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CONCURRENT PLANNING BY INDUSTRY

17 November 1948

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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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17 November 1948

GENERAL VANAMAN: The Industrial College of the Armed Forces stands firmly in back of the idea of a civilian-military team, a team actually in being in peacetime, as a measure to insure the peace or to insure the victory as needs be. Our speaker this morning is in the unique position of being able to speak with authority from both sides of the fence, that is, industry-wise and military-wise. Thus he is able to help tear down that fence, that barrier, between the military and industry and to unite the two fields into one combined team.

All of you are thoroughly familiar with General Somervell's history. He needs no introduction to the Industrial College or to the guests. He is here this morning to tell us of the concurrent planning by industry. We welcome back to our lecture platform General Somervell.

GENERAL SOMERVELL: General Vanaman and gentlemen: I hope what I will say will be not industry-wise or service-wise but just plain wise.

I was chatting with the president of a large company the other day and in the course of our conversation I asked him how his company managed to be almost always successful. He told me that his secret of success was this: "Our company does not make the same mistake twice." Now, in our national history I suspect that there have been many instances where we as a nation have made the same mistake twice. Never making the same mistake twice may be a good rule for running a business and it may be a good rule for developing our own personal careers, but it is not a good rule in planning for World War III. We cannot afford to make the first mistake the next time, because the chances are we will not have an opportunity to make a second or to correct the first. I just say that as a basic premise.

General Vanaman has asked me to discuss concurrent planning by industry, but first I want to take a few minutes for stock-taking. I appeared before this College two years ago. My subject was "Production Problems of World War II." I named fifteen of them. Let us run over them quickly and see how we stack up today on those problems as compared with two years ago.

It is my understanding that we now have a strategic concept, but that it is not accompanied by a mobilization plan or a logistic plan. Both of these are, of course, necessary for a comprehensive attack on the problem of mobilizing industry. At present a flash estimate of feasibility is being secured by a trial run on some two hundred and fifty high-cost items. I understand that the result of this will be available early in December, that following this there will be an investigation covering from two to five thousand major items, and that this will probably represent from 75 to 80 percent of the required industrial effort.

Now, until this strategic concept is accompanied by a mobilization plan to furnish the rate at which supplies and equipment will be required, it will be impossible to compute with any accuracy the procurement requirements and to broadcast these to the Services for detailed planning with industry. At the present time it seems that those charged with the handling of logistics still have the problem, which we faced all during the last war, of trying to guess what will be required for the strategic plans rather than being able to determine those requirements with acceptable accuracy. Is this excusable at this late date? After all the experience and all the grief which we have accumulated, we certainly should not keep those charged with handling logistics behind the eight ball any longer.

Logistics to me means the management of those affairs pertaining to war which are not directly connected with the movement and deployment of troops and materiel--ships, airplanes, and so forth--on the battlefield. Logistics lacks the glory of the battlefield. The problems of logistics are complex. To master them requires years of application and reflection, a familiarity with many arts and sciences, and a working knowledge of even more.

An economical and efficient handling of logistics will not guarantee the victory, but inept handling certainly can be responsible for defeat. The greater the emphasis on new weapons and mechanization, the greater the need for more and more behind-the-line support for the units actually at grips with the enemy. With our national resources definitely limited, we can't afford to make the first mistake. The degree of effectiveness with which we handle logistics in the next war--and I say this deliberately--may determine whether our civilization will survive or perish. Unless we can furnish the units that are actually doing the fighting with what they will need, when they need it, and in the way they need it, with less manpower and less natural resources than our potential enemy, we can well bring on defeat.

Now, to go back to our fifteen problems: I have already touched on procurement requirements. Until these can be computed and made available to the Services, the very foundation for our logistical effort will be lacking. No one expects the requirements to remain static. Certainly they fluctuated, and continuously, in World War II. Despite the inevitable fluctuations, however, a better job must be done next time than we did then. It is necessary now to know our over-all and our total requirements, the requirements for essential civilian life as well as those for the military. These total requirements must be balanced against our total supply potential.

There will be new weapons which will have to be put into production on our future M-day. Provision must be made in procurement planning for requirements which today are not known, or certainly not known in detail. Production capacity must be reserved for these unknown requirements.

It is my understanding that we now have a comprehensive research and development program, with competent people in charge and fair teamwork among the Services. I hope the program is being scheduled, perhaps not to the same degree as production in a plant is scheduled, but nevertheless with definite dates assigned for the several steps involved. I should even like to see the production of ideas scheduled.

Now, I don't know how many of you have had to struggle with research departments. I have wrestled with them in the service and I am wrestling with them out of the service now. The research people are your idea people. You can't turn to a man and say, "Go out and bring me back an idea next Tuesday which is going to solve this problem." On the other hand, you can't let these lads go off into their lairs in the dark corners of laboratories, shops, or what have you, without giving them some kind of deadline to come forth with some kind of result. That is what I mean. I once told a man to write a book in a month; he did a very acceptable job on it. I think perhaps everyone here has read it. But you can't always muster ideas on that basis.

A very interesting book has just been written by Alex Osborn called "Your Creative Power" or something like that--how to use your imagination. The thing about this whole book that stuck in my mind is the fact that he supports just what I have said; namely, that you have to give yourself a date line. You have to go to work. The only way to get results is not to wait for inspiration, not to wait for light to strike you, but to sit down and grapple with these problems, get your mind working on them and come forth with something.

And the more ideas you get, the better. I think all of us realize that. I think all of you have studied probability and chance. With the same sources the chances of getting one good idea out of a hundred are a lot better than getting one good idea out of ten. So the more ideas one has, the more opportunity one has for getting a good idea and one that meets the situation. So much for that.

I hope proper steps have been taken to produce and test pilot models thoroughly but quickly. After proving ground and service testing, the pilot models should then be production-engineered and the new pilots built and tested to insure that mass production designs will function properly. It is more important, it seems to me, to have a number of pilot production lines in factories able to turn out new models than it is to have a lot of tanks and airplanes which may be obsolete next year. If we have the capacity in our factories to improve models and to make new models when the time comes, we will be very much better off. So far as I know, there is not a single item of equipment insofar as the Army is concerned which was the same when the war ended as it was when the war began. In short, I am trying to prove the saying that productive capacity is more important than having a lot of M-2 tanks available today when you are actually going to fight the war with the M-6 or whatever it turns out to be.

I know the Munitions Board has worked out the allocation of facilities in great detail. It is a complicated problem and I am sure the Board has done a good job. We must all keep in mind that industry should have some voice with respect to the allocation of its individual facilities. The allocation system should provide for direct dealing between the prospective contractor and the contracting services. I have been told that this is being done.

Sufficient facilities for essential civilian production must be reserved. The Nation was not required to get along with bare essentials in World War II. I hope that the computation of requirements for the civilian population is making progress. Certainly, a knowledge of essential civilian as well as military requirements is needed to achieve a balance between total supply and total demand.

Undoubtedly some new facilities will be required. Will they be government-owned, or industry-owned and government-subsidized? Will they be located in the best interests of national security? Is your mobilization plan timed to the availability of new facilities?

Will we have fixed-price or fixed-fee contracts or both? And what will be the procedures with respect to renegotiation? As you all know, the subject of renegotiation is a touchy one. There is still debate as to whether that is the best procedure. For my money it still is.

The availability of raw materials and the stockpiling of critical and strategic materials may be the key to the entire war procurement program. I wish it were possible to move faster than we are moving. It is primarily a question of money. However, Mr. Hill did tell me that he felt greater progress could have been made. I understand now that all the available money has been committed; so obviously nothing further can be done in the way of stockpiling until more funds become available.

Good planning and scheduling should eliminate a lot of expediting. The use of quality control should reduce inspection costs and provide better and safer materiel to our forces.

Distribution is of the utmost importance. I trust that an improved version of our wartime stock-control system has been developed and put in use. It is reported that a super interdepartmental committee to study a standard stock-control system has now been formed. Someone should build a fire under this committee and develop the system promptly.

It is likewise reported that a comprehensive cataloging project is under way, for completion in four years. This seems entirely too long for this task, though admittedly it is a gigantic one. For it to be of much use and for us to have adequate stock control, it seems to me that

the time allowed for its completion should be radically reduced. It should have been started long ago as a basis for adequate stock control.

In other words, if you are going to have a stock-control system and the Navy calls a part of a truck "Y217" and the Army calls it "A123" and the Air Force "Z567," you can see the difficulty that you are going to get into in having any kind of stock-control system that means anything. The same thing is true with all other types of equipment. Take one that was common to all the Services in the last war--the DC-3. We had a different terminology for the parts of the DC-3 in the different Services. You could land on one field and be told that they had none of what you wanted, because it had a different number or a different name in that Service, whereas there were plenty of them available. That caused the accumulation of a lot of small piles of parts where there were requirements for many more parts than were actually demanded, simply because of the way it was handled. The maintenance of equipment requires a solution of that problem. We must have it.

Control over the labor supply appears inevitable in wartime. Labor will have to be employed where it is needed. Remember that in a conflict with Russia we will be very much at a disadvantage so far as manpower is concerned. Unless we use our manpower wisely and use it most effectively, our ability to win by having better equipment to fight with will be very seriously jeopardized.

There must be a workable method of settling grievances and strikes.

You must keep the public informed and 100 percent behind your program. Good public relations are an absolute "must."

Congress is the board of directors for the Armed Forces. Like businessmen, you must keep your board of directors informed and sympathetic to your needs. Good congressional relations are also a "must."

The National Security Law has been in effect for over a year. Some progress has been made toward unification. The law needs strengthening. To win the next war we must have an organization that will function by decision instead of by debate. The Secretary of Defense must be the boss in fact as well as in name. It should be possible to eliminate duplication to a very large extent. In my humble opinion we certainly have not moved fast enough in this direction.

So much for the production problems that I discussed with the College two years ago. You may know that progress has been made in solving these problems. If you don't know that progress has been made, I suggest that you put some very pointed questions to the gentlemen who are going to occupy this platform during your course.

Concurrent planning by industry has been an obsession of mine for years. I have always thought of it as joint planning by industry and those agencies of the Government directly concerned with national security. Our very existence, as I told you, will be at stake in the next war. We shall all be in it together--labor, agriculture, capital, the military, and the rest. Our whole economy must be directed toward the one end--winning the war. We must have teamwork or we shall certainly not only make the first mistake but also make the same mistake not twice but three times. This we must avoid if we hope to survive. We shall need all of our talents and all of our resources and all of our abilities; and, also, they must be intelligently oriented and directed.

Now, what does industry possess that is so vital to our national security? It possesses two things: one, physical resources--the plants and the equipment in the plants--and, two, human resources--management, engineers, scientists, and skilled, semiskilled, and unskilled labor.

We talk glibly about balancing total supply against total demand in evaluating the strategic plans prepared by the Joint Chiefs of Staff. Total supply involves a number of things, among them the availability of raw materials and the potentiality of industry to process the raw materials. You have studied the availability of raw materials and doubtless know a lot about the setup. Today we are considering the physical and human resources which make up our national industrial potential. This national industrial potential is a composite of the industrial potentials of the thousands of companies which make up American industry.

I decided more than a year ago that the company with which I am connected would determine its industrial potential and be in a position to work with or for the Armed Forces at a moment's notice and to answer at any time any questions that might be raised about our physical and human resources. My assistants were in full accord, and in three months' time we prepared what we call our industrial mobilization plan.

The things you need to know to determine accurately your company's industrial potential are pretty closely akin to the things you need to know to determine if your company can successfully meet competition in a highly competitive market. We included in our plan a review of the production fundamentals as well as information which the Armed Services might require. We wanted the plan to be a self-inventory of our plants and equipment and methods and to be of help to us in getting ready for whatever rough going we might encounter in the way of competition in the future months and years.

A plan is of greatest value when the people who are to carry it out know its details, know their part in its operation, and have had a part in its preparation. So you may be interested in how we prepared our plan.

Our company operates some fifty-six plants. These plants come under six operating divisions, each headed by a general manager. As president of the company I have a number of central staff departments, such as Sales and Production, to assist me in performing my own duties. We started the preparation of our plan on 1 September 1947, and allowed one month for the plants to prepare their returns. These returns were submitted to the appropriate division general managers, each of whom in one month consolidated and evaluated his own plant returns and submitted his division return, with copies of his individual plant returns. The production department of our central staff then consolidated in another month the operating divisions' plans into an over-all composite plan for the company.

This composite was reproduced in two ways: one with confidential figures and data; and, because of the very large demand which was made on us for copies of the plan, another set with the confidential information and data deleted.

I used to have a picture hanging in my office of a fish nailed on a board. The poor fish was crying, had big tears dropping down, and the caption under the fish was: "If I had kept my big mouth shut, I wouldn't be here." I unfortunately made a speech before the National Industrial Conference Board about two years ago in which I said that we had waited for some leadership, some direction, from the Armed Services for the preparation of an industrial mobilization plan; that we hadn't gotten it; and that for that reason our company was going to go ahead and prepare a plan so we could jump on our horses and ride in all four directions at once if we were required to do so by the Armed Forces. And, having made this rash statement, we got several hundred, now over a thousand, requests for these plans from various industries. Obviously there is confidential matter in them which we cannot distribute.

In preparing the plan we never had one objection from anyone in the organization. We added no extra personnel to the pay roll. Each part of the plan was completed on schedule. The president of the company is designated as the industrial mobilization director for the organization. The manager of the Production Department is the over-all industrial mobilization representative for the company to meet with outside agencies and the Armed Services. Each division general manager or his production manager is the industrial mobilization representative of the division. Of course, each plant manager is the industrial mobilization representative for his plant.

Each plant manager has at hand his own plant return and essential parts of the over-all company plan. Each division general manager has in his office two copies of each of his own plant returns, two copies of his own division return, and two copies of the company's composite plan. Our Production Department and our Control Section have copies of the complete plan, which totals approximately six hundred pages.

Perhaps as some background for you to understand all this I might tell you that our company is divided into these six operating divisions--formerly we had seven--pretty much as the Army and Navy are divided up into supply and technical services. Each one of these units has its own plan, which, of course, must be folded into one for the company as a whole.

You may be interested to know the data that we collected from each of these fifty-six plants. We have first a plant organization chart, with a thumbnail sketch and list of the key and essential technically trained personnel in that plant. It shows for each his name, like "John Jones, graduate of RPI" on such-and-such a date, what he has done since then, and what his specialities are. It shows the number of persons employed in the plant, male and female, the annual rate, and the percent skilled, all these as of the date of the return. It shows the raw materials used and the approximate quantities required monthly for normal operation and annually for maximum operation; the principal products and the amount of each manufactured during the year 1947, together with the normal monthly capacity and maximum monthly capacity for producing each of these products; the number of shifts worked per week and the hours per shift by plant department. There is a rather complete description of plant buildings and a layout of the plant, the type of fire protection in use, whether or not the plant is fenced, and a description of the plant's police and guard service; the source and kind and amount of power procured or generated within the plant. Then we have the principal items of production equipment used in the plant, together with the date installed and an estimate of its condition, as good, fair, or poor. We have the tool rooms, the machine shops, the service room facilities, gage and instrument checking facilities; material-handling methods, unionization of the plant, wage incentive plans in effect, production control and planning methods, inspection and quality control methods, the cost system used, the shipping facilities available, amount of the principal items produced for World War II, percentage of plant's capacity devoted to World War II production, and the maximum number of employees in the plant during World War II.

We have listed the possibilities of expanding to produce additional quantities of the plant's regular products in a war emergency. We have answers to questions such as, "Would sufficient real estate be available? Would service utilities be overloaded? Could additional labor be obtained for additional effort?" And this last question, which we consider a very important part of the return: "What work other than that performed in World War II or since World War II is the plant specially qualified to do for the Armed Forces or the essential civilian economy; do you recommend such work for the plant in case of a war; and what would be required to get it under way?"

All these data are then put into the plan, which is divided into five parts. The plant returns, which we call Section 4 of the plan, were forwarded, as I told you, to the appropriate division general manager's office, where

they were evaluated and summarized into division returns. The divisions' returns are called Section 3. They were put together into a composite company plan, and we call that Section 2. In Section 1 we try to outline the objectives of the plan and the policies under which it will function, its scope, and the procedures that are to be followed in using it. Section 5 is a record of plant allocations and the items to be produced for the Armed Services in an emergency, together with production schedules and additional equipment and materials required to carry out these schedules.

Instructions will be drafted shortly for revising the 1948 plan. The 1949 edition will, we hope, be an improvement over the present one.

The company's industrial mobilization plan, which I have discussed with you, fits one company's problems. Other companies may require a different type of plan. The principles involved, however, will be the same. I feel very definitely that our plan has brought my company to the point where it can reasonably well meet its obligations to the Nation. In addition to that we have done some talking on the subject when we were asked. This whole idea has snowballed now to the point where a very large percentage of the concerns in the country have either a plan like this or another one which is more specifically fitted to the operations of that particular company.

General Vanaman, it has been a pleasure to tell the class these things. If I can be of any assistance in answering some questions, I will be glad to do so.

QUESTION: I think my question is slightly off the subject of your lecture. What was the situation during the early part of the war that caused the formation of the Service Forces, and what organization would you recommend in a future war?

GENERAL SOMERVELL: If you ever looked up the word "retired" in a dictionary, you know that the definition is "Secluded; withdrawn from public view." I am retired. I show up for these lectures down here. I made one or two out at Leavenworth. Otherwise, I have been able to limit myself to two speeches a year, none of which has been on military subjects except the one I made before the Conference Board and that got me into all this trouble with our mobilization plan. I have carefully avoided giving any advice on how to organize or run the Armed Services.

The reason that the Service Forces were formed in the beginning of the last war, so far as I know, is that it was found that there had to be some central direction and control over the services. There were too many of them. There were complications, competition, duplication--empire building--and all of that kind of thing. It was realized during the First World War that in order to have the required control, it was necessary to

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have somewhat the same setup that we had during the last war. General Goethals had much the same job that I had, though he didn't have quite the extensive authority that I had.

The second reason, which is very important, is that the Chief of Staff wished to divorce himself from all matters concerning the Service Forces, so that he could apply himself, number one, to the tactical and strategic elements of fighting the war, and, number two, to handling the extensive public relations that rested on his shoulders. By grouping all of the service functions--all of those things which had to do with waging war that were not directly connected with the active theaters of operation--he was able to delegate those jobs; and we carried the load for him. We absorbed all the abuse and vilification that we got from women who felt that we were arbitrarily depriving them of this, that, and the other civilian convenience or luxury. We were able to absorb the socialistic invective that came from the Nathans, the Ezekiels, and certain Senators and Congressmen who were leaning in that direction, and to keep the Army relatively free to fight the war. It is true that General Marshall had to come to my rescue once or twice, but in the main we were able to do what we were set up to do.

The whole purpose of the organization was to substitute decision for debate. I don't know whether you have been a staff officer very long. Undoubtedly you have been exposed to the concepts of the General Staff at your service school, Leavenworth, and so on. I first encountered the problem in World War I. At that time the services had bogged down terribly. There was a friend of mine in one of them, a man I admired very much, a top-grade man, who said, "They created the General Staff to get rid of the old fogies in the Services in this war. I wonder what they will create in the next war to get rid of them in the General Staff." In other words, when you get too many fingers in the broth, you don't get decision, you don't get action, you don't get control. I think those were the things that influenced General Marshall in creating the Service Forces. I had nothing to do with it, though I did concur in the setup when my opinion was asked.

You are all familiar, perhaps, with the old battle that went on for years between the Chiefs of Staff and the Adjutant Generals. That culminated in a terrific wrangle between General Ainsworth and General Wood. It was finally settled. Nevertheless we still had a bureaucratic administration in the War Department. The object of creating the Service Forces was to free the War Department of bureaucratic administration and substitute for it a coordinated, forcefully directed outfit that would go scrupulously into things that were being done, find out whether they were being done in the best way possible, and put into these services the same kind of management engineering that every commercial company tries to put into the conduct of its business.

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I don't know whether that answers the first part of your question. That part is easy. That is just history.

The other half of your question, as I remember it, is, What organization do I favor for use in the next war? Well, as I mentioned a moment ago, a certain degree of centralization and direction was found essential in World War I. But when that war was over, and all the heroes came back from the battlefield, the Chiefs of Services were able to go pretty far in tearing down the authority of the General Staff over them, and succeeded in getting themselves back about where they were before the war.

That went on until World War II came. When World War II came, I was Assistant Chief of Staff, G-4, of the Army. I had fairly good control over the services. At that time I favored an organization which would follow the idea of having two deputy chiefs of staff, one to handle the tactical and strategic end of the job and one to handle everything else. That was more or less the system that the French had. It was the system that the British had in part. In other words, they had their Operational Staff, which handled strategical and tactical planning and intelligence on the one side; then they had their Adjutant General and their Quartermaster General, who handled the things on the other side. But the British were not absolutely consistent in that. They had other people. They originally had a man called the Master General of Ordnance, who was eliminated during the war. His duties were more or less taken over by General Weeks, who was an assistant to the Chief of Staff. Their organization was not as clean-cut as the French idea, although it was patterned somewhat on the same principle.

This concept of having these people all put into one command was a new one, and frankly I was quite worried about it. I couldn't quite see how you could have this command and at the same time have a G-4. I didn't know which, if either, I was going to be; I tried to picture myself over here in this chair and how I would work if I were in this chair. I pictured myself over here with a different hat on and how I would do the job if this scheme had been adopted. But I didn't have time to figure that out, because soon I had to say "yes" or "no" to General Marshall and I said "yes." The next thing I knew I was given the command.

I don't believe that you can improve much on the idea of having command and having definite control over all of these activities. There are so many problems that are the same for all. You have a plan. You have to get your requirements. You have to direct all the things that have to do with contracting, inspection, production--all those matters--testing, research and carrying them on through to distribution. You have the problems of price and renegotiation to contend with in all of these activities.

We hear a terrific amount of talk about unity of command. I think the idea of unity of command is well accepted. I found out in wandering around the battlefields all over the world during the war that when you got down to fighting, there wasn't any question about unity of command. The Navy, the Air Force, the Army didn't care a hoot about what kind of suit you wore; they were all interested in winning the war and helping one another. The importance of the separate Services increased almost in geometrical ratio to the distance back of the battlefield. When we got back here to Washington, we found ourselves all entrenched in service prerogatives, jealousies, and what have you.

Now, within the Army, command is pretty much the same. You can have all these people in one service force. Then you eliminate most of these hazards and all of these difficulties. If you analyze what has to be done and divide it up into the different types of work, you arrive at a grouping by service, just as we put different types of work in different divisions in a commercial company. But cutting all across it is the question of procurement, which includes research and development, design, procurement, and distribution. That cuts all the way across.

I think you have to divide all procurement according to classes of commodities. I don't see much difference in buying an undershirt for a sailor or for a soldier. I told you the last time I was down here, I think, about the bloodless "Battle of the Undershirts," which was waged during the last war. A lot of fierce, hoary, strong generals on one side and a lot of salty, hard-bitten admirals on the other side just fought like the devil as to whether they should have a little sleeve on the undershirt. One crowd said they couldn't win the war unless they had this little sleeve on the undershirt. The other crowd said they couldn't win the war if they did have the sleeve. That took up the time of many people who ought to have been doing something else. And other things went along in the same way during the war.

I landed on an atoll out in the Pacific where the poor little island was practically crushed beneath the weight of equipment of the Army Engineers, the Seabees, the Marines, and what not. Each of them had a separate airfield on this little atoll. Each of them had a different set of communications, each of them had a headquarters, each of them had a hospital. I couldn't see it, and I can't see it yet.

So it seems to me that, number one, what we need is unity of command for all of these service functions. It is very important. You must have the whole United States behind you, not just the Army and Navy and Air Force. You must have 140 million people. You have to get together. And if you don't need unity of command there, you don't need it anywhere. Don't let anybody kid you about it.

Now, the second thing that you have to have is decision instead of debate. That means command and not a lot of committees. Have you ever looked at the committees on the Resources Board chart, for example? Have you ever looked at the committees in the Army and Navy and Air Force charts? If you fellows are trying to get jobs for yourselves, it is a wonderful idea; but if you are trying to win a war, it is something entirely different.

General Goethals, my predessor, described a board as something that was long, hard, and narrow; and it is a pretty good description. It is as good today as it was when he made the definition some thirty or forty years ago. And so, I think, where we can substitute command for this great multitude of committees, we ought to do it. We need good officers in all the Services. If you are going to put them on all these committees and have them making work for one another by writing letters, memorandums, staff studies, and all those things just to keep them occupied, that is a wonderful idea; but if you really want to win a war, it is a lousy idea.

Now, the last thing that you have to take care of is the human equation--and it is a real problem--not just abstract psychology. If you are going to take care of these service jealousies, if you are going to take care of old human nature, if you are going to take care of the ambitions and desires of several thousand officers, you have to have some practical way of letting the Army, the Air Force, and the Navy know that this unified service force is being conducted fairly and in support of all equally, rather than being conducted for the benefit of the Navy or the benefit of the Air Force or the benefit of the Army or somebody else.

My solution of all this is to have a unified service force and have it under the command of some individual. Change the character of the Munitions Board so that it is not an executive agency, and make it a board of directors for this service. Then, if you have an Under Secretary of the Navy, Air Force, and the Army on this board of directors to ride herd on this "ambitious and unscrupulous head of the Services Forces" who is "trying to do in the Army for one of the other services," you have an immediate check on him. In other words, if the board is a real board of directors, handles policy matters, and if any people in the Air Force think that they are getting "done," they have in the Under Secretary for Air an immediate recourse to find out whether the activity is properly handled.

You have really got me started on something now, but I think that is enough. That is a broad blocking out of my ideas. Number one, decision instead of debate--short lines of communication and authority. Number two, control by this board to prevent discrimination. I don't think there would be much discrimination, but you must get rid of the idea that there will be, or that there is a possibility of it. If you have this board, you get rid of that. It may be within the possibility of you gentlemen to effect.

such an organization. If you do, it will probably be the greatest service you can render your country.

QUESTION: We at the College had a look at industry to find out what progress industry is making in concurrent planning toward preparation for war. We immediately looked at the Koppers plan because it is more or less original and every other plan is to some extent a copy of your plan. But assuming that all industries in the United States have brought their plans up-to-date and done the same as you have, what then do you think industry can do to further our preparation for war?

GENERAL SOMERVELL: They can, number one, start at the beginning and do something in the way of original research which would be very helpful in carrying out any manufacturing or whatever else industry is called on to do. They might even go so far as to invent some entirely new weapons of one kind or another or some devices over a very wide range. They can advise and help the Services in all of these things that I have talked about. They can help them by starting on the production engineering of all of these pilot models. It is most important to get pilot lines in the factories, so they can manufacture what will be required. They can help on stock control, can help on cataloging, can help in deciding policies on prices, on contractual relationships, on renegotiation. They can advise on labor. They can advise on the whole of the emergency powers act which we must have if we are to get the war started.

They can advise on fiscal policy, because, after all, you have to have money to wage this war. You can finance a war effort in three ways: one, by direct taxation; two, by printing money; and, three, by deficit financing. We will have to have a combination of all three. What is going to be the effect of all these on the economy after the war? What is the use of fighting the war if, after the war, the country is a shambles, if we don't have a better civilization than we had before the war? That is why we fought the last war--to maintain the improved type of civilization that we had. So the whole fiscal policy should be determined to give us not only the services to fight the war but to preserve and improve our civilization after it.

What are you going to do about deferment? That was a great question all during the last war--whether a man should go into the service or whether he should be retained by his company. There were some very irrational things that took place. There was one town on this side of the river in West Virginia where the draft board did one thing; across the river in Ohio for the same type of personnel and in the same company the draft board did something entirely different. Industry can help on those fronts.

QUESTION: In the preparation of your company's plan and in the preparation of other companies' plans could you tell us what assistance or guidance has been received either from the Munitions Board or the National Security Resources Board?

GENERAL SOMERVELL: We got started before they did. They are being very helpful now, as I understand it, to companies which are inquiring of them what to do and how to do it. But as I tried to point out, ours was the pioneer effort, and we had to do our own thinking. That is how it was done.

QUESTION: This may be the 64-dollar question, but I would like to ask it anyway. We hear how the lack of a strategic plan is blocking everything along the line. One viewpoint is that the industrial capacity of the country should be determined and that we could then send it to the Joint Chiefs of Staff and say, "This is how much we have. Your job is to tell us how to spend it." I would like to have your views on that.

GENERAL SOMERVELL: That is only about a two-dollar question. First of all, you must find out what kind of war you are going to fight. Once you know that, the Chiefs of Staff can and should figure out the ideal way to wage that kind of war to get a quick decision.

Then you go back to industrial potential. Suppose it is not big enough. Maybe we ought to build some more facilities. Perhaps we ought to have different kinds of facilities, or possibly the facilities should be used in a different way. One invention, for example, like that in TNT during the war, where they learned how to make the first two nitrations at the same time, increased the capacity of all the TNT plants 50 percent in that one discovery. So it seems to me that the plan ought to be built around the ideal way to win a quick decision. Of course, you must expect these Chiefs of Staff, being highly intelligent people, not to go clear off the deep end, and to have a general idea about what they can do.

But suppose you have arrived at a result which, being tested, shows that it is beyond the capacity of the country. If it is not too far beyond the capacity of the country, the people in authority ought to take a very careful look, number one, to see whether the capacity can't be increased; and, number two, to see whether they can't cut down the civilian requirements so they can carry out that plan.

But during the last war I always felt--and I am glad to say the writings of the people on the civilian side backed me up--that we carried on really at the height of civilian production. The civilian population didn't know the word austerity. If you look at the record of production in the thirties, you will see that the production for civilian requirements during the war was greater than it was all during

the thirties. The civilian population had more during the war than they had had in the years before it. If the population could live during the thirties on a lot less, then certainly if the very life of our country was in jeopardy, you could reduce the amount for the civilian economy.

So, number one, the answer is increased production capacity; number two, cut back every nonessential; and then, if the plan is still beyond our capacity, go back and change it, but not until then.

I was told that General Montgomery during the war always summoned his Quartermaster General, asked what his capacity was, and then based his plan on what the Quartermaster General said he could do. I don't know whether I met that gentleman or not; but, anyway, he was only human. He wasn't going to tell Montgomery he could do something and then fall down on it, was he? Not if he had good sense. So what he probably did was to put his potential at something less than what it really was, so that he could be sure to deliver. That is not the way to draw up a plan. You ought to keep the heat on the Service Forces all the time, so that they are straining all the time to produce. That is the only way you can wage a successful war. We did that all during the last war. There wasn't a time during the war except once--and we were wrong then--when we didn't keep up the strain.

QUESTION: It seems to me the National Resources Board would have just as much interest in squeezing the civilian economy down to the minimum as the Joint Chiefs of Staff.

GENERAL SOMERVELL: I think they have. It all depends on who is running the National Security Resources Board. If you have a lot of socialists there who want to get elected next time, you have one thing. If you have a lot of people like Mr. Baruch, who are interested in winning the war, you have something else. But basically they certainly should have exactly the same aims, desires, and motivations, as the Services. I think the present board does have.

QUESTION: Has furnishing your mobilization plan to the military resulted in your being furnished in turn with any information that would aid you in planning the industrial requirements to be placed on your company in the next war?

GENERAL SOMERVELL: Yes, sir. We have been furnished the information that the Resources Board has broadcast to all industries. We have had sessions with representatives of the Services who were sent out to Pittsburgh to go over our potential and actually allocate factories or to allocate materials to the various concerns in Pittsburgh. The scheme is moving along. The only thing about it is, it ought to move faster.

QUESTION: General, it has been stated, and I think it is generally accepted, that no matter how good a plan is or how good an organization is, it is no better than the capabilities of the people that staff that organization. That brings us to a point which is receiving a lot of discussion in the back halls of the College, and that is whether in the event of mobilization the National Military Establishment will call on industry for its key people to staff the national organization. Will industry be willing to release those people? Is industry giving thought to that now? And specifically, what are some of the methods that industry is thinking about for furnishing replacements?

GENERAL SOMERVELL: When you speak of industry, you are covering quite a field. I can't speak for industry, but I can speak for our particular little piece of it. Number one, undoubtedly the Services will call on industry for its people. Number two, industry will release these people. Number three, industry will growl about it; and, unless we can have a better method for waivers in the draft than we had during the last war, we will have the same confusion that we had then. Some highly valuable people were sacrificed simply because they didn't have a foolproof method of handling these waivers. At the same time, some utterly worthless people were left with these organizations simply because they could talk faster or because the head of the company didn't want old Joe Zooks to go into the service. He didn't have anybody to take Joe's place right then and he wanted to avoid having his own job become a lot harder.

In our own company we have done about 25 percent of the job. We know we are going to be called on for some of these people. We know some of these people will want to go back into the service, unless the next war is too far off. But we haven't done the job and I am pretty sure no industry has done the job. We are only about 25 percent along the road, but I imagine that is a lot more than most of them.

On this thing that I spoke about a minute ago when I answered some other gentleman's question, as to how industry could further aid the Services, that is one way they can aid them very definitely. Industry can sit down and work out a real policy for the handling of the draft and for handling exceptions under the draft.

GENERAL VANAMAN: General, speaking for the Industrial College--and I know I speak for our guests--I want to thank you very much for your time and your down-to-earth and voice-of-experience observations.

(6 December 1948--450)S/mmg.