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12000

THE MUNITIONS BOARD'S PLANNING FOR THE USE OF INDUSTRIAL FACILITIES FOR WAR PRODUCTION

2 March 1949

CONTENTS

	<u>Page</u>
INTRODUCTION--Brigadier General J. L. Holman, USA Deputy Commandant for Education, ICMF.....	1
SPEAKER--Major General Patrick M. Timberlake, Director of Military Requirements and Facilities, Munitions Board.....	1
GENERAL DISCUSSION.....	11

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RESTRICTED

1005

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GENERAL HOLMAN: All economic and industrial mobilization plans are pointed directly toward providing the fighting forces with superior equipment on time. The backbone of the industrial effort is production. Since production deals with plants, the problems involving allocation, conversion, expansion, and even new construction must be given primary consideration.

Today we are fortunate in being able to hear what the Munitions Board is doing in planning for the use of industrial facilities to support a war effort. Our speaker is the Director of Military Requirements and Facilities of the Munitions Board. He has a distinguished record as an Air Force combat commander and has had wide experience in both production and engineering.

I take pleasure in introducing to you Major Patrick W. Timberlake.

GENERAL TIMBERLAKE: Thank you, General Holman.

General Vanaman, members of the faculty, and gentlemen: It is with great pleasure that I have accepted the invitation of the staff of the Industrial College to appear before you today.

I hope to be able to explain to you the current policies and procedures being followed by the Munitions Board as we continue our function of directing the preparation of the plans for the industrial facilities of the Nation to produce the tremendous amount of materials required to fight a major war.

I shall not attempt to cover the broad phases of planning concepts, such as the relationship between the Munitions Board, the Joint Chiefs of Staff, and the Departments; nor shall I attempt to discuss the step-by-step details of our planning procedures, as I know that you have spent much of your time here at the College discussing these very things. I should like, rather, to explain to you some of the policies we have evolved, some of the procedures we use, and our future plans with respect to both of the above. I want to explain to you why we do things in the way we do. In so doing, I may get into some of the procedures in order to fully make my point. I hope you will bear with me.

RESTRICTED

1893

It was discovered quickly in the last war that a strong industrial economy devoted to producing automobiles, refrigerators, sewing machines, and hundreds of other things cannot immediately be converted to making weapons and supplies needed by the military services. We also found that it often took 18 to 24 months to produce a satisfactory finished product from a newly built, specialized munitions plant.

To get the items the military needed, the Government found it necessary to build 1,200 new plants at a cost of about 14 billion dollars. It spent 4 billion dollars expanding existing plants. Private industry spent about 5 billion dollars for new plants and expansions.

To avoid being caught in such a state of unpreparedness again, the Congress has enacted two laws aimed at preserving for defense certain critical manufacturing plants and equipment.

Immediately following its reactivation in 1945 the Army and Navy Munitions Board initiated studies to formulate a plan for preserving for defense, critical manufacturing plants and equipment. The initial steps of this program were taken, informally, by the Army and Navy Munitions Board and the War Assets Administration. However, the War Assets Administration had a number of obligations under the Surplus Property Act of 1944, only one of which was the disposal of property in the best interests of national defense. Consequently, it became evident that a clear-cut mandate from the Congress in regard to the reserve program was necessary.

The legislation considered necessary for the Departments' industrial reserve was originally passed as Public Law 364 by the First Session of the Eightieth Congress. This law furnished us the authority for our military industrial reserve. Under this law the War Assets Administration was permitted to transfer title of war surplus plants and machinery to the Military Departments without reimbursement. The three Departments are now holding title to 157 plants costing 3.2 billion dollars. It should be noted that the industry areas represented by these 157 plants are those for which there is little peacetime use, but which are essential in a future emergency. Examples: aircraft, shipyards, explosives, and ammunition plants.

This law, Public Law 364, also had a provision for including the so-called "national security clause" in the sale or lease of those plants designated by the military as essential to the munitions-making needs of the Nation. The national security clause provides that for up to 20 years--this period of course varies--the productive capacity of the plant will be maintained in condition to perform, within 120 days, the function it performed in World War II.

Again, it should be noted that under this law plants that could not be disposed of under the "clause" at a fair price were offered for transfer to the services. Due to the limited funds for maintenance and our budgetary procedures, there was little the services could do except release them for sale without the clause. They did not have the money or people to take over the added maintenance responsibility. This eventually led to cannibalization.

To protect these plants against dismantling and to preserve them for the purpose for which they were built, the Second Session of the Eightieth Congress enacted Public Law 863, which specifically provided a custodian for such "national security clause" plants that could not be absorbed into the peacetime economy. This law is the authority for the national industrial reserve program.

In this second category, 236 plants have been designated for disposal for use in the domestic economy under the national security clause.

Many of these plants are now in operation, having been sold or leased with the national security clause in the contract. It is, of course, most desirable to get as many as possible in operation, because we not only save maintenance costs--a continuing drain on government funds--but also we believe that a plant in operation gives us better insurance than one in moth balls, no matter how well maintained.

Now where do we stand? There are 157 plants in the military reserve, valued at 3.2 billion dollars. There are 236 plants in the national reserve, valued at the time of acquisition at 2.2 billion dollars.

There are 506 plants that have been sold or leased and are in production, manufacturing their designed war product. These cost 4.9 billion dollars.

We have 904 facilities, out of 1,214 built during World War II, in various degrees of readiness for World War III. These plants represent more than 10 billion dollars acquisition price, against the 14 billion dollars mentioned. Whereas some of the facilities represent little more than real estate, others could not be replaced for 125 percent of the original cost.

How are these programs administered in peacetime so that they can be readily activated in an emergency? Those plants retained by the Military Departments will, of course, be the first ones put into war production. In each case the Department holding the plant is making or has made arrangements, and sometimes contingent contracts, with manufacturers to operate the plants to produce the items required.

RESTRICTED

1888

In the event of an emergency the manufacturer knows what he is to produce and the rate of production; all that is needed to start readying the plant for full production is notification by the Military Department concerned.

In the category of the "national security" plants, the procedure will be, in general, much the same.

The sponsoring service will negotiate with the owner or lessee for the productive output of each of these plants. If the owner or lessee thinks he can produce the item wanted, he will accept the contract and make definite plans for military production. If he cannot make the item, then the Government must negotiate with some other manufacturer to take over the facility for the needed production. Many of these agreements have already been made, and others are in the "talking" stage.

While those plants in the national industrial reserve and the military reserve produce a significant part of our war material, particularly specialized military items, the greater bulk of wartime supplies and practically all of the components necessary to produce military type end items must necessarily come from private industry. Therefore, much of our time and energies have been placed upon the planning of policies and procedures concerning the allocation of the private industrial facilities to the three Departments. I should like to spend the greater part of my time in explaining to you in some detail the plan we are following to prepare these private facilities to take on the wartime load quickly and surely.

You are aware, I am sure, that the Munitions Board and the Departments have been proceeding with a program for the allocation of the capacity of wartime contractors of military end items to the three Departments. The purpose of this program is to provide for the orderly placement of initial contracts by the Military Services in time of war, without competition among the Services and the confusion and delay incident thereto. Each Service will know where it will obtain its essential equipment and supplies, and each individual company or corporation will know what Service or Services it will do business with and what it will be called upon to produce.

We have learned a great deal from administering this program within the last year, and we believe that we are making progress towards a successful plan for improving the rapidity with which industry can swing into high gear should mobilization be required. The plan as currently operating has produced gratifying results. It has awakened industry to the necessity of preplanning for industrial mobilization. It has developed within the National Military Establishment an organization which is functioning and which can rapidly carry forward new plans and procedures as

RESTRICTED

RESTRICTED

1800

they develop. Industry and the military have reached a common meeting ground whereon they can discuss the various aspects of the mobilization problem and where decisions can be made which are satisfactory to all parties.

We have never felt that the original plan for the allocation of industrial facilities was a permanent fixture, nor do we feel that the plan which we are currently evolving will last for an indefinite period of time without revision. We believe that this problem of industrial mobilization is so huge that any planning program connected with it must of necessity be a dynamic, developing plan and that there is no room within our planning agencies for a static planning concept.

We have discussed both the original plan and the plan we are now evolving with the National Security Resources Board. The NSRB is in complete agreement with us and is cooperating fully in assisting us to develop the best possible policies and procedures for carrying out our responsibilities.

Our plan is rather difficult to describe briefly. However, in its simplest terms, it provides for each Department to request allocation of capacity in all of the plants it needs to supply its wartime equipment. The Munitions Board lists all of the claimants against the capacity of each plant. Then the Munitions Board asks the Service having the predominant interest to appoint an Armed Services Procurement Planning Officer. He becomes an agent of the Munitions Board and is our representative in the field. He presents the requirements of all of the Services to the management of a particular plant or corporation. Details and procedures are talked over. If the management agrees that it can meet all the demands upon it, well and good. Each claiming Service gets a confirmed allocation, and it is so recorded in our register. If the management cannot meet the demands or wishes adjustments made, our agent, the Armed Services Procurement Planning Officer, tries to get agreement in the field--on the spot. Failing to get an agreement, he refers the problem to the Munitions Board for final resolution. In any case, there is a procedure for eliminating the controversies, and we finally end up with a register of confirmed allocations, which records the approved claims of the various technical services, bureaus, and the Air Materiel Command against each plant involved in the program.

I have left out many provisions of the plan, such as the reservation of capacity for essential civilian needs, the participation of other war agencies such as the Maritime Commission in the plan, and our continuing talks with the National Security Resources Board, in order to make this military plan fit into an over-all national plan. However, you can visualize how vast a program this is when I tell you that we have received over 20,000 requests involving over 15,000 facilities.

RESTRICTED

FIELD

You should realize that the work is being done by 114 field offices of the services in addition to their normal function of current procurement administration.

As we gained experience with the original allocation plan, questions arose. They concerned its size, its details, but never its objectives.

The workload hit the Departments, especially the field offices, like a spring flood on a mountain stream. It rose so quickly that imbalances resulted in certain sections of the country. One Department was slowing down the efforts of another. The planning concepts of the three Departments were at variance. One Department, for example, might be concentrating on the surveying aspects of the plan, to the exclusion of the development of requirements and the completion of accepted tentative production schedules.

The Board sized up this situation and is taking steps to correct it. Some of the steps are actually being implemented; others that I mention are only to show the trend of our thinking. My masters, the members of the Board, have not approved all of the actions I will preview.

The events of the past year and the length of time estimated to complete this plan with the manpower available have made necessary the development of a short-range plan for mobilizing our industrial resources, and we have elected to reconsider our allocation program with a view to developing a less perfect but more quickly reachable solution in order that we would not be caught short if war should occur within the near future.

As we began to prepare a short-range plan, we discovered that the limited resources of personnel and money were, for immediately effective purposes, being dissipated by the covering of the large number of facilities which had been envisioned in the original plan. We also found that the Board would not have enough personnel to collect and collate the information to be received from the Departments into a usable fund of general information. We therefore determined that the most efficient use of personnel could be made if we were to concentrate upon a relatively small group of corporations which produced the bulk of our military-type, end items.

As the initial increment, we selected 271 corporations, which produced in dollar volume about 62 percent of the total military procurement on prime contracts during World War II. These corporations control about 1,500 plants. The Departments have been instructed to give priority treatment to the preparation of requirements for these plants and to contact the managements through the Armed Services Procurement Planning Officer concerned to inform the corporations of the loads that they will

RESTRICTED

be expected to carry during an emergency period. This procedure, we feel, will accomplish two things: (1) It will give guidance to the Departments for the preparation of requirements so that one Department is not prevented from planning by the lack of realistic requirements from another Service; and (2) it will begin to show immediately the plants in which conflicts have developed, and we will at least be able to solve some of the more serious conflicts prior to H-day if that day should occur in the near future. The list of 271 concerns will be expanded as our planning progresses, commensurate with the availability of funds and personnel.

In making the decision to concentrate on a small group of plants, we are aware of the fact that a large quantity of material is supplied to the Armed Services during wartime from the thousands of other plants throughout the country; but we feel that we will be better prepared overall by relatively complete planning with these concerns than by surface planning with a greater number. We are also aware of the importance of subcontractors to the general production picture, and we feel that by getting complete schedules into a relatively small group of plants we will be able to reach at least the most important of the subcontracting concerns at a much earlier date.

Another problem which confronted us when we shifted our sights from an all-inclusive, long-range plan to a selective, short-range plan was that of critical components. Our original plan had envisioned that the critical common components, such as electric motors, valves, batteries, and compressors, would not be planned for directly by the Military Departments. Behind this policy decision was the concept that since so many claimants needed this type of material as component parts of their military end items and since many of these were in short supply during World War II, it would be preferable if the over-all agency, the National Security Resources Board, would do the planning in these areas and attempt to insure an adequate supply for war production purposes. In the event that an adequate supply could not be secured, it was believed that these items would be placed under some type of distribution control, where the actual end products, rather than capacity to produce, would be allocated to the various claimants, based upon the priorities of their needs.

In turning this important area, in its entirety, over to the National Security Resources Board, we had been guilty of oversimplifying, in assuming that all batteries or all electric motors or all of any other critical items listed were the same, that they could be purchased off the shelf from the normal civilian supply and used by the Military Service. We found that many of these so-called common components were in reality special in their military application in that they were made to special specifications of the individual service

RESTRICTED

1813

to perform a specialized job; and that it was necessary for the Departments to present their requirements for these special items to the manufacturers of the common components in order that they would be aware not only of the specifications to be used, but also so that they could determine the approximate load which would be placed upon their companies during a mobilization period. Therefore, we have retained the concept that productive capacity to produce these items would not be converted to the production of other types of supplies without the specific approval of the Munitions Board, but we have permitted the Departments to talk to the managements of the concerns producing these components so that they will be informed of the general picture of production requirements.

We do not intend to actually allocate any capacity to produce these items to any of the Departments until we are assured, by means of special industry studies that the National Security Resources Board is now undertaking, that not only is there sufficient capacity to manufacture the special items required by the Services, but also that capacity is present to produce the items required for the civilian economy. Authority for such assignment must come from the National Security Resources Board.

By taking this step we believe that, as in the case of the priority of planning outlined above, we will discover shortages and conflicts earlier than if we had waited for a more satisfactory method of determining production potential.

The two changes in our mobilization plan outlined above are the major changes which we have made in our allocation procedure. However, we are in the process of rewriting our procedural manual; with the publication of a new manual setting forth the policies and procedures for the allocation of industrial capacity, we envision a slightly different over-all approach to the problem.

Basically, our concept is this: We will divide the industrial facilities of the country into three categories. The first category will be those plants which produce basic materials required by all of the Military Departments as well as other claimant agencies and the civilian economy. This will include plants manufacturing steel, aluminum, certain essential mining equipment, and capacity for the production of off-the-shelf components which are common to much of the economy. These plants will be restricted from the direct production of military items. The planning in this area will be done by the National Security Resources Board on an over-all basis, and it will order the materials for the use of the Military Departments in a manner similar to the so-called "pool order" system currently in effect for the production of machine tools.

RESTRICTED

RESTRICTED

The second category into which we have divided the industrial capacity of the Nation is the group of so-called "controlled plants." These plants are those which produce the greatest percentage of our special military-type items. It is in this area where the greatest amount of detailed planning by the Services is necessary. This includes the plants producing aircraft, radar, tanks, guns, ordnance equipment, and other specialized military-type items. It is incumbent upon the Military Departments to insure that the most highly developed plans possible are in the hands of, and understood by, the managements of these facilities. We are using the list of 271 corporations mentioned above under our priority planning system as the nucleus for the list of so-called controlled plants. This list will be expanded as time progresses and we make more detailed plans. If it is found that a particular facility in this group is very important to the civilian economy or to a large number of claimants, it is likely that it would be placed in the list of "restricted plants" which I have just mentioned. We intend to insure that detailed planning progresses rapidly in this area and that the plans are at all times kept current. The planning for the majority of the national reserve and all of the military reserve plants will fall within this category.

The third category of plants consists of the plants not covered above. The Munitions Board will take relatively little coordinative action in this area since we do not anticipate that many serious conflicts will arise, and because the items which these plants normally manufacture do not require peculiar skills or equipment. We believe that we will exert minimum control in this segment of the industrial economy so that firm plans can be made directly between the Departments and companies in this area merely by expressing their intentions to the Munitions Board. In establishing this category we recognize that we are departing slightly from our ideal concept of eliminating all confusion during the initial stages of mobilization, but we believe that we realize over-all benefits to the mobilization plan. As a matter of fact, it is in this category that we find most of the plants claimed by only one Service, and the act of recording these facilities in our register will pretty well take care of the coordinative action on our part. This procedure will, in the event of mobilization, give small business a better opportunity to make firm plans with the Military Departments without involving them in a complicated control procedure.

Before anyone speaks up with the accusation that the Munitions Board "favors big business," let me explain our reasoning. Let me explain why we think this procedure will take care of everyone in the best possible manner.

RESTRICTED

2314

We start with the premise that our first responsibility is national defense. For defense under modern conditions we must rely largely on instruments of war, many of which can be produced only by big business.

As a simple illustration, take tanks. You can't buy one at a garage or at a small sheet-metal worker's shop. Only the larger companies have the floor space, equipment, and skilled workers needed to turn out tanks in the quantities we need. So we go to the automobile industry and ask it to make tanks. We are, therefore, going to "big business."

It must be realized that the automobile manufacturing industry is not a big business standing alone and aloof in the industrial world. The company which eventually rolls the automobiles off the assembly line is a prized customer of many other companies, large, small, and medium sized. When we buy tanks from an automobile company, we pay for the products or the services of all these other companies, large, small, or medium sized. They are the component part and subcontracting plants which are a large part of the automobile industry. They are aligned by normal commercial peacetime relationships. We would not want to disrupt the established channels of trade and commerce within an industry, which have been established by experience, by trying to substitute a new ready-made pattern of our own. By using established patterns, we retain their efficiency, which has grown out of experience; we reduce the contact of the military with industry which often provokes irritations; and we trim our burden of planning to something which can be handled effectively enough to get real results. What is most important, we spread the load earlier to the subcontractors if war should come before our long-range plan has been completed.

I would like to state that we on the Board believe that the interests of the national defense will best be served by this revision of our original plans. Obviously, we will be buying the largest amount of planning for the least cost in terms of both time and money. We believe that the present plan will naturally blend into the long-range plan, bearing in mind that planning must be kept up to date in the facilities first covered, so that the effort of the original planning will not be lost.

The procedure I have described--allocation of private capacity--is just the first phase of industrial planning. It accomplishes the broad framework of coordination between the three Departments and industry. You realize that once this is done, plans must be integrated for each industry still remaining within this framework--the second phase. For example, the Navy and the Air Force will pool their capacity for aircraft production with that in the military and national reserve plants and come up with an integrated aircraft plan. The Army, Navy, and Air Force, together with the electronics industry, are now doing the same thing for electronics.

RESTRICTED

Bottlenecks will develop from these plans, and steps must be taken to eradicate them. Step three, therefore, leads to production planning studies or contracts with particular manufacturers in order to reduce the lead time to a minimum. When educational orders are indicated, we reach the fourth and ultimate step in planning. Actual production and storing of war reserves must be resorted to, so as to close the gap between military requirements and availability.

Gentlemen, I am glad to have had the opportunity to outline our procedure for allocating private industrial capacity between the Services to you. Many of you now sitting in this room will have assignments which will make you active participants in this plan. Some will be in the field actually contacting industry, others will be on the planning staffs of the Departments, and a few will be on the Munitions Board staff administering and coordinating the plan. We will need your help.

Remember, our objective has not changed. We must pave the way for the orderly placement of the initial contracts at the outbreak of war, without competition and the delays caused by that competition, to insure that our industrial machine can get into motion quickly and surely. A War Production Board can take over as soon as it is ready, and we can then all go to our military tasks.

Thank you, General Vanaman.

QUESTION: General, did I understand from your latter remarks that the Munitions Board will not be a continuing agency during a period of war?

GENERAL TIMBERLAKE: That is not correct, Colonel. I didn't mean to give you that idea. What I was trying to say is that we had to make the plans for the original implementation of this thing at the start of a war. Thereafter, there would be something corresponding to a war Production Board, and the Munitions Board would continue to operate but not in the broad field. All the allocations then would be given to the Military Establishment from such a board.

It is intended that the Munitions Board continue throughout the war.

QUESTION: General, I can understand why it is necessary to plan for the conversion of industry and to make plans for the obtaining of certain items for the Armed Services. But how about when we go to such an industry as the petroleum industry, which is continually refining the products that we want? What means do you employ in working out your requirements with such an industry as that? Is it just a matter of making known the quantities that you might need, or what other planning is necessary?

RESTRICTED

1810

GENERAL TIMBERLAKE: There are several steps involved in that particular industry. First, the work that I have been talking about here pertaining to military end items is done for us in the petroleum industry by the Petroleum Board, which is a board that operates under the coordinating supervision of the Munitions Board, but which is actually under the Secretaries of the three Departments.

Second, planning with the petroleum industry involves the preparation of specifications so that it will know the type of products it is going to be called upon to make. Being in the Air Force, you know of the problem we have had on jet fuels. We find that, because of the lack of capacity for kerosene-type fuel, we have to go to a fuel that is probably not quite so efficient all the way around but which can be obtained in quantity during a war.

The third phase is between the Munitions Board and the National Security Resources Board; that is, when we talk about expanding the petroleum industry in time of war, converting it to make various military products as opposed to its civilian products. There is a certain amount--and quite a large amount--of steel concerned, and that steel has to be allocated to the military for that purpose, to obtain the specialized military items.

Does that answer the question?

QUESTIONER: Yes.

QUESTION: The 271 corporations you mentioned are the ones that furnished end items, is that correct?

GENERAL TIMBERLAKE: That is correct; entirely end items.

QUESTION: Then the other basic industries would supply them and small business, their suppliers, would come in as subcontractors. Under this present plan, are they to be given any mobilization plan by the prime contractor? I mean, is the prime contractor to funnel information down as to what his requirements will be from his various subcontractors, or smaller business, so that they can prepare some sort of plan--their own mobilization plan?

GENERAL TIMBERLAKE: Your assumption is correct, Commander. We have asked the Departments, in approaching these 271 corporations, to seek their cooperation in passing down information, as soon as they see fit, to the suppliers and subcontractors. We have asked them to do it on a peacetime basis. The minimum would be calling up Jack Smith who is up the road a little bit and saying, "Say, Jack, I've got a big deal on in mobilization, and I'm going to be needing supplies. I'll be around with

RESTRICTED

details some time later. But don't worry about it. All your work comes to me." As he gets a component or part need, under that kind of arrangement, he passes it on down. But he doesn't wait until everything is complete.

Does that answer your question?

QUESTIONER: Yes.

GENERAL TIMBERLAKE: Understand, we are not shutting out small business. We are going to continue with our long-range plan, but we felt we had to get something right now in case Uncle Joe pushes the button.

QUESTION: In connection with that same question, General, how do they handle the problem where two large corporations are trying to buy up the output of one subcontractor? It seems to me that under a war expansion program the subcontractors might not be big enough to handle the load. Does the Munitions Board get into that problem?

GENERAL TIMBERLAKE: Yes. It takes a little longer for us to get into it. A part of the final plan is for the corporation to agree to a schedule and to list its important subcontractors needed to produce the product. Now, if we take gears for the automotive or tank people, a competitor would list the same subcontractor and a controversy would immediately come up. That would have to be settled at the Munitions Board, if it could not be settled in the field, just as a dispute with respect to a prime contractor would be settled.

QUESTION: What, if anything, is being done by the Munitions Board, and if not by the Munitions Board, then by whom, to let the various communities know about plant expansion in time of war so that they can do a little planning on such things as housing, transportation, and some of the other problems that would be involved?

GENERAL TIMBERLAKE: That is a very good question, Colonel. As a matter of fact, General Vanaman asked me that question before we started out today.

Unfortunately, from a community point of view, our mobilization plans are not by regions; they are by integrated industries. There is the automotive plan, the shipbuilding plan, the aircraft plan, and the electronic plan. So we do not have readily available at this time requirements to be imposed upon a particular community.

We do have as a part of the data we obtain from these concerns, when they say they will build 2,000 2 $\frac{1}{2}$ -ton trucks a month, an indication of the people they will need to build them in the way of manpower and some expression of what their housing and utility needs are going to be.

RESTRICTED

1210

It is hoped that some day that can all be coagulated into districts and that we can have a man from the National Security Resources Board, probably helped by the Munitions Board, in the field trying to do something towards a solution of that problem. It is a great problem, but we are not at that stage of refinement as yet.

QUESTION: Along that line, General, you mentioned the 114 field offices. Can you give us a picture of the composition and functions of these field offices?

GENERAL TIMBERLAKE: The 114 field offices I mentioned are the Ordnance District Offices, the Naval Inspection Service in the field (the Badgers), and the Air Force Field Procurement Offices. They are offices of the bureaus, the technical services, and the Air Materiel Command in the field. Their main job is current procurement administration. They take this on as an additional duty, and they are quite limited in personnel.

I think that General Hopkins of the Air Force told me that in the Detroit District, which is a tremendously important one, he has one man and a half working full time on this job. The officers hit a lick every once in a while, but they have other jobs.

QUESTION: Since each Service has a selfish interest naturally in allocations and since, generally speaking, we might assume that there is not enough production capacity to satisfy all of the Services, does the Munitions Board have much trouble in resolving the allocations?

GENERAL TIMBERLAKE: We have considerable difficulty at the present time because we do not have clearly expressed to us the military urgency of one item over another. We have requested that of the planning people, and they say that they need everything; so it is very difficult for us to settle a problem between the Air Force and Ordnance, for instance, on 2½-ton truck capacity, where a company is to make 2½-ton trucks or jet engines. We have the first case coming up before the Munitions Board proper within the next week.

If we had integrated industrial plans for each industry and if we had a priority of one program over another, it would be much easier for us to say, "It's too bad, Air Force; you'll have to get out of that because the vehicle program is more important at this phase. So go find yourself another place in which to put your jet engines."

So each case is coming up case by case to the Munitions Board.

QUESTION: General, has the Munitions Board gotten into the argument about the expansion of steel facilities? If so, what is the attitude?

RESTRICTED

GENERAL TIMBERLAKE: The Munitions Board has kept out of that. As a matter of fact, I think almost every Congressman in the country has asked Mr. Forrestal to establish a position on that, and the job of replying to the letters has come up to us. So far, we have felt that that is entirely up to the National Security Resources Board and Congress itself. We have stayed out of it.

QUESTION: Sir, do you have any specific method for determining what the total productive capacity actually is? And if you can determine that, do you have a test to see that the mobilization plans contemplate the full use of that total capacity?

GENERAL TIMBERLAKE: Colonel, we do not have a competent way of determining the total capacity of the country. We have attempted to do what you suggest in the feasibility test, wherein we are picking out, as samples, a certain number of end items which we call the "pace-setting" items and trying to determine the capacity to manufacture those items. When we have copper, steel, and aluminum; we have petroleum; we have manpower, so far as military manpower is concerned, that is, the withdrawal of manpower from the labor force; the other item is construction. We gather together and add up the requirements of all of the three Services and submit that information to the National Security Resources Board.

They are confronted with the same problem we face. They can add up or guess the civilian requirements and add the war-supporting requirements, but they cannot determine, with that meager information, the pull of one industry against the other. You understand, of course, that we could have a lot more steel if we gave all the priority to steel, or we could have a lot more aluminum if we gave all the priority to aluminum. They are just making a kind of well-educated guess on the thing. We hope it is going to be close enough—within 10 or 15 percent—so that we can feel that if we proceed with the planning on such a basis it will about absorb the capacity of the country.

QUESTION: General, what are you doing about the question of development of industries for the manufacture of end items just now coming out of research and development, such as missiles?

GENERAL TIMBERLAKE: You picked a good one. The Aircraft Committee of the Munitions Board, consisting of Army, Navy, and Air Force people, has set up a complete structure of production planning, scheduling, priorities, standards, on down to a scheduling unit at Wright Field which is jointly manned by the Air Force and the Bureau of Aeronautics. The Committee has come up with a combined program for aircraft. Since missiles impinge upon the aircraft field, by agreement with the three Services, the Committee is also coming up with a combined program for missiles. We expect to have an integrated plan in that field sooner than we would in some of the other fields.

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We have not, to date, anticipated the Research and Development Board. We wait until the items are more or less standard and the Services put them on their standard procurement lists before we get into the problem.

QUESTION: Sir, I am extremely interested in your thought that the Munitions Board could control approximately 271 prime contractors but would not have the facilities to take care of maybe 100,000 others in the country. Now, there are those who would advocate national service with the idea of controlling each individual in the country during wartime. In so far as that affects production, what thought has the Munitions Board given it?

GENERAL TILBERLIKE: That is a §64 question that anyone connected with mobilization planning always comes up against. Every mobilization planner wants to write in the first page, "We are going to have national conscription." That is the way he starts, and then he goes on from there. The outline plan that the Munitions Board first wrote contained a very hot paragraph on that subject; and it was decided very quickly by the members of the Board that if we wanted to have that plan accepted by the people of the United States and not closeted off in a secret safe somewhere, we had better take that particular assumption out of the plan until Congress could make that decision. Since that time, members of the Board have not expressed themselves on the subject, except that we feel sure we need some sort of "work or fight" bill, whereby we can make a person fight if he will not work, so as to eliminate work stoppages.

We feel it is up to Congress to decide whether we are going to have national conscription, or what various degrees of National Service we are going to have.

QUESTION: General, in connection with the individual claimant surveys on allocation that you covered, is there any indication as to when they are to be made, by whom, and how nearly complete they will be?

GENERAL TILBERLIKE: We are leaving the completeness of the surveys largely up to the Armed Services Procurement Planning Officer and management. We don't feel any sort of survey is necessary for a firm like General Motors. We feel that in the case of plant "B," its manager says he can build steel helmets out in Oshkosh but who has never built a steel helmet and doesn't know much about it, probably a survey of his facilities would have to be quite thorough.

To prepare a survey for a firm like General Motors would probably cost a half million dollars if the firm filled out the complete form.

Now, there is going to be a simplification of the survey form, and there is going to be a combining of one or two of the other forms.

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The tentative allocation form is going to be used for two purposes: to schedule the agreement and also to serve as the form they submit to us asking for the confirmed allocation. We hope to simplify considerably a lot of these details in the rewriting of the manual.

COLONEL BURCH: General Timberlake, on behalf of the College, I want to thank you for a very informative lecture.

GENERAL TIMBERLAKE: Thank you very much, Colonel.

(24 March 1949--450)S/mrg