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FOREIGN REQUIREMENTS

26 November 1947

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Publication Number L48-50

THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

WASHINGTON, D. C.

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FOREIGN REQUIREMENTS

26 November 1947

LIEUT. COLONEL HAAS: Gentlemen, this morning we are considering foreign requirements. As Chief Economic Consultant, Intelligence Division, General Staff of the United States Army, our speaker this morning has a very vital responsibility in interpreting foreign economic intelligence in terms of foreign military activity. He also has charge of a group concerned with producing special economic studies for the Staff and is, himself, responsible for reviewing routine economic studies produced by other branches of the Intelligence Division.

It is a pleasure to introduce to you Mr. Luther Stringham.

MR. STRINGHAM: Thank you. Colonel Haas and gentlemen: This lecture is on the subject of foreign requirements from a military point of view. But it seemed to me that since one of the most vital issues of the day is concerned with the European Recovery Program, it would be a mistake not to say something about the issues involved in the European Recovery Program and about the problems that already have been encountered in estimating requirements.

As you know, the European Recovery Program, which is commonly referred to as the Marshall plan, involves the largest peacetime consideration of foreign requirements in our history. It promises to be the largest assistance program since Lend-Lease.

Even though the Europe Recovery Program is essentially a peacetime program, some of its military implications are obvious. The program was evolved partly to stop the expansion of Communism into western Europe. We are also trying to promote peace by increasing economic stability throughout the world; then, of course, if that fails, to strengthen those people who probably would be our allies.

There are many procedures of general applicability to the subject of this lecture that were followed in deriving the total estimated requirements under this program. Those I want to discuss briefly.

On 5 June 1947, our Secretary of State, in a speech at Harvard University, said that the European countries need substantial additional help, but that before the United States could proceed much further in efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe

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as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be taken by this Government.

On 16 June, the British Foreign Secretary and the French Foreign Minister met at Paris with Mr. Molotov, the Soviet representative, but they could not reach an agreement as to various matters regarding a meeting to determine European requirements. So, on 3 July, the British and the French representatives decided to go ahead and issue invitations. Invitations were accepted by sixteen European countries--the United Kingdom, France, Austria, Belgium, Denmark, Greece, Iceland, Ireland, Italy, Luxemburg, the Netherlands, Norway, Portugal, Sweden, Switzerland, and Turkey.

The conference opened in Paris on 12 July, under the chairmanship of Mr. Bevin. Various committees were appointed. The Committee on Economic Cooperation was established; also various special committees covering food and agriculture; fuel and power, oil and steel, and transport. Later some other technical committees were appointed.

The committees had prepared their general report by 21 September. During that time a mass of basic factual information was collected which was essential to the formulation of the preliminary estimates of requirements. The procedure followed was for these technical committees to formulate questionnaires. Those questionnaires dealt with production capabilities, estimated requirements, and the production goals that would have to be met by the cooperating countries, the United States, and the other Western Hemisphere countries. These questionnaires were on a commodity or product basis--Electric power, coal, steel, and various other products. The questionnaires were filled out by the countries concerned. One was also filled out for the combined zones of Germany.

After consultation with representatives of the United States Government, totals, based on the questionnaires, were derived. Those totals, along with collateral material, have been published in the Technical Reports of the Committee on European Economic Cooperation. The estimated import requirements of the participating countries were placed at 57.3 billion dollars. Of that amount, as you perhaps saw in the papers, it is hoped that the United States will contribute a total of 20.4 billion dollars; other Western Hemisphere countries the equivalent of 14.8 billion; and other participating countries a total of 22.2 billion.

I have discussed the formulation of the European Recovery Program at some length because certain principles of general applicability are involved.

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One general principle is that in order to get any such program launched, a large amount of basic information must be assembled and analyzed. I feel certain that the appreciation of the need for a vast amount of factual information has been well set forth in a number of the lectures you have had here. I have read the very excellent report issued by the Industrial College on the requirements part of last year's course on Economic Mobilization. That report makes abundantly clear that you cannot even start to estimate requirements unless you have a very great deal of basic information.

Another principle of general applicability is the need of estimate total requirements in relation to a reasonably small number of products. During the war this need for estimating in terms of few items - steel, aluminum, etc., - found expression in the Controlled Materials Plan. In the ERP there is considerable emphasis on what might be called a food-coal-steel-transport relationship. The relationships between food, coal, steel, and transport, are pretty obvious and certainly in formulating requirements that relationship must be constantly borne in mind.

The Report of the Committee of Economic Cooperation has a very excellent statement of some of the ways in which that relationship works. The report says, "These key commodities and services are all interdependent. More food for miners means more coal; more coal means more steel; this, in turn, makes it possible to produce more mining machinery and more agricultural machinery to produce more coal and more food, and more transport equipment to enable the increased supplies of coal to flow smoothly from the pits. If timber is lacking, coal production is hampered, and if there are not enough timber ties to maintain the track, movements by rail are slowed down. Europe's experience shows how these shortages interact upon one another and ultimately lead to industrial stagnation."

What I have been discussing so far might be called Case I--foreign requirements in the support of peacetime economic systems. This is certainly the broadest type of program that is possible in peacetime. The purpose of the assistance is to provide support for the entire economy, not for just a segment of it.

Next, I want to discuss Case II--foreign requirements in wartime. Here it will be convenient to contrast the determination of wartime requirements with the peacetime requirements which I have just talked about. In the first place, the purpose of meeting foreign requirements in wartime is to further the accomplishment of military objectives, and to do that it is necessary to know the mission you are trying to accomplish.

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But that is not the only question to which you must answer. For example, you must formulate objectives, timetables, and statements of need. You have to answer such questions as: Where? When? Against whom? How long is it likely to take? By what means will the aims be accomplished? There are a whole host of related questions. Those of you who have had experience estimating requirements know that it is difficult to begin a solution until you have some kind of an answer to more than one of those questions; in fact, you usually need the answer to several.

In the report on last year's Requirements Course there is a statement as to why an accurate determination of Army requirements was impaired during World War II. There were many factors: lack of a firm troop basis; frequent changes in troop allowance and equipment lists; marked changes in strategic plans; inaccurate or improperly computed or utilized replacement factors; inadequate Army-Navy coordination; failure to allow sufficient lead time; and so forth.

These remarks about the calculation of foreign requirements in wartime have been somewhat general, I realize. We have had in mind requirements of a foreign power whose economy we want to keep going so that it will be able to produce military supplies at maximum efficiency; to support armed forces at maximum efficiency.

The United Kingdom is the best example of this case. The Lend-Lease program is an example of how we bolstered an entire economy for war purposes. As Mr. Stettinius points out in his book on Lend-Lease, throughout 1942 the chief aid which we gave to Britain to keep her fighting was not in the form of munitions but rather was food and related items of which they were very short.

It should be emphasized, however, that in attempting to support an economy for military purposes, it is necessary to subordinate all non-military considerations so far as possible. From that point it becomes a matter just as in estimating of domestic requirements, of balancing claims against resources. The job of balancing those two can be better accomplished, of course, if there is close cooperation among the various nations involved (such as there was between Canada, Australia, the United States, and Great Britain) rather than a loose and distant cooperation as there was in the case of the U.S.S.R. In the latter instances we did not always know whether the materials we were supplying were being used effectively or not, or even if they were being used for purposes which fitted into the over-all strategic plan.

Now I would like to turn to Case III--the requirements in occupied areas. Present day examples of the problem of foreign requirements in occupied areas are Japan and Germany. The problem of estimating requirements in such areas is complex. But in occupying a territory and

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controlling the distribution of goods are in a better position, in some respects at least, to estimate requirements.

We have gained a lot of experience in this matter in the past few years. You may recall, in an earlier period it was felt that if the daily caloric intake of the people of occupied territories fell much below 2,000 for the normal consumer for a sustained period of time, serious unrest and disorder and a marked increase in disease would be likely.

We all know, however, that there seems to be more "fat on the skeleton" in Japan and Germany than we had thought. I refer not only to individuals. There simply was more good around that people could use than we had thought. So people in certain areas have got on better for sustained periods largely because we did not have the basis for accurately estimating what their requirements were. There was more fat than we had thought.

I use the term "fat" advisedly because I notice some of your basic materials stated that initially the matter of balancing claims against resources is a matter of seeing how much fat you can cut all along the line. That was one process we went through during the late war. We cut out one item, then another; we compressed. Then we would see how much we got in the way of a repercussion. In certain instances, consumer reaction was sufficiently violent, in a legitimate sense, that certain items were then put back on the production list.

Similarly, in the case of the occupied areas, particularly if they have been enemy areas, the problem is one of reducing requirements to a minimum. But that process, again, must be reconciled with the long-range objectives. If our goal is the establishment of world peace, or the institution of democratic government in the various countries, we might find that keeping people down to a bare minimum would conflict very seriously with those long-term objectives, where it might not conflict with the long-term objectives of a totalitarian government that does not care particularly whether the people live or not.

Now I would like to turn to Case IV--the problem of estimating the requirements of neutrals in order to provide them with an incentive to supply goods. I think this is probably the simplest case of all because it becomes principally a matter of bargaining.

For example, suppose during the war we need mercury from Spain and Spain happens to be neutral--maybe even with leanings to an enemy power. What we do is to offer enough of the products which they need in order to insure that they will supply us with certain of their products which we need. That process went on in Africa, South America, and various

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other places during the past war when we found it necessary to substitute sources of supply, such as Bolivian tin, and so on, for customary sources which had been either cut off or occupied by the enemy.

Though provided for in the outline for this lecture it has been suggested that the time devoted to the organizational setup for estimating foreign requirements during World War II be given only a brief treatment because you are dealing extensively with this subject in a different connection. So, I shall say simply that all of the foreign requirements we had channeled largely through Lend-Lease, eventually had to be combined and there had to be a final balancing of claims and resources. That is the fundamental proposition I want to offer: There isn't any great difference between estimating foreign requirements and domestic requirements. Actually, you do not need more information, but you are less likely to get the necessary information. Therefore, the problem of compiling basic data is even greater.

We have an organizational chart of the National Defense Establishment under the National Defense Act of 1947. I would like to mention - not exhaustively - some of the agencies which are now established that will (or should) contribute to a solution of this problem.

There is the National Security Resources Board and the Munitions Board. Probably those two are the most important, although the Joint Chiefs of Staff agencies, the Research and Development Board, the Central Intelligence Agency, plus certain of the agencies in the staff setup of the Department of the Army, Department of the Navy, and the Department of the Air Force will also be involved in this problem of estimating foreign requirements in one way or another.

Again, to come back to some of those basic questions which I mentioned earlier--What is to be accomplished? Where? When? How long will it take? Against whom? By what means?--I would like to read very briefly some of the responsibilities of these different agencies.

First, the National Security Resources Board: Among other functions, "It will advise the President concerning the coordination of military, industrial, and civilian mobilization, including programs for the effective use in time of war of the Nation's natural and industrial resources for military and civilian needs, for the maintenance and stabilization of the civilian economy in time of war, and for the adjustment of such economy to war needs and conditions.

"It will also advise on the relationship between potential supplies of, and potential requirements for, manpower, resources, and productive facilities in time of war.

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"It will advise concerning policies for establishing adequate reserves of strategic and critical materials, and for the conservation of these reserves."

I think that speaks for itself. If the National Security Resources Board performs those functions, it will have to take foreign requirements into account.

Secondly, the Munitions Board: "It shall be the duty of the Board, under the direction of the Secretary of Defense, and in support of strategic and logistic plans prepared by the Joint Chiefs of Staff, to coordinate the appropriate activities within the National Military Establishment with regard to industrial matters, including procurement, production, and distribution plans of the departments and agencies comprising the Establishment.

"To prepare estimates of potential production, procurement, and personnel for use in evaluation of the logistic feasibility of strategic operations; to determine relative priorities; to maintain liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical materials and the maintenance of adequate reserves of such material, and to make recommendations as to policies in connection therewith."

Next is the Research and Development Board. It advises with regard to trends in scientific research relating to national security and the measures necessary to assure continued and increasing progress; and to consider the interaction of research and development and strategy; and to advise the Joint Chiefs of Staff in connection therewith.

There are two or more sections I want to read. "The Joint Chiefs of Staff, subject to the authority and direction of the President and the Secretary of Defense, shall prepare strategic plans and provide for the strategic direction of the military forces; prepare joint logistic plans and assign to the military services logistic responsibilities in connection with the plans; and to review major material and personnel requirements of the military forces, in accordance with strategic and logistic plans."

That is all I have to say about the setup within the National Military Establishment, except to discuss very briefly the role that might be played by the intelligence agencies. (Of course, I could not really finish up this discussion without bringing in the Intelligence Division in some way!)

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The Central Intelligence Agency and the intelligence agencies set up within the service departments are all concerned today with the collection and analysis of an amount and variety of information far greater than any United States intelligence organization in the past. We realize that proper estimates of all kinds must be based on a vast amount of information. It was, for example, of considerable value for us to have the collection of this type of data already substantially broken down when the Marshall Plan questionnaires were returned. We had in that case a basis for knowing whether the estimates of requirements were inflated or not.

Other agencies that have been concerned with foreign requirements have been the Combined Food Board and the successors to the Combined Food Board. The State Department is carrying the ball now on the Marshall Plan. Many other agencies (provided the plan is adequately supported by Congress), such as Agriculture, Commerce, Interior, and possibly other departments will have a hand in estimating progress and issuing successive estimates of requirements.

This concludes what I have to say. I would like to summarize briefly the different cases because it seemed to me that the best I could do here would be to provide a convenient outline of the subject as a whole. It seems that there are four rather clearly defined cases:

First, we may estimate foreign requirements in order to support economies as a whole in peacetime.

Second, we may calculate foreign requirements in wartime in order to direct or support specific activities which are part of a war program.

Third, we may estimate requirements in occupied areas; and fourth, we may estimate what is required to induce neutrals to supply us with desired goods.

If there are any questions, I will try to answer them.

LIEUT. COLONEL HAAS: Gentlemen, do you have any questions you would like to ask?

QUESTION: Did I understand you correctly when you said that the Central Intelligence Agency and the department intelligence groups had all the final data whereby they were able to check the requirements of the Marshall Plan?

MR. STRINGHAM: That was the implication, sir, in what I said; yes.

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I recall, for example, our State Department hurriedly dispatched representatives to Paris at the time the committee meetings were held and when it looked as if estimated needs were going to be quite astronomical. I assumed part of the task of those representatives was partly to check on the figures, and partly to scale down the estimates so that they would be politically feasible. While I have not totaled them, I suspect that there are substantial differences between the totals as published in the report of Committee for European Cooperation and the totals as they appeared on the questionnaires.

QUESTION: This has to do with the Marshall Plan. It is a question which has puzzled me for a long while. I have never received a satisfactory answer to it.

In making estimates of civilian requirements, several of the speakers we have had here have indicated it was a most difficult and complex operation. They have stated it is their opinion that perhaps no real effort should be made to make a summation, in a fixed way, of what those requirements might be, except for certain materials.

In order to arrive at certain definite amounts required for foreign aid I should think, first, you would need a standard of living which would require decisions at a very high level; that is, how much will the people eat; how much they will weigh; how much they will consume; and how much will be available for exporting.

I assume, in the matter of giving specific answers to those questions, that the Marshall Plan would be something in the order of magnitude of what is needed in order to accomplish certain objectives to make a healthy, self-sustaining economy.

Now my question is, what, if any, effort was made to establish a definite standard of living for countries such as France--not establish it, but to set up your criteria; what, if any, efforts would be made to enforce that standard of living; that is, through controls, such as food control, rationing, and so forth, which evidently are not in existence at the present time?

MR. STRINGHAM: Sir, I will not vouch for the reliability of what Mr. Bevin and some of the other people did. Volume I of this Report, states, "In the report which follows, the participating countries have defined the economic and financial problems facing them and have reviewed the production targets which they have set for themselves; the steps which are being taken and will be taken to bring about internal stabilization; the measures which the participating nations will take, through combined or coordinated action, to solve production problems, provide for the free and efficient flow of goods and labor and insure the full use of their

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resources; and the problem presented by the participating countries in Western Germany's balance of payments deficit with the American Continent."

They did set up, on a product basis, particular goals. They said, for example, that in certain countries output of certain products, such as electric power, would be such and such percent of the 1938 level. Coal production would be such and such percent of the 1938 level. Apparently these committees tried to establish targets that would permit the people of the various countries a standard of living roughly the same per capita as before the war. But that is as near as I can come in an answer to your question. In other words, the committee members said they tried to do the things you mentioned. Whether they did or not, you cannot tell from Volumes I and II of their report. How they could have done a thorough job in the time they had, is more than I can see.

In spite of how these documents look when we first open them up-- it seems like an enormous amount of valuable material--I strongly suspect that subsequent events will prove that there is a great deal of inaccuracy in them.

I am sorry I can't answer your question.

COMMENT FROM THE QUESTIONER: You have answered it. Thank you--I mean the "normal" answer is there. (Laughter).

QUESTION: In discussing those cases, you mentioned that the first requirement in order to figure out requirements was basic information. Would you care to expand on the meaning of that term, "basic information"? Where would it come from?

MR. STRINGHAM: Yes, sir.

To use again the case of the Marshall Plan, the basic information would have to be concerned with those aspects of the economy which you are going to support.

In the case of Europe, it is going to have to be food first of all. Then it is going to be coal. Then steel, transport, timber, and currency. But it is not a matter of just saying food. You must also say - what food. I may be decided to talk chiefly in terms of grain. But then your problem is not solved. Perhaps decide on rice for the Far East; in Europe it will be wheat, rye, maybe corn, and some of the coarse grains, such as barley and oats.

Still further questions remain to be answered. You have to define terms, as these technical committees did in preparing the Marshall Plan questionnaires. When electric power was reported, it was reported on a

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basis for hydroelectric and thermal. It was reported in standard terms, and so on; at least it was intended that it should be so reported.

A lot of the information needed is of types which we collect regularly in various government channels. At least in the Intelligence Division we try constantly to collect comprehensive figures on production and related subjects. There are all kinds of basic information: data on capacity, production, imports, exports, reserves, and a whole host of other kinds. Each involves definitions of various types.

**QUESTION:** Following that same point, later on you spoke of last year's committee report which, in summary, said the whole Army requirements problem (computing accurate requirements) was impaired, essentially, by lack of basic information. So the great lack in the past appears to be a lack of information.

You have pointed out that the first fundamental is basic information. Would you care to comment, sir, on how the Armed Services might develop a wholly new basis of information opposed to the past?

**MR. STRINGHAM:** I would like to, sir, but I know of no short-cut to the traditional methods. I do not mean, necessarily, short-cuts, but I mean any replacement of traditional methods. It seems to me if we recognize the need for greater precision and greater quantities of data, we will be much better off.

I give a lecture in our Strategic Intelligence School in which I take a little different approach in a part of the lecture. There is a balance that has to be achieved. Most of you men will have supervisory responsibility over research analysts. You will have to combat a tendency on the part of the typical researcher to hesitate to say anything until he has all the information. Someone has said, "If we waited until all the facts were in, we would never get out of bed in the morning." So you have to be very careful.

There are many kinds of information. Usually, your missing information is the least significant. Data on your important producers and commodities tend to be more readily available. Perhaps that was partly the reason why, under the Controlled Materials Plan, a lot of the calculations were hung around basic commodities on which more complete and more accurate information could be achieved.

**COLONEL MICHELSEN:** In building up Army requirements, the planners are always speaking of strategic guidance based on military plans from the Joint Chiefs of Staff.

When we come to foreign requirements for war-planning purposes, it would seem to me that it is the basic data we lack and that there should be some point from which that would come. The point from which that comes

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is also something we need to know. My own view on the thing is that that strategic guidance for foreign requirements should come from the National Security Council and should be channeled directly to the National Security Resources Board.

I would like to have your reaction to that line of thinking.

MR. STRINGHAM: That seems reasonable to me, too, sir. I have a suspicion that some of the agencies shown on the organizational chart, for example, the National Security Council, operate at such a high level that they will not satisfactorily operate to produce the kind of information most urgently needed.

I do not know what, for example, will be provided by the Central Intelligence Agency so long as it continues to operate solely at such a level. Maybe its whole function is performed by advising people at the top level. That is what they always say and I have no basis for saying that it is not true.

I agree that there has to be some central way of handling the problem you mention. The central way that is now being proposed to get a lot of this basic information together in one place is the National Intelligence Survey, which is still in its formative stage. All of the agencies would contribute to it, presumably. It has been in its formative stages now for about two years, so I do not know if anything is going to come of it.

COLONEL MICKELSEN: In the determination of requirements for a particular plan we should know what countries we will have to support, what measures of economic warfare might be necessary to what allies we would probably have to give military assistance. This basic information is the most difficult thing to incorporate in a plan because we do not know where we are going to fight, who our allies are going to be, and so on. The Departments of the Army, the Navy, and the Air Force cannot put that into the plan. In other words, they must obtain the basic information for the detailed planning that will have to follow the strategic plan.

I don't know whether or not that changes anything you said.

MR. STRINGHAM: No, it doesn't. There has to be that coordination. I do not operate at a high enough level to know whether the right steps are being taken. I know within the Army our own Plans and Operations Division is trying to formulate studies along that line. I know, too, that the Joint Chiefs of Staff agencies are also concerned with that program. As a matter of fact, I suppose that is the principal thing that concerns all of these top-level people: Who is going to be the most helpful to us? Who might we have to fight? Etcetera. I hope that these various efforts will result in conclusions that have been thoroughly

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threshed out. That would certainly be something that would have to be done at that level.

**QUESTION:** Is the National Security Resources Board simply a policy-making agency or is it also a fact-finding agency? In other words, are they going to do any of this work on the computation of requirements in time of war?

**MR. STRINGHAM:** It says here (reading from Act): "There is hereby established a National Security Resources Board to be composed of the Chairman of the Board and such heads or representatives of the various executive departments and independent agencies as may from time to time be designated by the President to be members of the Board. The Chairman of the Board shall be appointed from civilian life by the President," and so on. "The Chairman of the Board, subject to the direction of the President, is authorized, subject to civil service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to assist the Board in carrying out its function."

That would seem to me to give the Board authority to build up a research staff. Whether they will or not, I do not know.

**LIEUT. COLONEL HAAS:** They haven't gotten together to find out what they are going to do.

**MR. STRINGHAM:** I think most of these agencies that have been recently established are still in their formative stage, and there are numerous organizational problems to be solved.

**QUESTION:** I thought the most essential thing in foreign aid, both in assessing and administering requirements, was mutual trust between the giver and the receiver. I am a little bit perturbed over all this talk about intelligence because I do not believe that generates mutual trust, although it does give a lot of valuable information.

Would you care to say something along the lines of the interchange of personnel between the giver and the receiver?

**MR. STRINGHAM:** All I could say, sir, is what you say is very true. It would seem to me that one of the most effective ways of getting close cooperation is to have people working closely together. If you can see and work in daily contact with people from the other services, the cooperation is close. If they are in different buildings, even in different offices, why, the cooperation is not so close. That is the reason it is salutary to have representatives of the different services all in one room, like this. That does more to increase cooperation, in my opinion, than any number of acts of Congress.

**COLONEL NICKELSEN:** I would like to ask one more question about your interpretation of the various terms we have used.

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We have considered "foreign aid" to be a generic term. Included in that term would be lend-lease, aid to occupied territories, and economic warfare. Would you please give us your interpretation?

MR. STRINGHAM: Is that in contradistinction to requirements? Are you using aid--

COLONEL MICKELSON (interposing): We were thinking of requirements for these various purposes. But we must understand the relationship of these different terms so that we can write them up correctly in our reports. We would like to know what is going to be the relationship of that terminology in the different channels of government where they do that kind of work.

MR. STRINGHAM: I cannot answer that.

The Turkey Bill and the aid bills that have been before Congress are peacetime measures in support of the economies, are they not? That, plus preventing actual starvation, and so on.

Now, from that point of view, UNITED NATIONS REHABILITATION RELIEF ASSOCIATION would be an aid agency. Lend-lease would be an aid agency. The purpose of the aid is to help people meet their requirements.

May be I don't quite understand your question. I don't see any problem involved there.

COLONEL MICKELSEN: We, in discussing requirements, have to talk about requirements for various purposes. In this particular instance we are trying to tie it in with a pattern of cases, such as you were talking about. We tried to make our terminology all inclusive so that we would get requirements included for all the various phases where requirements might be needed. We use the terminology that you find in our directive: foreign aid, lend-lease, economic warfare, and occupied territories.

I notice in your talk you spoke of foreign aid. But you spoke of all these other things too. Wasn't "foreign aid" an all-inclusive term and "lend-lease" a specific type of aid under "foreign aid"?

MR. STRINGHAM: Yes, sir.

I don't say there is anything wrong with your classification, except possibly in this matter of economic warfare. Economic warfare would include things like freezing assets of foreign countries. Blockade might also be properly classified under economic warfare, thus economic warfare does not seem to me to parallel your other items.

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LIEUT. COLONEL HAAS: Where would preclusive buying come in?

MR. STRINGHAM: That is, to prevent a foreign power from getting any of the supplies, we take all of them?

LIEUT. COLONEL HAAS: That's right.

MR. STRINGHAM: You are making that a part of economic warfare?

LIEUT. COLONEL HAAS: I'm asking you where you would put it.

MR. STRINGHAM: Well, it seems to me somewhat afield from the subject of this course. It is more the obverse of foreign requirements.

COLONEL MICKELSEN: I was just going to bring out the fact that we have certain instances where we, under our war economy, would have to furnish equipment or supplies to a country in order to bargain with them to prevent them from giving something to the enemy. That is where we would get into requirements for economic warfare.

MR. STRINGHAM: If we have to divert our resources to taking all of the supplies of a foreign country, whether we need them or not, it would be related to the subject.

LIEUT. COLONEL HAAS: Thank you, Mr. Stringham, for a very, very educational talk.

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