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PLANNING FOR ECONOMIC MOBILIZATION

11 September 1947

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DR. HUNTER: Last week when I was up here I was talking as an economist. Today I will revert to my role as historian. I plan this morning to review in a rather sweeping fashion the development of military planning in this country since about 1900. One need hardly go back beyond 1900, for until prodded into action by the Spanish-American War experience, we really had no military planning in this country of any kind.

The United States was not the only country backward in this respect. The concept even of strategic planning, let alone logistic planning, made little headway anywhere until about the middle of the nineteenth century.

Planning in this field was particularly slow in getting under way in the United States. We have here, of course, the deep-seated public dislike of war, and associated with this, the distrust of the military. The results we are all familiar with--an unwillingness to maintain the Military Establishment in peacetime on anything more than a token basis. When war comes, a frantic and confused effort is made to put the Nation in a state of preparedness. The idea of planning for something we had no desire or intention of doing, making war, had no appeal to the American people.

Such a climate of opinion was unfavorable to the development of military planning. The military never knew under these conditions what they might plan for or on what scale.

How far this country lagged behind is suggested by our experience in the Spanish-American War. On the outbreak of war in 1898 the Army not only had not developed any plan of campaign in anticipation of war but it had little or no information on which such a plan could be based. The plans of military mobilization had received little or no attention. The same was true on the logistics side. One example of lack of planning for supply is indicated by the fact that our expeditionary force to tropical Cuba was clad for the most part in woollen, winter uniforms.

The conduct of the Spanish-American War was pretty bad in many ways, as the postwar investigation clearly brought out. This hastened many reforms in army organization and administration. It called attention especially to the lack of any central agency for the formulation of general military policies and military plans. Under a new Secretary of War, Elihu Root (a man without military experience), steps were taken to give military planning the importance it required.

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In an early report, Secretary Root reminded the country (and the Army) that the primary object of having an army is to provide for war. But, as he pointed out, in the 33 years between the Civil War and the Spanish-American War, present utility rather than preparation for war was the principle on which the Army was run.

The first step taken under Secretary Root was the establishment of the Army War College in 1902, for the systematic study of plans for action under all contingencies of possible conflict. The second and closely related step was taken the next year, 1903, when Congress provided for a General Staff. The principle responsibilities of this General Staff as laid down by Congress were:

First, to prepare plans for the national defense and for the mobilization of the military forces in time of war.

Second, to investigate and report on all matters affecting the military efficiency of the Army and its state of preparedness.

For a variety of reasons which needn't be gone into here, the accomplishments of the General Staff and the Army War College in the planning field prior to 1914 were not impressive, due in considerable part to conditions over which they had no control.

In the years immediately preceding the First World War, the General Staff issued two comprehensive reports of special importance in reference to our Military Establishment. The first of these was the "Report on the Organization of the Land Forces of the United States," published in 1912. The second was the "Statement of a Proper Military Policy for the United States," published in 1915.

In the first of these reports there is only the barest reference to the problems of procurement and supply--and principally in two brief footnotes. In the second report, made some eight months after the war in Europe had gotten under way, under the heading of "Reserve Materiel," the following revealing statement was made:

"Of all the features disclosed by the war in Europe, none stands more clearly revealed than the power to be derived from national organization behind the Armed Forces. . . . Steps should be taken looking toward a national organization of our economic and industrial resources as well as our resources in fighting men."

The report went on to propose that the equipment of the huge Army which would be required in war, especially for replacements, should be provided for by obtaining options with manufacturers to furnish all required supplies in accord with tentative contracts to be placed in time of peace.

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The second report was followed in November 1915, by a supplementary report on "Mobilization of Industries and Utilization of the Commercial and Industrial Resources of the Country for War Purposes."

This report reviewed briefly industrial mobilization in European countries in the war up to that time and urged that measures should be taken to prepare for industrial mobilization in the United States. Specifically, it recommended the passage of legislation requiring that priority be given in an emergency by manufacturers to military orders; it urged further that legislation be prepared establishing a Board on the Mobilization of Industries Essential to Military Preparedness.

A second, and curiously contradictory, supplementary report was published by the War College Division of the General Staff at the same time (November 1915). I refer to it just to show the uncertain and conflicting state of mind, even among military men, at the time. It makes rather curious reading in view of later developments.

This second report was entitled "Personnel versus Material in Plans for National Defense." It was pointed out in the preface that the report was occasioned by a statement by one of the most noted men in the field of science and invention--his name was not given--to the effect that "Wars in the future will be fought by machines and not by men." For some reason the War College was greatly disturbed over the statement, and the main purpose of the report was to warn against the danger of overemphasizing the role of material in war. The report declared that the "Importance of material was exaggerated by the social situation in France and Flanders." Further, "The influence of material on the issue of a war is usually much overemphasized. It floats on the surface of events, where it catches the eye of the superficial observer, ignorant of the profounder movements beneath."

By 1915 there was a growing awareness throughout the Services of the industrial problems arising out of large scale warfare and a number of preparatory measures were taken. In April 1915, the Treat Board was set up by the War Department to study types of field artillery and ammunition supply. Its report stressed the huge size of the problem and its industrial implications. The Board recommended the immediate mobilization of reserve facilities, stressing the importance of the time element in getting into ordnance production. In October 1915, the Naval Consulting Board was established with a membership of industrialists, engineers and technicians. Its function was to advise the Navy on technical and production problems. Among other things, it carried on a campaign of industrial preparedness. The Board's chief accomplishment, probably, was the preparation of an extensive industrial

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inventory. By December 1916, a list of some 18,600 industrial plants had been completed. Under the act of 3 March 1915, the National Advisory Commission on Aeronautics was established. Its mission was to direct research and study problems of aeronautics. Among other things, it compiled a census of aircraft and aircraft engine facilities. Then in November 1916, the War Department appointed the Keenan Board, as it was called, to investigate the Nation's munitions resources and the advisability of large scale government manufacture of arms and munitions. The Keenan Board reported unfavorably on the proposal to rely mainly on a government munitions industry. It prepared some plans for the conversion and expansion of facilities and advocated various other measures, including the stockpiling of strategic materials.

It is important to remember that most of the measures taken in 1915 and 1916 were not plans for meeting a future emergency; they were measures for dealing with an emergency that was already on the country. The outbreak of the war in Europe caught us almost completely lacking in plans for meeting the situation. We were not much better prepared when the war actually came to us directly in the spring of 1917.

Grosvenor Clarkson, Director of the Council of National Defense, declared in his book, "Industrial America in the World War," that as late as six weeks before our declaration of war the Army didn't have even mobilization plans for any army of any size. The result was that the Advisory Commission to the Council of National Defense had to take the initiative in calculating requirements for an army of 1,000,000 men. Of course, the color plans on which the General Staff worked and which the War College studied, did not anticipate our participation in any such gigantic struggle as the First World War proved to be.

Because we failed to plan for the war and failed to anticipate the kind of emergency that developed, we were compelled to improvise, and the results were pretty costly.

Our most serious handicap resulted not from the inadequacy of plans for military mobilization--that was bad enough--but from the complete lack of plans for mobilizing the economic resources of the Nation. The result was confusion and delay, and more delay. There was great delay in setting up the kind of central direction and over-all coordination required. Slow improvement came by the costly trial and error method.

Despite the advantages of a certain head start, due to Allied munitions orders, war production was just getting into high gear when the Armistice came. In major items of material--airplanes, shells, and artillery--our expeditionary force in France was supplied chiefly by our Allies.

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As is usual in postwar periods, the difficulties met with and the blunders made during the war came in for lengthy criticism and discussion following the war. The general public, the press, and Congress all participated, and of course the Services conducted their own post mortems. The principal end product of all this discussion was the National Defense Act of 1920 and the reorganization of the Military Establishment under it.

This resulted in placing all phases of military planning on a far broader and far stronger basis than before the war. The General Staff was enlarged and greatly strengthened. It was charged with the responsibility for planning for national defense and for the use of military forces in war.

The Office of the Assistant Secretary of War was established and charged with responsibility for the supervision of procurement of all military supplies and for the assurance of adequate provision for the mobilization of materiel and industrial organization essential to war-time needs.

Under this reorganized War Department, three aspects of mobilization planning were recognized and provided for (1) the strictly military (strategic) phase, (2) the procurement phase, and (3) the over-all industrial or, more properly, the economic phase.

The military phase comes first. The scale and character of strategic plans determines the nature and scope of the procurement job to be done, and this in turn determines the degree of over-all industrial mobilization that is necessary.

The War Plans Division of the General Staff was set up to do the military planning job. It made studies of and plans for a variety of possible war situations. It made studies of the size and kind of forces required to deal with each possible situation, and then, in accordance with these plans, the General Staff prepared its Tables of Organization and Equipment, its Replacement and Allowance Schedules, and so on. Similar planning work went on in the Navy.

The procurement phase of planning had to deal with the problem of making strategic plans effective by providing the necessary supplies and equipment in the amounts needed and when needed. For the basic data on requirements, the procurement planners had to rely on the General Staff.

The industrial and economic phase of planning was concerned with the political, administrative and economic measures necessary to enable the civilian economy to carry the procurement load. All three phases of mobilization planning are closely interdependent. Our concern here is chiefly with the procurement and economic phases.

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A most important feature of our planning on the economic side, 1920-1939, was the fact that in the period 1920-1939 it centered in the War Department. The technical reason for this was the fact that Congress in the Defense Act of 1920, Section 5a, assigned this responsibility to the War Department. The substantial reason for assigning it to the War Department and not to the Navy or to the War and Navy Departments jointly was the prevailing belief that the Navy would undergo relatively little wartime expansion, whereas the Army would be faced with a tremendous expansion—tenfold or more. The problem of procuring vast supplies of material and equipment when war came would be principally the Army's problem. So it was logical to direct the War Department to get under the procurement planning load.

But Congress gave the War Department responsibility for industrial mobilization planning as well as procurement planning. Procurement planning responsibility would naturally go to the procurement agency. Industrial mobilization, on the other hand, involves the whole civilian economy. It was essentially a civilian function and in the First World War had been directed by civilian agencies. Congress probably acted as it did for two reasons, (1) we were unaccustomed to thinking of preparation for war as being in any degree as a civilian function and (2) there was no single peacetime civilian agency within whose jurisdiction industrial mobilization primarily fell.

Within the War Department, under the supervision of the Assistant Secretary, organizational arrangements were made in the early twenties to do the planning job assigned to the War Department.

There was set up in the Office of the Assistant Secretary a Planning Branch in 1921. This organization, never very large, carried the chief planning load with respect to both wartime procurement and industrial mobilization. When the Army and Navy Munitions Board was set up, the personnel in the Planning Branch comprised the Army side of the Board. It drew up the Industrial Mobilization Plans and supervised procurement planning activities within the supply arms and services.

It was soon recognized that some coordination of Army and Navy procurement planning would be necessary, especially in regard to the allocation of industrial facilities, in order to prevent friction and costly competition in procurement between the Services. So in 1922 the Army and Navy Munitions Board was established, but during the twenties it was relatively inactive and accomplished very little.

Following its reorganization in 1929, the ANMB came to operate as a really effective joint planning agency, but on the Army side the Planning Branch of the Office of the Assistant Secretary continued to carry the main load and supplied most of the Board's personnel.

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The detailed work of procurement planning was the job of the supply arms and services (Army) and bureaus (Navy). The Planning Branch laid down general policies to be followed by the procurement services. It reviewed, analyzed and coordinated their planning work. The detailed procurement plans for specific items of equipment and material were prepared by the supply arm or service or bureau responsible for its procurement.

Finally, there was established by the Assistant Secretary in 1924 the Army Industrial College, with the primary mission of training Army, Navy and Marine officers in problems of procurement planning and industrial mobilization, and so far as Army officers were concerned, for duty in the Office of the Assistant Secretary. The Industrial College had its beginning in the Planning Branch and at all times worked closely with the planning agencies. Its relation to the Planning Branch and ANMB was similar to that of the Army War College to the General Staff.

The activities of these planning agencies during the 1930's fell, generally speaking, into two broad categories. On the one hand we have the drafting of formal plans and procedures, on paper, for effecting procurement and industrial mobilization in the event of an emergency. On the other hand, we have what might be described as preparatory steps taken in advance of the emergency to implement the formal plans.

Under the head of preparatory steps were a number of activities, some carried on at the Planning Branch level of the War Department, but most of them performed by the technical services:

1. The computation of requirements for the principal types of equipment and munitions.
2. The determination of sources of supply and the making of plant surveys--the latter providing the basis for an elaborate facility inventory.
3. The allocation of facilities as between the Army and Navy and within the Army and Navy as between their technical services and bureaus.
4. Negotiations with suppliers leading to accepted schedules of production to be put into effect when in an emergency these firms were given formal contracts.
5. Then, beginning in 1939, funds were made available for educational orders, to familiarize manufacturers with production problems connected with specific items. These educational orders permitted assembling the necessary tools, fixtures, gauges, etc., and the making of small pilot runs.

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6. Studies were also made of the problem of obtaining supplies of critical and strategic raw materials. This led in 1939 to the beginning of the stockpiling program.

Some other preparatory measures of a somewhat less important character were also taken.

So we have on the one hand certain preparatory measures. On the other hand, we have the elaborate Industrial Mobilization Plans with their annexes.

The first edition of the IMP was made public during the hearings before the War Policies Commission, 1930-1931. Three formal revisions of this plan were published as government documents in 1933, 1936, and 1939. These plans were customarily divided into two parts, one dealing with military procurement and the other with the broader problem of mobilizing the industrial resources of the Nation for war. It was this second aspect of the Industrial Mobilization Plan which naturally attracted the widest public attention, due to the relative ignorance of and lack of interest in problems of procurement on the part of the general public. It was this phase of planning, too, which presented the greatest difficulties since it involved not simply the placing and servicing of contracts, but the organization and the administration of the entire economy for war. Altogether the planning job assigned to the Services was a tremendous one, and it was done carried on in the face of very great difficulties, not the least of which was public ignorance and indifference.

I shall not consider here in any detail the story of what happened to the IMP when the emergency developed in 1939-1941. The matter has already received some attention in the conference on Organization and Administration. If you have time to pursue it further, I suggest that you consult Dr. Yoshpe's "Plans for Industrial Mobilization" and the lecture that I gave last year on "Introduction to Mobilization Planning."

While the Industrial Mobilization Plan as such was not adopted, the work of the planning agencies proved to be useful in many ways in laying the foundations, at any rate, for economic mobilization, especially in respect to wartime procurement. But it is equally true that these planning activities failed to attain their primary objectives of producing plans which in their principal features at least were adequate to cope with the conditions of a major emergency. This applies to each of the three broad phases of planning--military strategy, procurement, and industrial or economic mobilization.

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The plans failed, it can be argued, not so much because they were not adopted as because in certain fundamental respects they were either defective or, and this was even more serious, deficient.

The planners failed to anticipate the magnitude, the complexity, or the character of the war which developed. They thought in terms of the kind of war and the scale of warfare with which we had to deal in 1917-1918. They thought primarily in terms of a land war in a single major theater. The maximum size of army contemplated in the military mobilization plan was four million men. Incidentally, none of the color plans contemplated anything approaching the combination of enemies we actually were to face--this in spite of the growth and the publicity given in the thirties to the Berlin-Rome-Tokyo Axis.

While in a very general way the planners anticipated the wartime organization in its broad outlines, they failed to identify and to define some of the most critical problems of economic mobilization, and of course they failed to devise the techniques and procedures essential for dealing with these problems.

The weakness of planning on the strictly military side was seen especially in the difficulties and delays in defining strategic objectives and in determining the personnel and material requirements on which the implementation of strategic plans depended. That was, you may recall, a serious problem well down toward the end of the war.

On the procurement side of planning, there were also grave weaknesses. For example, the failure to devise techniques for translating materiel requirements into requirements of raw materials, components, manpower, and so on; the failure to anticipate and to make plans for dealing with the very difficult problems of keeping production programs in balance so that we didn't have too much of one thing and not enough of other things necessary to go with the first; and the failure to devise adequate techniques for controlling the distribution of critical raw materials.

Finally, the planning agencies failed to give adequate attention to the organizational machinery and the administrative procedures necessary to effect coordination of the war effort as between the Army and Navy with respect to procurement, as between the civilian war agencies and the Armed Services, and for bringing into balance strategic plans and production programs.

One conclusion is, I think, inescapable to one who views the war effort as a whole--the failure to be more adequately prepared to deal with the problems of economic mobilization was not the failure of the military planning agencies alone; it reflected weaknesses throughout the Military Establishment as a whole--weaknesses in education and training, in outlook and in doctrine, in organization and administration.

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It would be less than fair not to recognize that these military weaknesses were in some measure, perhaps in large degree, a product at bottom of public ignorance of and indifference to the facts of life, as we say, with respect to national security and preparedness, and of the relation of foreign policy to national security.

The failures and weaknesses in the organization and functioning of the Military Establishment, before and during the war, resulted in a number of inquiries and investigations within the Services, and of course Congress was not backward in making its own investigations both during and after the war.

The outcome of all this was the long and hot debate over the reorganization of the Military Establishment, leading eventually to the development and passage of Public Law 253, The National Security Act of 1947. In the course of this debate much attention was given to the shortcomings of the Services in respect to procurement and supply. The broader aspects of economic mobilization also received considerable attention, although not so much publicity. Planning activities, whether strategic or with respect to procurement and economic mobilization, likewise received a pretty thorough working over by those most directly concerned, but this phase of the discussion was probably the least publicized of all.

A number of agencies began to concern themselves with the problems of planning for economic mobilization ever before the end of the war. The Industrial College, for example, gave the subject considerable attention almost from the beginning of its reactivation early in 1944. As Captain Worthington remarked in his talk last week, there were numerous research studies, seminars and lectures presented here dealing with problems of economic mobilization.

Under a directive of the Under Secretary, 7 March 1945, the College made preliminary studies with respect to postwar military preparedness, and at the request of the Special Planning Division, War Department Special Staff, concerned with demobilization problems, the Industrial College made a survey of our experience in economic mobilization during the war.

Postwar planning in the Services, however, did not get under way in formal sense until August 1945, when the Army and Navy Munitions Board was reconstituted. On the authority of the President, the ANMB was designated as the agency responsible for the formulation of plans and policies for industrial mobilization and for the coordination of planning as between the Services.

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The activities of ANMB are described in some detail in the reprint of the Grasman article, which I shall assure you have all read and will therefore give no further attention to it.

Under the general oversight of ANMB (and in some instances more or less independently of its initiating action) procurement planning has been making headway within the Army, Navy and Air Forces during the last two years. There are procurement planning units in each Service. In the War Department, the Services, Supply and Procurement Division, for example, has made a good beginning in stimulating and coordinating procurement planning among the several technical services.

Obviously, all this activity falls under the heading of interim planning. However useful, it is only a stop gap to keep things moving, pending the reorganization of the Military Establishment. And so for the shape of things to come, we must turn to the National Security Act of 1947. Probably many of you, if not most of you, have already read this Act. It is worth taking home for careful reading. Along with it, some of you will find it useful to examine the more elaborate discussion in the Eloustadt Report to Secretary of the Navy Forrestal.

The National Security Act of 1947 is the charter for postwar planning. The reorganization provided for under this Act was influenced by three primary considerations:

1. The lessons of wartime military experience with reference to organization, logistics, and planning.
2. The increased military responsibilities resulting from our new and greatly enlarged foreign commitments.
3. The new problems of national security growing out of the new conditions and weapons of war.

The National Security Act provides for three planning agencies with significant roles in the conduct of economic mobilization. The first of these is a continuation of a wartime agency, the Joint Chiefs of Staff. The second is a reinforced and strengthened prewar agency, the Munitions Board. The third is an entirely new planning agency, the National Security Resources Board.

Placing the wartime Joint Chiefs of Staff on a peacetime statutory basis is a major innovation and has great importance for planning. The National Security Act assigns to the Joint Chiefs of Staff, subject to the authority of the President and the Secretary of Defense, the following duties, among others:

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1. The preparation of strategic plans.
2. The preparation of joint logistic plans and the assignment of logistic responsibilities in accord with these plans.
3. The review of major material and personnel requirements of the military forces in accordance with strategic and logistic plans.

Here we have the organizational setup for dealing with one of the major bottlenecks in production planning and programming in the recent war, the lack of clear and firm requirements projected a reasonable distance into the future.

Next we have the Munitions Board, to be established as the successor of ANMB, but operating at a higher level and with greater responsibilities. The Board is also given a broader statutory basis than the present ANMB and its Chairman is a presidential appointee. It operates under the direction of the Secretary of Defense.

The Board is charged with the coordination of procurement, production and distribution planning and activities within the Services; it is charged with the preparation of estimates of potential production, procurement, and personnel for use in strategic planning; it is further charged with the determination of relative priorities of various segments of the procurement programs, and with the assembly and review of material and personnel requirements from Joint Chiefs and those from the production, procurement, and distribution agencies. In the last-named, the concern is quite evidently with the question of production feasibility, though the language is rather round about.

The Munitions Board further is required to recommend the assignment of procurement responsibilities to specific services and to plan for the standardization of specifications and to recommend policies of stockpiling strategic and critical materials. The Munitions Board is also required "to plan for the military aspects of industrial mobilization," to use the language of the Act. The Industrial College doctrine as to the term "economic mobilization" evidently has not reached the Hill yet.

Now, just a few comments on this "sooped up" Munitions Board. While abbreviating the language, and omitting some duties as I have, I think it is worth noting the detail in which the mission of the Board is spelled out, and the much more comprehensive duties of the new as compared with the old Munitions Board.

It is interesting to compare the law as adopted with certain recommendations made to Secretary of the Navy Forrestal in the Eberstadt Report,

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May 1945. This proposed a chairman with power of decision. The head of the Munitions Board doesn't have the power of decision. By implication there has to be agreement by the Board as a whole. Furthermore, the Munitions Board, according to the proposal of the Eberstadt Report, "should parallel in the procurement and related logistics fields the authority and responsibilities of the Joint Chiefs of Staff in the field of military strategy and operations." Finally, the Eberstadt Report recommended that the Munition Board's policies "should be subject to and consistent with those of the National Security Resources Board," placing it in effect under that Board. No such phrase appears in the act so that integration of the policies of the two planning agencies must be effected by other means.

Finally, it is important to note that the new Munitions Board is responsible only for the military aspects of industrial mobilization.

Next we come to the most important innovation in the planning field, the National Security Resources Board. The first thing to note about this Board is the fact that it is placed outside of the military establishment. Its chairman is appointed directly by the President. The other members are such heads or representatives of the executive departments or independent agencies as the President shall designate.

The function of the Board is to advise the President concerning (1) the coordination of military, industrial and civilian mobilization, including policies regarding the most effective utilization of manpower in wartime; (2) programs for the effective use in wartime of natural and industrial resources for military and civilian needs and for the adjustment of the economy to war needs and conditions; (3) policies for coordinating potential supplies and potential requirements in wartime; (4) policies with respect to stockpiling; (5) policies for coordinating activities of Federal agencies concerned with or engaged in procurement, production, and distribution. The Board is also made responsible for establishing procedures and suggesting policies for the strategic relocation of industries, services, government and economic activities essential to the national security.

Finally, and this is of special interest in connection with the debate that has been going on with respect to what kind of Industrial Mobilization Plan we should have and how it should function, the law directs the Board to utilize to the maximum extent the facilities and resources of government agencies and departments.

Now, just a few comments on the Board and its functions. The National Security Act in constituting this Board settled the issue, much debated in the last few years, as to whether economic mobilization planning, apart

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from procurement planning, should be a military or a civilian function. It is definitely a civilian function.

It is worth noting, that, contrary to the accepted opinion that a government agency never gives up authority willingly, the Services appear to have yielded on this issue without a struggle.

Mr. Krug, the last head of WPB, and Mr. Small, Civilian Production Administrator, submitted to the President nearly a year ago proposals for such a civilian board as this. Business Week (8 March 1947 issue) referred to their proposal as the "Hidden stinger in the Army-Navy merger legislation proposed by Truman to Congress." The article further pictured this solution as a civilian victory in the "military vs civilian battle for the control of the economy in '47."

Be this as it may, it is worth noting that in most essentials the provisions of the National Security Act with respect to the National Security Resources Board and including the exact title of the Board are the same as those proposed in the Eberstedt Report to Secretary of the Navy Forrestal.

Some of those in the ANMB regarded the proposed new arrangement evidently without enthusiasm, but they appear not to have made an issue of it.

It is worth noting, too, that the Industrial Mobilization Plan drawn up at the end of the first postwar (interim) course here at the College recommended that the Armed Services be limited to the military aspects of economic mobilization and that civilian agencies handle the rest.

Just a few words in conclusion. It is obvious that in the field of planning we have come a long way since 1917. We have established a system of planning agencies to deal with each of the major aspects of economic mobilization. The functions of these agencies have been defined much more broadly and at the same time with more precision than those of the old planning agencies. We recognize many of the weaknesses of the old type of planning and steps have been taken to deal with them.

Obviously only a beginning has been made, although it is a very good beginning. What is in many respects the most important planning agency of all, the National Security Resources Board, has yet to be established, although the chairman has been named. Much of the success of the total planning effort depends upon it.

Thank you.

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I don't know that the subject gives rise to many questions, but if you have any, let us have them.

COMMENT FROM THE FLOOR: This is not quite a question. It is just an extension of your conclusion, with which I agree thoroughly--that we have come a long way since 1917. I think we have come even a farther distance from the Spanish-American War. There is no question that we are further along than that, but we still are lacking in our planning score.

One feature which you didn't mention this morning, nor was it mentioned in the Industrial Mobilization Plan of 1939 of the Army and Navy Munitions Board, is the guidance to be given that Board by another agency of the Government. The Munitions Board as presently constituted is to use other agencies of the Government, but in many ways it is impossible for them to get the strategic guidance that Mr. Dupree was asking for last year from the Central Intelligence Group. The only way a mobilization plan can be current is to have it in consonance with the Departments. It is ready to go now. Here it is ready to go. Five years from now, it will still be ready to go. The only way we can know when this is to go is to have a proper intelligence officer. I am not begging any armed ego; I am bringing out the fact that we have never given intelligence a proper place in our planning scheme, and until we do, all the planning we do will be merely a groping in the dark and hoping we will hit the right target. Maybe we will and maybe we will not.

DR. HUNTER: I think very clearly in the twenties and thirties there was not sufficient coordination between the strategic planners and the procurement and industrial mobilization planners.

QUESTION: It appears that one of the many constructive efforts that might be made presently is the stimulation of the standardization of equipment. I would like to inquire whether any particular agency has been charged with the responsibility and is actually making an effort along that line at the present time?

DR. HUNTER: Yes, the Security Act of this year specifically provides and charges the Munitions Board with the responsibility for activities in that direction.

QUESTION: Harking back to Commander Monroe's remarks, I agree with him thoroughly. I think perhaps the Intelligence Division is the one to tell us when to go ahead with what Colonel Leary was asking about.

DR. HUNTER: I am not too clear on the setup. I should rather have assumed that intelligence would come by way of the General Staff, specifically by way of the planning division, which would shape our military

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mobilization plans according to the strategic situation revealed by intelligence. Economic mobilization and procurement plans would be shaped then to meet the logistic requirements of these military plans. How far it is desirable for the procurement planners to be directly supplied with strategic intelligence I would not attempt to say.

QUESTION: I have a question which has to do with terminology, first, "economic mobilization." It is that "economic mobilization" doesn't convey to me the picture that I think is intended. Mobilization brings up a picture of a million men training to arms, and the term "economic" when I look it up to find out what it means, pertains to the science which treats of the production and distribution of wealth.

I think according to Steiner, in his book in our required reading, that what we are talking about is the conversion from a peace economy to a war economy. If we could say that it is conversion planning instead of mobilization planning, then maybe our transition would be better accepted by the public.

Right now we are really converting from the peace economy to a war economy. I use economy in the sense of its being a system of organization, a system of government, political not national economy. We are really converting from a peace economy to a war economy by changing the organizational structure of the Navy. We have a new agency created by the Security Act. There are several things that have a connotation of conversion. So if we could say conversion planning--what adjective to use I don't know--it is not economic conversion planning--but that would convey to me better the idea of what we are trying to get at.

Second, we have the term "economic potential." The reason I am talking about terms is because in the reading assignment yesterday there was a statement which said that if you would arrive at a better understanding of the subject, begin by settling the terms you are talking about. So the term "economic potential" likewise causes no difficulty. "Economic" according to the dictionary is "pertaining to the science of economics," which is a science which treats of the production and distribution of wealth, and "potential" is something that doesn't exist. Well, economic potential literally doesn't exist.

However, if you follow the thought of conversion from a peace economy to a war economy, and if we use the term "military potential," then that means to me what we are trying to say. The military potential is inherent in the peacetime economy and becomes power after it is converted. So I have that confusion in mind about terms and I lay it out on the table for what it is worth.

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DR. HUNTER: The problem of terminology is usually a very difficult one. We pick out a certain term or terms as a shorthand device for reference to things which are often very difficult and very complex. Take the term "economic mobilization" to begin with. The term originally was an adaptation from the phrase "military mobilization," the mobilization of armies. So when it was discovered that more was required in preparation for war than simply putting the army on an active footing, they took the term mobilization and applied it to the industrial area and said "industrial mobilization." Then, of course, when it was discovered that it takes more than the mobilization of industrial resources--referring to manufacturing industries--to make war effectively, the broader concept of economic mobilization was coined.

I don't think really we need bother too much about the terms in a literal sense. No matter what concept or term you use, if you decide to apply the term too far in a literal sense, you are likely to get into difficulty. Whatever term is employed, its usefulness depends on what meaning you are able to read in to it. I think it was decidedly helpful to shift from industrial mobilization to economic mobilization, yet it has seemed desirable to spend this entire period in an explanation of what economic mobilization really involves. While some terms fit the situation better than others, every term presents its own problem. Take conversion, for example. The connotation of this term as a result of the publicity given it in the recent war is primarily industrial. It makes us think of converting factories, converting equipment. So if you think of conversion for war, well, you are not perhaps too much better off, even when you prefix it with the word "economic."

I wouldn't argue for specific term as the only or best term for the purpose. I don't think we have to accept either of the terms suggested, in any final sense. We use them, work with them and try to avoid being misled by them.

If George Passelman is in the audience, I would like to throw the economic potential one at him. If not, I will leave it until he gets on the platform later on in the course, and then you can really go for him.

COMMENT FROM THE FLOOR: This is not all-inclusive. You also have economic demobilization.

DR. HUNTER: Another difficulty, too, is that you might regard mobilization as being simply the process of shifting the economy from peace to war. What happens then? Doesn't mobilization apply to the actual process of running the economy in wartime. I have made it a habit to say mobilizing and running the war economy, but you can use this term--and many people do use the term--for the whole process of operating the economy in wartime.

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COMMENT FROM THE FLOOR: Actually I saw an article in the paper the other day which would indicate that possibly we are on the right track. It was along the lines that Munroe and Lee were talking about in connection with the Central Intelligence Group. There was a statement about the present head of the Central Intelligence Group--if the source is reliable--that he is dissatisfied with many of his representatives overseas. What he wants is not one sent over there for the military angle, as the military attache, but he wants them to be industrialists overseas, to live in those countries. That is, he would assign a man to France who would live there for 20 years, taking it on as a permanent assignment. It appears to me that is a very forward-looking step toward getting the idea across when we have to start economic mobilization. I hope the statement is true. I am not satisfied with the source, but I think it is along the line we are after.

DR. HUNTER: Any other questions?

QUESTION: From the discussion of the field of action and responsibility assigned by the National Security Act of 1947 to the National Security Resources Board, the Joint Chiefs of Staff and the Munitions Board, you compare these fields with the fields of study assigned to the National War College and the Industrial College. It would appear that in general the National War College covers the field of study analogous to that of the field of action of the Joint Chiefs of Staff. It would further appear that the field of study of the Industrial College would compare with the field of action assigned to the National Security Resources Board. Would you care to comment on these matters concerning the National Security Resources Board, the Munitions Board, and the Industrial College?

DR. HUNTER: Your question is a good one. It raises the issue of the scope of our course of study, once the new planning agencies get into operation. The problem there, of course, is to see how this whole thing is going to shake down once the reorganization becomes effective. Will we concern ourselves with all phases of economic mobilization or simply with the military procurement phase?

Conceivably, the Industrial College might draw in its horns a bit. The Industrial College might proceed on the assumption that it will concern itself with the more restricted responsibilities for mobilization now belonging to the Armed Services, responsibilities for the military aspects of economic mobilization. It might be argued that since the National Security Resources Board is a civilian agency, the broader aspects of economic mobilization, while of interest to the Armed Services and to the Industrial College, would be somewhat outside the direct

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scope of their interest. There are some indications that the broader program will be continued, but what the policy eventually may be, I don't know. In my previous lecture I indicated that in my opinion it was of great importance that the military services be familiar with the over-all problems of economic mobilization as well as with the problems of procurement and procurement planning. Total war means a war in which all in the Nation participate.

As I suggested then, it seems to me that in order to have effective teamwork each member of the team must have at least some understanding and some familiarity with the job being done by the other members if there is to be really harmonious and effective coordination. Too long the Armed Services have lived in a little corner of their own, somewhat apart from the rest of American society. I think we have to recognize the undesirability of a continuance of this situation, a situation for which the responsibility rests upon everyone in this country and not simply upon those in the Armed Services.

Let us say the social isolation which has, in the main, characterized the position of the Armed Services has been simply a natural reaction to the condition of distrust and suspicion with which the military traditionally has been regarded in this country. The general public has to wake up to its responsibility with respect to the determination of military policy, and in so doing it will, if conditions are made favorable by the Services themselves, cease to regard the military as strangers in the midst of American society.

Are there any other questions?

Thank you.

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