones who are getting their heads cut off, so that that group would find itself up there without the underlying structure upon which it could be made effective.

A STUDENT: To what extent do you think the old-line agencies should be used in a wartime organization? Were they used properly during the last war? Could we have made better use of them?

MR. STONE: I participated, for example, in a great many discussions in the early days of the war as to whether the Department of Commerce or Treasury or State should take on certain economic warfare functions and certain functions relating to strategic materials, preclusive buying, etc. One of the issues that constantly arose, once the President saw that here was something we had to move forward on, was, how should he go about it. To whom should he give the responsibility? There was great competition for some of the new activities. The President found it difficult to work

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out a solution the others would accept. We put together a great many memoranda on the alternatives that the President could follow, pointing out which alternative seemed to be the most useful approach. In this case the main cluster of economic warfare activities did not fit easily into any existing agency.

We constantly ran into this situation with the established departments: They are organized for carrying on one set of functions. They do not easily assimilate new functions. Nothing short of a miracle can move a large, far-flung establishment away from one mission to perform another mission. An organization is not just a lot of people put together. That is a mob. We have an organization only when the persons in it have become habituated to working relationships, traditions, precedents, and processes and have learned to react to each other in such a way that they know how others are going to act and their needs. Only in this way are institutional methods of behavior developed. It is the only way you can get a product. It is the only way an organization can function.

Our civilian establishments on the whole do not assimilate attitudes and doctrine that make them flexible. Repetitive experience, together with inadequate planning and managerial facilities, make them cumbersome and immovable. That was the problem that was always confronting us during the war. Could we, for instance, get a function carried out better by assigning it to the Secretary of Agriculture or by setting up some new agency?

I do not think we used the old agencies enough. We have a vast problem in making the departments and agencies more flexible and getting better management at the top. Even with more effective and wieldy departmental administration, I think that when a new function comes along which is a substantial departure from old functions and which must be brought into a producing state immediately, we probably would want to set it up as a new agency. This is not always necessarily true, however. The principal lesson is to be prepared to do it either way, depending upon conditions which then exist.

As one illustration: I was always opposed to setting up the War Shipping Administration separate from the Maritime Commission. Under Title I of the First War Powers Act it would have been possible to put all the functions of the Maritime Commission in its chairman and to have placed the War Shipping functions also in the Chairman of the Maritime Commission. This would have placed a single administrator in charge of these interrelated operations. Instead, the diffused responsibilities

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of the Commission were maintained and two agencies were instituted, manned for the most part by persons wearing two hats. The end result was most confusing.

GENERAL MCKINLEY: I am very much interested in your reaction there. Do you believe, in the event it seems expedient to set up new agencies, and we want to move fast and away from the routine old-line agencies, we should recruit heavily from the old agencies?

MR. STONE: Absolutely. I would take out of the old agencies all the persons who are adjustable and adaptable enough to fit the new ones. Of course, you are likely to encounter conflicts with the old agency which at times we had, but there is no alternative.

A STUDENT: Do you believe that the new agency could probably best be formed out of a planning nucleus in the old agency whose functions are most related to the new functions?

MR. STONE: I do not know. If you go down the roster of old-line agencies, I cannot see many, if any, that could be given an "E" for "Excellent" on their capacity to even plan what they have now.

GENERAL MCKINLEY: Mr. Stone, we certainly appreciate your coming here and giving us this very enlightening talk this morning.

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