

ORGANIZATIONS FORMED TO ADMINISTER THE FACTORS
INVOLVED IN FOREIGN ECONOMIC RELATIONS

6 May 1949

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GENERAL HOLMAN: Gentlemen: Our speaker today was first asked to address the Industrial College and then was asked to choose his subject. You will understand this better when I relate to you some of the activities and assignments he has held throughout his long experience in the military service.

He has been on duty in the Office of the Chief of Ordnance on a number of occasions, G-4 of the First Cavalry Division and Ordnance Officer of the GHQ Air Force before the war. He has been editor of the magazine "Army Ordnance"; he has been on duty in the Office of the Assistant Secretary of War; he has served in overseas assignments, such as head of the military mission to Cairo in 1941 and as the commander of United States troops in the Middle East in 1942; he was Assistant Chief of Staff G-4 of the War Department in 1943 to 1946. He organized the Office of the Administrator of Export Control prior to the war. This agency, as you know, later developed into the Office of Economic Defense and later Foreign Economic Administration.

General Maxwell has always been interested and active in economic mobilization and industrial preparedness matters. He has been an advocate of factory planning and industrial mobilization since the early days of the 1920's. He will speak to us this morning on "Organizations Formed to Administer the Factors Involved in Foreign Economic Relations in Wartime." He will trace for us the evaluation of the organizations which have handled foreign economic affairs from the military viewpoint.

I take great pleasure in welcoming to this platform General Maxwell, who is a graduate of one of the early classes--1925. General Maxwell.

GENERAL MAXWELL: General Vanaman, I am very grateful to General Holman who was associated with me in foreign affairs in the Army of Occupation on the Rhine a good many years ago after World War I. It is always a particular pleasure to come back to the Industrial College for a few hours and I hope that as time goes on I can continue to do so. It has been my pleasure to come here once a year for a number of years and to have the opportunity of meeting the oncoming groups of people who are going to handle economic administration and logistical organization during the war ahead.

As I look back at the early Class of 1925, it was a very small class. The course was very simple and it was looked upon by many people in the Armed Forces as somewhat of an experiment. But I am sure that all of us

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who had the advantage of taking the course at that time have realized many benefits from it as the years have gone by, one of the principal of these being the association with representatives of other technical services of the Army and the Bureaus of the Navy which are concerned with economic affairs and procurement.

I think what the College is doing now in the field of contacting industry and holding these courses in the principal industrial centers of the country is a very splendid thing.

Now in reviewing for you briefly some of the organizations which were set up and the manner in which they operated during the period just preceding World War II and during the war, I will limit myself to those with which I had some personal contact.

The first intimation that I had personally that the war was just around the corner came within a month after the ill-fated Munich conference. I was serving with the GHQ Air Force and was on an inspection trip headed back for Langley Field. I received a summons to be in Mr. Louis Johnson's office at nine o'clock on Monday morning, 31 October 1938. In a sense that was M-day for me.

I was quite puzzled with this summons. It came during the period when plans for expanding the Air Force and the rearmament of the Army were just getting under way. This had grown out of a decision on the part of the President--which he had announced a few days earlier, remember this was October 1938--that we had a war on our hands. The Army had little equipment. The high command had gone on record earlier that the 13 four-engine bombers we had at the time were sufficient for all purposes.

As you know, Mr. Johnson did a magnificent job in really activating the expansion of the Air Force and the rearmament of the Army. He was able to coordinate effectively the efforts of the responsible heads of planning and procurement in the Army and the Navy. It took about two months to formulate a program for expanding the Air Force and related activities of the Army.

It was during the last week in December of 1938 that a program was presented to the President which would call for the unusual appropriation of some two billion dollars. The President decided he would request about 25 percent of that amount in his first message to Congress. So his message on 12 January 1939 only called for about some 550 million dollars. At the same time authorizing legislation was sought to boost the strength of the Air Force to 6,000 aircraft and appropriate funds to secure up to 5,500 new planes. Included were such supplemental requirements as the ballistic laboratory at Aberdeen and a radio laboratory at Monmouth to support this air force.

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About the end of February it became apparent that this had far outrun our plan, because for some 20 years only the defense of the continental limits of the United States had been considered. We were prepared to give up the Philippines; we expected to retire from Hawaii, and Alaska was an unknown quantity. General Andrews had once pointed to the need for Atlantic bases and became involved in a terrific controversy which was fought out in the newspapers.

Because for 20 years thinking had been limited to the continental limits of the United States, there was concern over congressional attitudes. What would happen if some hostile Congressman asked, "What about this program? What are your plans? How can you possibly require those outlandish numbers of aircraft to effect the plan that we have been told for 20 years is your plan?" So there came into being the Hemisphere Defense Plan which was to broaden the base of our plan to take in the Western Hemisphere. I think you will recall that that took hold very quickly and carried along for a good many months--until the Western Hemisphere had been expanded to take in most of the world.

I think it is interesting to contrast that situation, which was only 10 years ago, with the testimony given by General Bradley a few days ago in which he told, in language which I wouldn't even attempt to quote or paraphrase, that our defense lines are in the heart of Europe.

But that perhaps was a significant time in the evolution of our thinking about foreign economic affairs, because as soon as we started thinking about the Western Hemisphere rather than the continental limits of the United States, we were in the picture as far as the economic affairs of all those countries that are included in the Western Hemisphere were concerned.

About the same time a movement was started in which the Department of State, the Civil Aeronautics Board, and the Army participated, to oust the German and Italian aviation interests from the Western Hemisphere.

About that period, when tension existed all over the world and particularly in Europe, a number of foreign nations began vigorous buying programs in the United States. They sought all kinds of industrial equipment as well as categories of military supplies. The export of such supplies--defined as arms, ammunition and implements of war--were to some extent controlled by the Department of State. There was no other control in existence that could be exercised by any existing agency over foreign purchasing in the United States. The Department of State came out with a press release which eventually was referred to as the "moral embargo" against doing business with some of the countries that, for example, engaged in the bombing of civilian populations. It was ineffective in that there was no authority or means to enforce it.

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Those of us who had been through the Industrial College knew that in the planning archives there was a plan for a War Trade Board or an Economic Warfare Organization. In the days between World War I and World War II, it was by law the duty of the Assistant Secretary of War to make plans for establishing emergency agencies to handle the economic, industrial and political affairs during a war period. It wasn't called war then. War was a very unpopular word. Emergencies could develop but war had been, for all practical purposes, abolished.

My recollection is that the program for controlling our foreign economic affairs was of primary interest to the Department of Commerce. It was not the Department of Commerce, however, that started to function. As those foreign purchasers came into the country and started buying such materials as machine tools, special industrial equipment, and aircraft, it was the Treasury Department that developed contacts with those purchasing agents or commissions. At that time little attention was paid to the established authority of the various departments or agencies. It was more popular to create a new department or agency in a blaze of publicity than it was to use one already in existence. That was the situation that developed about 1939 and 1940. In the fall of 1939, the President declared a limited emergency. This action did not alter the situation materially.

As the situation developed a little bit, it became obvious that many materials ordered by all these foreign governments were needed in this country, yet we were only in a limited state of emergency and no adequate control mechanism had been developed. Also the Army and Navy programs were progressing. The Air Forces as planned were receiving the lion's share of the Army program.

There was concern over what was going to some of the foreign buyers. It became increasingly difficult to effect procurement on the time schedule. In G-4 of the War Department, where I had gone by this time, a sort of "elbow-room" bill was drafted in the spring and early summer of 1940 to give a little more freedom in accomplishing procurement. As I remember it was boiled down to five very simple paragraphs or sections and was sent to Congress. Somewhere between the time it left the War Department and the time it reached the Congress, a sixth section had been added which eventually became The Export Control Act.

Personally, I had never heard of it. There was no particular reason why I should, of course, but to my great surprise I was told at ten o'clock one night, "You don't work in G-4 anymore. You report to the White House in the morning." I went over. The only person I knew at the White House to report to was Pa Watson. He was quite a person, as anybody who ever knew him will agree.

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I asked Pa what was going on. He said, "There is some big argument on about who is going to administer this embargo bill." I still didn't know. He said, "You know, it is something the Congress is about to pass." He said, "There is an argument on. I think Henry and some of the others don't agree. The President said, 'Get an Army Officer,' so you are it." I asked for a little more light on the subject and he said, "I guess you had better see Harry." So he picked up the telephone and in about 20 minutes I was up in the attic of the White House talking to Mr. Hopkins.

That was my first acquaintance with Mr. Hopkins, and I may say that my admiration for him grew rapidly from that minute on. He gave me some very specific instructions. I protested to Mr. Hopkins, who was then Secretary of Commerce, that I thought this job of running war trade or economic warfare was allotted to the Commerce Department. "Well," he said, "Maybe it is, but they are not prepared to do anything about it so you go ahead." I said I would like to have the privilege of using the facilities of the Department of Commerce. He said, "All right, if you want to join the Commerce Department in any capacity, you can do so. Go ahead--anything you want. Just go down and see Jim Young and he will take care of everything." "Well," I said, "Suppose you tell him I am coming." So he did, and then we agreed that it would be a good thing if I also had credentials or a charter of some kind. He said, "All right, you draft it and send it over and we will have it signed." So with this brief memorandum which you can find in the Archives I undertook to organize what later became the Office of the Administrator of Export Control.

That was about the fourteenth of June 1940 and on the second of July, the President signed a proclamation, the military order assigning me to duty, and the first set of regulations. At midnight of the fifth of July these controls went into effect. That was the beginning of legitimate control of exports. There had been a certain amount of informal activity prior to that date. The United States Navy, in collaboration with the Customs Department, had managed to divert a number of shipments of machine tools destined for Japan and the Soviet into factories that were engaged in Navy work. A certain amount of "ex post facto" straightening out of this situation was required, but it was not too serious because in negotiating with the Soviets they did not agree to anything and the Japs agreed to everything. From that modest beginning we built up the controls over our exports, not having time to do much sober reflection over whether what we were doing was right or wrong or over what we had ahead of us.

I came to the Industrial College and asked the Commandant to give me a little help. He set up a committee from the class that was there at the time. You have the chairman of the committee here in the person of Colonel Clabaugh, so I will let him give you a lecture on what that committee did at some other time. They outlined the future and indicated

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that our export control administration might very easily and very probably would grow into the central economic warfare agency. A little later on we came back to the College again because we were getting definitely interested in economic warfare planning. We were, necessarily, limited in our current operations to the conservation phase of economic warfare. About all we could justify in those early days was to hold on to the thing that we had. That of course is only one phase of economic warfare.

So we came to the College and found that they had a "cell," so to speak, of economic warfare planning. One officer had been assigned that duty. He later developed into a key man in directing the subsistence effort of the Quartermaster Department during the war. After much negotiation with the commandant and finally an exchange of notes with the Secretary of War, Mr. Stimson, the chairman of this "cell" was transferred from the College to the Export Control Office, with the understanding that when he had completed his mission he would return to the College.

Before this officer ever reported for duty, the Assistant Quartermaster General, General Corbin, came up to see me and told me that he was needed for organizing a subsistence program. Well, always having been well fed by the Army myself, I was not disposed to deprive them of their meats or other rations, so I agreed. Then Colonel McKenzie, whom I see is back with you here, was a student in the class, so I requested his assignment. I do not recall whether he was there two days or two weeks. However, General Semervell, who was in charge of construction in the Office of the Quartermaster General, said he had to have McKenzie to build the shelters for the Army, so I let McKenzie go. Those were typical of the things that stood in the way of economic warfare planning in 1940. You can see the contrast between that and what is going on today with Colonel Carl F. Tischbein of the Munitions Board, Fred Linant, and all the rest of those really engaged in economic warfare planning.

A brief history of the activity was written during the first nine months of operations. It is in the College Library.

There are a few points about it that are worth specific mention. For instance, the "conservation" theory was soon replaced by one of "transfusion." That is, even though control was to be tightened to keep needed material in this country, friendly nations or future allies might need it even more. Under these conditions some materials would be released. I can assure you that a great deal of thought went into the preparation of the White House press releases that announced the policy of allowing certain of these short items to go to the British, French, and the Latin American countries, while denying them to some of the others.

Then, of course, the converse of "transfusion" is "strangulation," where certain countries are purposely denied the benefit of exports.

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The clamping down on machine tools and other industrial equipment shipments to Japan and the Soviet are outstanding examples of that function. Of course, there was a complete change of policy in regard to the Soviet after Hitler attacked the Russians. Then instead of strangulation, the policy of transfusion was followed. It was effective to a degree that we didn't dream of as possible and gave them everything with no questions asked for a long time. During the period of 1940 and 1941, more and more materials, equipment and supplies came under control. In addition, even technical data and technical information were included. This latter step is a fairly definite form of censorship. It was a complex problem and called for a considerable amount of collaboration with friendly nations, particularly Britain.

To gain more knowledge of actual techniques, Colonel Clabaugh was sent to London and attached to General Lee's staff at our Embassy. General Lee was military attache then. Colonel Clabaugh obtained firsthand information on how the British operated economic warfare activities. The British Empire had existed to a degree, because of success in conducting economic warfare, both in peace and in war, for a good many centuries. We believed that we should study closely the methods they used. I can assure you that we learned a great deal from working with them. Shortly thereafter the British sent a minister of economic warfare to be in their embassy in Washington. We received a great deal of help and cooperation from him.

It became apparent that it was not enough to supply military and industrial equipment to friendly foreign nations. Nations receiving these supplies were not able to make effective use of them. Reports came back that little was being accomplished by the shipment of our supplies into certain areas. Therefore, the idea developed in the last half of 1941 that it would be desirable to send missions to insure maximum usage of this equipment. Eventually we sent missions to China, to India, Iran, Iraq, the Middle East, and Russia. These missions had as objectives to see that desired results were obtained. They were to concentrate in the fields of the technical training of the troops in the operation and maintenance of the equipment being supplied and which they were going to use. Consider, for a moment, what would happen to you if you bought an automobile today that had been made in some factory in the Soviet. You drove it its first 500 miles and its performance would probably be satisfactory. But then it required service and there were no service facilities or parts for replacement. The car then would be of little use to you. That is similar to the situation developing toward the end of 1941.

So these missions were organized. Magruder took the one to China. Wheeler, later Chief of Engineers, took the one to Iran, Iraq, and India

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(the Persian Gulf area). I had the Red Sea area, and Faymonville had the one in Russia. We missionaries were a strange collection of people and we all had our troubles. Wheeler's mission split into two parts later on; one part went with India, Burma, and China and the other part was added to the Middle East Command. Magruder was forced out of China and came home. Faymonville carried on in Russia for a while but was able to accomplish little. One of the principal causes of these difficulties was due to a lack of a clearly defined responsibility and authority for action.

That was changed when the crisis came in Cairo in June and July of 1942. It looked then as if all were lost. Cables came in profusion and the whole responsibility for a possible failure was delegated to my command. I shall always be grateful to Rommel that he decided to stop at El Alamein instead of going through. The experience was interesting and I believe we helped pump in enough armament to turn the course of the battle at El Alamein.

I think the great lesson that we learned from that is the overriding importance of the control of sea and air transport and signal communications. It is difficult to operate effectively halfway around the world and have no effective communications with the people back home upon whom you must depend for success in anything that you undertake. Internal communications within a far-flung command such as the one in the Middle East are equally important.

During this period sea transport was at a great premium. Prior to our arrival in the Middle East, an organization known as the Middle East Supply Center had been established to coordinate the requirements of the small component nations of the Middle East with the military force. Its objective was to restrict imports to fit the available sea transport that could be counted on to bring supplies. As our air transport was built up across Africa, we began an equal scramble to get tonnage on the air transport system. This experience pointed up the basic importance of starting right on the first day to fight for effective control of transport and communications facilities.

I will mention briefly activities that I encountered in Washington when I became head of G-4 of the War Department in October 1943.

The International Division of ASF was handling the actual movement of supplies to all of the allied nations. There were two high level coordinating agencies. One was the Munitions Assignment Board which operated as an agency of the Combined Chiefs of Staff. This Board allocated the finished products. Mr. Hopkins was chairman of that Board. It met once a week and was composed of representatives from the Royal Navy, the

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British Army, the RAF, the War Department, the Navy Department, the Service Forces and the Air Force. That was a very necessary piece of machinery. The work of the Board was really done by a series of sub-committees that prepared the agenda set before the Board every Thursday morning. I found that very much worth while because there we were bidding for the finished products fairly close to the time of their delivery.

A second agency was needed to deal with Soviet requirements. This agency was known as the President's Soviet Protocol Committee. Everything that was done with the Soviet was done through the medium of what amounted to treaties. Programs for supplies which the Soviet was going to receive from the United States were very elaborate and were considered in great detail. At monthly meetings of that committee I found myself back again sort of in opposition because there were many items presented on those programs that couldn't have anything to do with the war that was then going on. Machinery and equipment for heavy industry, for example, was being sought at that time. These are the principal organizations with which I had anything to do. I apologize for being so personal in talking about them, but perhaps you will see from the experience I had what you would be up against if you were in the same position.

I would like to say a word about the planning that is going on now. I have been asked to say whether I feel that there is any agency now set up that could handle economic warfare. My answer has been--to use Mr. Acheson's very fine phrase--a definite and absolute "No, I do not believe there is any such agency." I say that in all sincerity and with all due respect for the agencies that exist in Washington today. I believe now as I believed in 1941 that all of these activities properly belong in an Administration of Economic Warfare Agency. It should be headed by one man, and that man should have a position no lower than that of Vice President of the United States. We experimented with that situation and I am afraid our vice president then was a bit of a disappointment to us. But I still think it was a good organization.

The thought I would like to leave with you is that an organization with one head is vital--not a committee, not a commission, not a board, but one individual responsible for the entire area. I hope that the next time we give that responsibility to the vice president, he will turn out to be a man capable of performing the function.

QUESTION: General, this is a little off the subject on which you have been speaking, but would you care to comment on the organization of the War Department and the Army Service Forces during the war, particularly, would you advocate in another war that a similar separate force be organized?

GENERAL MAXWELL: Is this the beginning of a second lecture? Well, of course, I was overseas when the Service Forces were organized so I

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don't know what the situation in the War Department was at the time that prompted the organization of the command setup that was created at that time. However, in theory I am in favor of it. I believe in a commander--and we look at the Chief of Staff as the commander--making his own decisions as to how many subordinate headquarters he is going to have in his command. He can have a large headquarters with few subordinate commands or he can have a small one and delegate to many subordinate commands part of his command responsibility.

I think in theory it was all right. Apparently when they organized the Service Forces, they visualized that the top commander, or General Marshall, would be without the benefit and assistance of his technical services, and I think that is where the trouble came. I believe that in the top level of the War Department you must have also the political and civilian elements to provide your contact with the White House, with the Congress, and with the public. I believe that you must have a General Staff supervision or management of the whole Army, and I believe that during the years we have existed as a nation we have seen that the command and management of the Army is such a big job that you must have the technicians or the specialists at the top level to do an effective job.

The way the War Department was organized, as I found it when I came back from the Middle East--when things weren't working too well in some respects--we had a top command which was shy its technical services. We had the Service Forces command which was certainly not short of anything. It was, in my opinion, unnecessary to have a headquarters of any such size.

Then we had OPD, which was another headquarters, serving as headquarters for the various theaters of operations. It had no technical services either. So I think the difficulty came about through these two bob-tailed headquarters--the top headquarters without its technical services and the OPD without its technical services. You ought to have either one thing or the other.

I think the difficulty was created by the fact that the technical services were not in the top headquarters. As a result the Service Forces were doing things that should have been done by top headquarters, by OPD, or in the theater of operations. When I became head of G-4, it had been emasculated down to almost nothing. I think there were 13 officers on the staff when I took over in October 1943. They were supposed to make policy for this 12,000 force monstrosity of ASF headquarters. Obviously it couldn't be done.

I labeled my administration the "restoration." My objectives were to restore G-4 to its proper place in the sun and to restore the technical

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services to their proper place. I also felt that the Office of the Under Secretary of War should be strengthened. So I worked as hard as I knew how for the next two and a half years to restore the Under Secretary to his legitimate functions, the technical services to their proper place, and to get some semblance of reason into the technical services so that they could function as they are supposed to function.

ADMIRAL SABIN: General, I was interested particularly in the final remark you made in your talk as to your idea of an agency headed by a man on the vice presidential level to handle the subject of economic warfare. I assume in that phrase you cover the subject of economic mobilization also. I am interested in hearing some expansion of that remark, that is, under the setup of NSRB, on the assumption of an organization headed by the vice president, how would your plan differ from the present setup?

GENERAL MAXWELL: As I see it, NSRB as written into law contemplates an agency that reports directly to the President, so I think it is the nucleus for a staff, with one man, one head to run the show. I think the theory is sound. Maybe I did not make it clear that I didn't intend that this man I am talking about should handle the domestic economy as well as the foreign economy. I am only talking about activities outside the United States. I think that is big enough for anybody. I don't believe in confusing it with all the troubles you have at home. I don't think it would be proper to have a theater commander trying to run procurement back in Virginia, and I don't think it is proper for the man who has all the worries and troubles that come with controlling economic affairs abroad to be concerned with anything at home.

NSRB is a good start toward a planning agency and I would start with that and head it up by one man. I think it is quite reasonable. When you consider how many thousand vice presidents there are in New York City, I don't see why we should have only one in Washington. I think we could afford a few more because we have demonstrated our need for them. Don't expect one Cabinet officer to run the affairs of two or three other Cabinet departments because it can't be done any more than you can let one arsenal run the affairs of another arsenal.

So what are you going to do? Are you going to have the man with this responsibility below Cabinet level? No, you can't do that. So you put him up above the Cabinet level. That doesn't mean he has to be too much of a burden to the President. Presidents are usually pretty broad-minded people. They will leave you alone to run your own show, at least that was my good fortune for 15 months. That is what I mean. It has to be on that top level. Now, the NSRB is a good place to start. Take one man and put him at the top; don't have him confused by domestic affairs. There is too much politics in that.

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QUESTIONER: General, I would like to get your opinion as to why we didn't use the 1939 Mobilization Plan. We have read a lot of reasons and have heard a lot about it. I think you can give a more direct answer.

GENERAL MAXWELL: I think there is something that has been overlooked for a long time. I don't remember exactly the date, but sometime in the clouding-up period there before the war, the President appointed Mr. Stettinius to head a group to make a study of the plan as it then existed, and I think in a way to start the implementation of the plan. But whoever got together that group under Mr. Stettinius made one very serious omission; they left out any representative of labor. Labor was left out in the cold. It was a surprising thing that at that stage of the game any such group should have been put together. Whether it was to be a committee or a commission, it was supposed to be a study group, and it certainly should have had a representative of labor in the picture.

As soon as that committee or commission was announced, it came under very heavy fire, so heavy, in fact, that the President had to dissolve the whole committee or commission and forget about it. That gave the Industrial Mobilization Plan a black eye right there and then. It became a sort of bad word that everyone was afraid to say from then on.

Now that may sound like a little thing but it was not a little thing at all. It was, shall I say, a political blunder to try to do a thing of that kind. Then as time went on and they really got around to starting the mobilization, I have never accepted the fact that the plan was not used. Maybe the plan as a document was not used, but certainly great segments of it were used.

I think another reason it was not used fully was that we kept our planning in a classified status. We didn't air it enough. There was too much of the secret-document idea. One of the last recommendations I made before leaving G-4 was to General Eisenhower that we give full publicity to mobilization planning. We talk about our war reserves; we talk about allocations to industry; we talk about schedules of production; we talk about everything else. Give it all the publicity we can get, if for no other reason than to enable Army, Navy, and Air Force personnel to know what it is. There is no reason why you should keep it from the enemy anyway because you may be sure he has every document that was ever printed. He had in the last war and will in the next war.

I find it almost impossible in my own industry to cooperate with the Armed Services because every time we get to a place where we send someone to get information, he is met by someone who says, "You are not cleared to talk to me." This is quite a subject. I am in favor of letting at least the people who are supposed to operate the plan know all about it.

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It was better in World War II than it was in World War I, because in World War I we had a little red book called "The War Plans of the War Department." It was locked in a safe and no one but the commanding officer could see it and he had never tried to read it, so it was not of very much value.

QUESTION: In the event of a future emergency, would you recommend that general procurement in the theater of operation be handled by a central procurement authority, such as we used in World War II, or would you recommend some other type or organizational setup?

GENERAL MAXWELL: Well, I think the theater commander must have a central purchasing agent somewhere on his staff to coordinate procurement in his theater. Now, within the theater, it depends a great deal on the policy and how able a man you have as purchasing agent. If he is able, he will make all the technical services do their own procuring just as you do at home, because they are the only ones qualified to do it.

COLONEL HORNOR: Even if we had a perfect economic mobilization plan, do you believe we could put the entire controls to work at one time? Wouldn't they have to be implemented over a period of time as it became necessary to use them, rather than to put them all in force at one time?

GENERAL MAXWELL: Yes, there is no such thing as this beautiful plan you activate by sending telegrams. You must have the money before you can put any program into operation. If you don't, you will find yourself at Leavenworth. You can only implement as fast as you get the money to do it.

COLONEL HORNOR: I was thinking of it from the standpoint of the controls rather than from the military standpoint, control by various agencies such as CPA, Price Control, rationing, or agencies like that.

GENERAL MAXWELL: I think there again you let your organization lag before the necessity for it exists. Of course by that time, you are in trouble. We were always a little behind the necessity for organization. If you don't accept that, you fail. I think you can take a timetable and you can tell which one has to be initiated at a particular time, but once having decided it is time to do it, it should be done immediately.

QUESTION: General, could you give me your offhand opinion of how much help we can get from Egypt?

GENERAL MAXWELL: What kind of help?

QUESTIONER: Logistical support through troops.

GENERAL MAXWELL: Well, if you can work out in your study how to get more than you give, I wish you would let me know.

GENERAL HOLMAN: General Maxwell, we go over these organizations, we study the history, the methods, and the procedures that were undertaken in industrial mobilization and economic mobilization, but it is not very often that we have the opportunity of hearing in detail just exactly what happened, why it happened, and how. I know I speak for the entire College and our guests when I say we are deeply indebted to you for coming here today and giving us a great deal more illumination about many things than we have had in the past. Thank you.