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METHODS FOR TESTING ORGANIZATION PLANS

27 May 1949

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METHODS FOR TESTING ORGANIZATION PLANS

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COLONEL NEIS: Gentlemen, the "Requirements," Part I of our current directive, as you know, provides for the development of a test method for determining the administrative and organizational soundness of an economic mobilization plan or any parts thereof. As I mentioned to you during the course of our orientation, there has not been very much done in this field to date. As a matter of fact, we are doing a considerable amount of pioneering work.

We are very fortunate this morning in being able to have with us Dr. Millett, who was formerly Colonel Millett, Control Division, ASF, and who worked very closely with Major General Robinson in the development of those principles of organization which each one of you has had the opportunity of studying. We have asked Dr. Millett if he would give us his views on a possible approach to the development of test methods. I want you to understand that we are pioneering in this field and no one has a complete answer, but we feel that Dr. Millett will be very helpful to us. Dr. Millett.

DR. JOHN D. MILLETT: Gentlemen, this is such a pioneering effort, indeed, that I am going to start off by evading my subject. We usually say too much about the obvious and the commonplace or the purely descriptive, or we do not say enough about the things you and I really would like to know. I am afraid that a good part of what I have to say this morning will have to come in the category of the obvious, of what must be perfectly apparent to all of you right now.

This proposition of developing a technique for the critical examination of organizational plans is a considerable challenge.

I want to emphsize the word "plans" because a great deal of attention has been given to testing and evaluating the performance of an existing organizational structure. A great deal of what was done in the Army, in the Air Force, and in the Navy during World War II consisted of trying to achieve improvements in an already going organizational structure. From time to time certain adjustments might be made, but in the War Department, after 9 March 1942, it was generally assumed that the structure was there to stick for at least the duration of the war. It did stick, with only very minor modifications in basic arrangements. As a matter of fact, in the field in which all you gentlemen are interested, in the field of industrial mobilization, the organization pattern which had emerged by March of 1942 pretty much did last from that time to the end of the war. There were some minor modifications. From your point of view, of course, the most important one was the creation of the Office of War Mobilization in May 1943, renamed a

year later the Office of Mobilization and Reconversion, but even this I look upon as more or less a minor addition to the organizational structure rather than as a major alteration. But there still were a lot of difficulties in making the thing work.

I have been doing a great deal of work lately, as a matter of fact, in going back over this whole story of the relationships that existed between the Armed Forces and the War Production Board during World War II. We have heard a lot about it from the WPB side of the fence. It seemed to me it was time the other side was heard from, and I have been trying to prepare an account--which I hope one of these days will be printed--which will tell something of the other side of the story. What really comes out, it seems to me, from all the difficulties and conflicts that emerged after March 1942, is that there were failures in understanding relationships in different spheres of duty and competence. The relationships actually had been specified in the original arrangements that set up the agencies, but making them work was quite different from the plans which had been prepared beforehand.

So I come back to saying that this business of trying to test organizational plans is very much different, it seems to me, from trying to test an existing organization or to improve it. You have, after all, a basic amount of experience in any going operation on which you may build, but when you are anticipating something that is not yet in existence, obviously, you are going to encounter a great many difficulties. I say this partly, too, because I think any use of standards or guides or check lists for evaluating an existing organization will not be adequate for the challenge that you have.

I looked up several check lists when I was thinking about what I should say here this morning. I brought with me a couple of check lists that had been prepared during the war for evaluating an existing organization structure. One of these is a check list that was put out by the Bureau of the Budget, primarily written, I believe, inside its Division of Administrative Management. It was called "An Agency Management Program--A Guide for Self-Appraisal and Planning Economies in Operation." It was put out in March of 1944 as a management bulletin. There are about 15 questions that relate to organization as such. I read these over the other night, and it seemed to me that these questions have very little usefulness for your particular purposes. Also, I looked over some check lists that we used in the Control Division in the Army Service Forces during the war; it seemed to me that there, too, the particular questions do not go very far in helping one evaluate the organizational soundness of plans for emergency management of the national economy.

So I tried to think up some standards or guides that might be used in any such endeavor as yours. Whether or not my ideas on this score will be very helpful to you, I do not know, but, for what they are worth, I pass them along.

It occurred to me that there are five major propositions, five major concerns, that would have to be watched for and tested in organizational plans. I grant you, these are pretty general guides. It may be possible to work them out in some detail. In any event, it seems to me that something like these five general standards, worked out, perhaps, in more detail, would be essential in evaluating organizational plans--and once more I emphasize "plans."

The first of these standards or guides that occurred to me is this: Do the organizational plans reasonably anticipate expected needs?

That, I think, must be fairly obvious. But the primary aspect we must always bear in mind is this: Organization serves to meet major purposes, ends, missions, or objectives to be accomplished, and the organization must always be framed in terms of the accomplishment of basic purposes. If an organization has not been set up which will encompass all of what I say are reasonably anticipated needs, then, of course, there must be basic deficiencies in any such organizational plan.

As I look back on the Industrial Mobilization Plan of 1939, the last of those published before World War II, as you know, it seems to me that there was one rather important mission, which we learned about through experience during the war. That was the failure to anticipate the needs that would arise for housing and otherwise caring for workers in an expanding center of industrial production. In other words, the whole problem of housing and community facilities became a crucial one as plants were built and as additional workers were crowded into our major industrial centers.

I remember the time I spent in Dayton, Ohio, early in 1942, when it was already obvious that the city was going to be overtaxed with workers to man the various operations for the war effort that had been centered in Dayton. Dayton became one of the first places to make a really concerted community effort to attack the housing, recreation, transportation, and other community problems involved in an expanding war economy. That effort was not enough, and a great deal more had to be done.

In those areas where new plants were built, where new industrial centers were started, you just could not build a plant and then say, "Fine--the workers will somehow, in some way, get here." You had to worry about much more than that. I don't want to rake over old stones, but I remember only too well some of the controversies in 1941 about Willow Run. Whatever the reasons were that the plant was located where it was--it is not necessary to worry about that at the moment--certainly was an excellent illustration of omitting from consideration a major factor, the housing and transportation of the workers who were going to be employed there.

As a matter of fact, there was one major organizational difficulty that was never, I thought, satisfactorily resolved during the entire war, and that was this very problem of how to handle the impact of large-scale procurement operations on local communities. The Committee on Congested Production Areas, which was finally set up with the Director of the Bureau of the Budget as chairman, the various production urgency committees and the manpower priorities committees that were set up by both WPB and the War Manpower Commission, for example, were all attempts to handle this geographical problem. Inside the Army there never was any satisfactory method for getting everybody together and working on a concerted basis at the local urban or industrial level, where there was a real impact of war production.

It is this sort of thing that I have in mind when I talk about reasonably anticipating the needs that will arise.

You know the old accusation that military men are forever planning to fight the last war. I sometimes fear that our organizational plans fall in this category. We take the experience that we are most familiar with. After all, that is absolutely essential. We take that experience, too, because it is the only large-scale experience that we have to guide us. Then we base our expectations upon past experience, but it seems to me that this is not altogether satisfactory.

Let us put it this way. The past is an essential guide, but a plan calls, also, for anticipation (imagination) of what may be needed, of what may come. So unless we have tried to pose what the future situation will be, not in terms of past experience alone, but in terms of past experience, plus what may be reasonably anticipated, we will not have a satisfactory guide for testing the adequacy or the soundness of organizational plans.

The second standard is also, I think, a fairly obvious one growing out of the first one. If we anticipate the needs which will arise, then, of course, the question is: Are there organizational arrangements adequate to handle all these various and sundry needs and purposes that we expect to arise? Is there an organizational structure--this is one way of putting it--for handling all these various needs that we may reasonably anticipate will arise under conditions of war mobilization?

This is not so simple as it sounds. It is not just enough to say, "This particular organization is going to handle this particular phase of a problem," because of the very fact that it is the interrelationships that, it seems to me, pose the greatest organizational challenges in war mobilization. Here, of course, was our greatest stumbling block in our experience during World War II. We had many organizational units. If anything, we had more than enough of those.

But what was constantly lacking was an adequate understanding and a full comprehension of relationships that were to exist between them.

Let us take, for instance, the item I referred to just a moment ago--the relationships between the War Department and the Navy Department, on the one hand, and the War Production Board, on the other hand. You have all, I assume, seen that famous magna carta of 2 March 1942 that was signed by Judge Patterson for the War Department and Mr. Nelson for the War Production Board, which was an attempt to spell out organizational relationships between the two agencies. It seems to me, as an organizational plan goes, that particular document of 2 March 1942 was an amazingly adequate and an amazingly competent job. There was no experience during the war that ever indicated that this particular plan was not desirable and workable. But it was not understood. It had constantly to be translated into specific circumstances and specific relationships, and there was a great deal of difficulty in doing that.

I am not sure how any organizational plan can anticipate and meet these particular difficulties. You certainly have to point to them. You certainly have to say these difficulties are bound to arise and try to spell out, as best you can, the relationships which will exist.

Let us look, in part, at this problem in this way. The whole necessity of industrial mobilization arises at a point in time when war procurement or when direct military procurement can be accomplished only by large-scale curtailment or large-scale readjustment of existing patterns of industrial operations. It is in this impact upon the economy that the whole need for machinery of war mobilization arises. But the Army, the Air Force, and the Navy have insisted, and, I assume, will insist in any future emergency, with, I think, a good deal of justification, that they shall continue to perform the operation of procurement; that is, they shall continue to let contracts, to set production schedules, to inspect, to make various and sundry adjustments and modifications in specifications, to change procurement as changing needs of war indicate needs for new weapons or more of one item and less of something else. But that operation cannot be done on a large, wartime scale without some central production planning, as you all realize. And here, of course, is where the other agencies come in.

Well, now, how do you work out a dovetailing, on the one hand, of this procurement operation with production planning and control of basic industrial resources, on the other hand? It is not enough, it seems to me, just to talk about the Army, the Navy, and the Air Force doing this and a war mobilization agency doing this. It is the interrelationships between the two that become crucial, and an organizational plan, it seems to me, which does not make adequate or something like adequate arrangements for these interrelationships will not be competent or entirely useful organizational plan.

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I would like to discuss these interrelationships in considerable detail, but I think the point, in general, must be obvious. It is here, in working out various needs of interrelationships of respective competencies and methods of cooperation or collaboration, that an organizational plan, in this field of industrial mobilization, is going to find its worth or its adequacy.

The third general problem or standard is one of how far can one rely upon existing governmental machinery to meet wartime requirements and how far should one rely upon new organizational machinery? This is one of the toughest questions in organizational planning of this kind that one is likely to encounter.

I don't know to what extent you know the history of some of the organizational planning that occurred between 1921 and 1940, but at one time there was a basic division inside the War Department on this score of whether an industrial mobilization plan should call for war emergency agencies or whether an industrial mobilization plan should call for a great expansion of existing governmental agencies. This occurred before 1933. It occurred, as a matter of fact, while General MacArthur was Chief of Staff. There was one element in the War Department that was very insistent upon one point of view, and there was another element that was very insistent upon a different point of view. In the end, when the industrial mobilization plans were first published, by 1933, the point of view in favor of emergency governmental agencies prevailed.

Yet, in our actual experience in World War II, there were many occasions when emergency agencies gave way to old-line agencies. The best illustration of all, of course, is in the field of agriculture. Here, for instance, starting out with something like an emergency organization, we ended up with an organization, under the title of War Food Administration, which was under the Department of Agriculture. What was more important was the experience of the Department of Agriculture after 1933 in handling production problems. Even though the point of view had been one of reducing surpluses and trying to cut production, the same machinery, with certain changes and minor modifications, was eventually full blown into the field of encouraging production and not worrying about surpluses but worrying about shortages. Yet the machinery proved, in general, more than adequate for the task at hand. It would have been a waste of effort to have ignored all that machinery and the close working relationships that existed between the Department and the agricultural groups in the agricultural segment of our economy.

Now, that one experience suggests that, since there were very vital changes which occurred between 1933 and 1940 in the relationships of government and the agricultural segment of our economy, there may be other great changes taking place now between governmental agencies

and certain segments of our economy, resulting in working relationships and administrative machinery which, with certain minor adaptations, could be utilized for war purposes. I think this is going to be a continual challenge in organizational thinking.

I have heard a lot of arguments at various times about emergency agencies against old-line agencies. It is easy to construct a case on either side. I don't believe there is any final answer one way or the other. But it does seem to me fairly evident that one must ask this question: Can you reasonably expect existing administrative machinery to prove adequate to wartime requirements, with certain expansions and with certain modifications? I, for one, believe that, in general, the argument favors using the existing machinery wherever it is possible.

If Colonel Neis won't mind too much my telling you a story out of Army experience on this score, I might illustrate again what I am thinking about in this way. In the spring of 1942, I was in New York on some work for the Army Service Forces, and I came across a wonderful office on Fifth Avenue. It was the New York City Procurement District Office of the Office of the Quartermaster General. It was a planning office, planning procurement operations. As a matter of fact, it was one of the nicest offices I have ever seen. I subsequently learned that it had been George White's office. It had a nice bar behind the paneling and certain other features that one might associate with Mr. White, of late lamented reputation. But the interesting thing was that the officer in charge of this planning office for procurement purposes, with a staff of three people, had just been left behind in the whole rush of war operations. As a matter of fact, I believe that the Office of the Quartermaster General actually had forgotten that there was this office in New York City.

It had been expected or anticipated that the whole basis of procurement operations in the Quartermaster General's office would be changed under wartime conditions, when what actually happened was that, over a period of rather gradual mobilization, the existing depot system and the existing arrangements for purchasing supplies were simply expanded, and the plans which had been drawn up at one time were never put into effect.

I think that there was a great deal of justification for forgetting about this office. It was shortly thereafter closed out. Here was an organizational plan that may have had some justification at one time but which expected to bring about a rather sizable shift in existing arrangements, and it just was not workable or feasible under those circumstances.

Now, there may be more to this story than I recall at the moment, but at least I can vouch for the paneling on the wall and the bar behind the paneling.

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I come back, still, to this generalization: Where there is an existing organizational arrangement that might reasonably be expected to handle wartime conditions, there is a great deal to be said for continuing that particular arrangement.

This problem of existing machinery is going to be even greater for organizational planners today, because we have rudimentary machinery now that did not exist between the two wars. The only statutory reference to industrial mobilization planning between the two wars was in section 5(a) of the National Defense Act, as amended in 1920. Now, of course, we have the National Security Act of 1947, with its provisions for the National Security Resources Board and for the various activities to be performed by the Department of Commerce, the Interior Department, the Agriculture Department, and so forth.

There is more to the story than just that. You have large-scale military procurement today--not on a wartime scale, just on a "cold war" scale--and you have various other programs of government involving very close working relationships of various kinds.

It may well be that this new experience and those new relationships that are being built up under postwar conditions, which are very much different from any conditions that obtained before 1940, are building various relationships and arrangements in the whole fabric of government and the economy that must be taken account of and must be utilized in order to avoid wasted effort in case we should ever have to get into large-scale, war-scale procurement operations again.

The fourth general problem that seems to me to be very important is keeping organizational plans flexible and adjustable to different circumstances.

I wish there were time, although I am not sure of my own competency to go back over all this controversy about whether the 1939 Industrial Mobilization Plan was adequate or inadequate, why it was not put into effect, and who the villains were in this particular skulduggery. At least, this last seems to be the attitude of certain legislative committees that have looked into the subject. But it seems to me fairly evident that the Industrial Mobilization Plan of 1939 did have this particular weakness--the weakness of assuming an overnight transition from peace to war because that is what happened in 1917. As a matter of fact, the lessons of 1917 and 1918 were inapplicable to a period of gradual defense preparation beginning, let's say 1 July 1940. And everything that was done from 1 July 1940 to 7 December 1941 certainly was of real benefit after that time.

There was another difficulty in this 1939 plan that related to the substance of the situation. There was nothing at all said in the 1939 plan about depression. There was nothing at all said about large-scale unemployment and the existence of other unused industrial resources. Yet that was the actual situation which obtained in 1940. What did that mean? It meant that, for a considerable time, you could expand industrial plant and procurement operations without any direct impact on, or without curtailing, civilian production, or without curtailing the production of other than direct military goods. So that there was not the need for a full blown industrial mobilization organization in a period when, first of all, you were not at war, but only in a period of preparation for war, and more important than that, you were in a period of unused industrial resources. In other words, we were in a period of considerable slack in our whole economy, and those resources could be utilized for war purposes without getting into a grand scheme of economic planning and economic controls.

I think it might be useful if it were possible to draw organizational plans to fit varying conditions or, perhaps, to fit varying time periods, just as in the demobilization planning of the War Department there was a Period I and a Period II plan recognizing definite time periods. Maybe there ought to be a Period I and a Period II plan for industrial mobilization just as there was for industrial demobilization. It seems to me that this element of flexibility and of adjustment to varying circumstances and needs is a tremendously important one that cannot be overlooked in organizational planning.

There are political factors, too, that an organizational planner simply cannot ignore. Many of us like to take the attitude that politics is something that exists, but we wish it didn't; we may have to compromise with it, but let's just stick to the narrow path and let the compromises come as they are necessary later. There is a good deal of justification for this attitude. Yet, on the other hand, it is not realistic, because we hope we will have politics with us always. At least, the politics of our particular system of government is one of these essentials that we say we are interested in preserving, and we certainly can reasonably anticipate that we are going to have political pressures with us. We are going to have to face varying political conditions.

There were numerous innuendoes during the war about the reasons why Mr. Roosevelt suppressed the report of the Stettinius Board, which was set up in the autumn of 1939 to review the Industrial Mobilization Plan reported that autumn. There was really nothing scandalous about the Stettinius Board report, as, presumably, all of you would realize upon reading it. But the recommendation to set up war mobilization machinery then and there just simply was not a politically feasible or timely recommendation as of that moment. The recommendation was all right, but the timing was all wrong.

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The timing element here is important in just that way, and you cannot ignore it. So any organizational plans will have to be flexible and adjustable to varying circumstances, both economic and political.

Finally, there is one other item to which I must give some attention--the cost factor. An organizational planner cannot, obviously, make a hard-and-fast estimate of the administrative cost involved in the arrangements which he suggests, but this is not an adequate excuse for ignoring the cost factor.

What do I mean by "cost factor"? Let us use the word "efficiency" as perhaps being more meaningful under the circumstances. I like to think of efficiency in organizational terms in much the same way that an engineer thinks of efficiency in mechanical terms--the relationship of your input and your output elements. The connotation is not one of saving money; it is one of getting more output for the input elements. Another way of putting that is this: Obviously, you must avoid wasteful and duplicating organizational arrangements. I would not be satisfied with an existing organizational structure just because it is the existing organizational structure, unless I was also satisfied that it was probably as efficient an organizational structure as was obtainable under the circumstances. One standard here, of course, is this: You obviously do not want two organizational units trying to do the same work. You obviously do not want larger and more complicated organizational arrangements than are necessary for the task at hand. But applying such general standards as these is difficult, particularly, again, when one is dealing with organizational plans. But at least emphasize the problem, acknowledge the existence of the problem, realize that it exists and that there must be constant adjustment to meet this cost, or efficiency, factor.

I urged, a moment ago, building on existing organizational structure. I think that is important. But I think we must also be critical of existing organizational structure and the possibilities of its expansion, primarily upon the grounds of efficiency, upon the cost in terms of manpower, and other resources. Experimentation in administration or organization is one of the essentials that we have always to utilize, but experimentation, we know, is costly, and some experimentation can be avoided if we worry sufficiently beforehand about cost elements, about the factor of what it is going to take in manpower and what it is going to take in terms of other resources to run an operation on this particular scale. Is there some way in which we could carry out this particular operation at less cost in terms of administrative overhead? This is a constant challenge that you simply cannot ignore. I don't know how you can answer it, but at least we can maintain an open mind; we can worry about it; and the least we can do is say, "Well, there are some alternatives that might be less costly."

There is another element in this matter of efficiency that ties in with an earlier point I mentioned when I said that interrelationships had been such a crucial and, at the same time, such a difficult phase of our organizational experience in World War II. A good part of the difficulty arose out of too much organizational thinking in a vacuum, too much organizational thinking at the ideological level, and too little organizational thinking at the operational level. Take this ideological conflict that existed between the War Department and the War Production Board. Every time some proposal came along, the War Production Board started to shout from the housetops: "The military wants to take over the civilian economy." This made a marvelous slogan, a flag to unfurl and rally around. On the other hand, the Army would then retort: "The civilians are trying to take over the strategic conduct of the war," or, "The civilians are trying to interfere with military procurement and determine what are military needs and requirements." At that ideological level, very little was ever settled; but when it came to the operational level--the level of, how do you do this job? and how many pieces of paper is it going to take?--then many of the difficulties were settled, sometimes from the sheer necessities of the situation.

I have just finished reading a book recently published about the various plans that were used for controlling the distribution of raw materials during World War II. One of the authors is David Novick, who modestly never mentions the fact that he was the author of PRP. But in all of that controversy about the Production Requirements Plan, very little was ever said about how the plan would operate in detail.

In June of 1942, I sat in with a committee in WPB. It was the Committee on the Control of the Flow of Materials--a magnificent title. That committee never did anything but talk in this ideological realm.

One day I got so tired I decided I had enough of that. I was going to go down to the mail room and ask the man in charge of the mail room what would happen when 16,000 forms came in, in one month. I went down there. It was in the basement, of course. I asked the man in charge of all the mechanics what was going to happen when 16,000 forms--I think it was PD-25-A--arrived in less than a month. That was the estimate. He looked at me. He had not seen anybody from up on high for weeks or months. He leaned back in a chair and said, "You are the first man who has come around and asked me that--it won't work. Come here and I'll show you why." He took me on a tour of his establishment. When I came back, I wrote a memorandum in which I said, with great wisdom, that it was not going to work--I was not in uniform; I was a civilian--because at the operational level it could not work. It was a completely impossible function, and experience amply demonstrated that that was exactly the case.

I can remember when the forms the War Department was supposed to act on arrived in the Munitions Building along in June. They were put in four or five offices on the fourth floor, and, literally, there was no room for anybody to get into those offices for the papers that were there. All of these papers were to be sent back, with the comments of the War Department, within two weeks. That kind of working relationship was impossible to achieve.

It seems to me that unless we are concerned with how the details are going to be worked out, unless we begin to worry about some of the mechanics, and unless we begin to worry about some of the operating methods to be employed, we are ignoring or overlooking certain essentials of our whole organizational plan; but more than that, we are not only impairing the possibilities of its success, but we are going to construct unnecessary organizational arrangements and we are going to construct devices that will be very costly and inefficient to operate. So simplicity of arrangements, trying to keep operating detail at operating levels, so far as possible, and constructing arrangements which will lead to top echelons acting like top echelons, are parts of this business of organizational efficiency, of organizational cost.

I don't know how much all these observations are going to help you in your problem. If you asked me that question, I am afraid I would have to say they are not going to help very much, because, as I said to start with, as you all realize, and as Colonel Neis mentioned, you are exploring some new ground--this testing of organizational plans instead of testing going organizational arrangements.

Of course, the real and ultimate test in any organization comes when it gets under way. Does it get the job done with a minimum amount of effort? Secondly, is the method of doing the job generally acceptable to the people involved? That means, is it acceptable to Congress, to various organized groups of our society, and to the administrative participants in the arrangements. These tests--the tests of how well a job is done, with what resources, and the test of popular or general acceptance--are tests which can come only with experience, only with actual operation. But they are, it seems to me, the ultimate tests of the soundness of any organizational plan.

Thank you.

COLONEL NEIS: Gentlemen, this is your opportunity to have answered a great many questions that I know are in your minds. Dr. Millett is now prepared to answer them.

QUESTION: Dr. Millett, I would appreciate it if you would expand on your third point in reference to the use of the present governmental agencies in case of war.

DR. MILLETT: Let us anticipate something. Let us anticipate that the recommendations of the Hoover Commission about the Department of Commerce are actually put into effect; more particularly, that the transportation service that was recommended in the report about the Department of Commerce is achieved. That is assuming a great deal, but, for the moment, let us make that assumption. Then, for instance, in the whole field of mobilization of transportation resources, one might reasonably expect to use that arrangement. As a matter of fact, when it was proposed by the Commission, the Commission had in mind that one of its primary achievements would be not only in planning mobilization of the transportation resources of the country in the event of wartime need, but actually developing skeleton arrangements for such mobilization. If that should be done, then, it seems to me, one might reasonably expect that this machinery, which has never existed before, could be utilized for that purpose. And you would certainly want to ask yourself the question: Does it make sense? Is it desirable to use new machinery or even to shift some of this into a new setting for wartime purposes, or should we utilize this?

I can think of other illustrations. Of course, there are some fields in which we don't have peacetime machinery anything like what would be needed in wartime. We don't have price control machinery, although we do have in the Department of Commerce today voluntary allocation schemes that come very close to the distribution arrangements used during the war.

Obviously, where you don't have any peacetime machinery, you must get new wartime machinery. Where you have extensive peacetime machinery--and even if this is not peace, whatever else it is, we have extensive existing machinery--I think you would want to utilize it, unless there are very good reasons not to do so.

It does not seem very reasonable to me to anticipate, for instance, that the Interstate Commerce Commission could be an operating agency for government control of transportation facilities. That is not the way the ICC operates. It never has and does not now. Sometimes I am not sure the ICC is even a part of the Government. There were times in the war when I certainly was not sure on that score. Be that as it may, the nature of the operation required in wartime is too far different from the nature of the going operation of the ICC to have ever made the ICC a wartime mobilization agency.

So there is this factor, and an important factor, of how closely akin is the wartime operation to the existing or present operation? Where there is a close relationship, then it seems to me not unreasonable to use the existing machinery.

Personality factors are also involved. Secretary Ickes, for example, insisted that since, in peacetime, he had had close working relationships with the oil industry, he was not going to be done out of those relationships in wartime. And the formation of the Petroleum Administration for

War, which was a separate agency with Mr. Ickes as head of it, but which actually functioned as part of the Interior Department for the most part, and utilized a good deal of the machinery inside that Department, made a lot of sense under those circumstances.

I am not sure that answers what you have in mind. There are a lot of complications here, but I would like, principally, to emphasize this part of it: I don't believe any of us can be doctrinaire about this business of existing machinery as against emergency machinery. We may want some of one and some of the other.

QUESTION: If it is possible to test a plan that has not been put into operation, would it not be better to put into the planning the thought that would have to be put into the testing of it?

DR. MILLETT: Because of the apparent popularity of that question, I shall refrain from answering it. I would be inclined to generalize by saying that agencies, by and large, tend to be weak on coordination but somewhat stronger on the performance end.

The committee arrangement, you know, is being modified in terms of having committees with a chairman with authority to decide. That way of putting it, of course, is intended to suggest that a committee is not going to be an excuse for inaction, which is one of the greatest dangers in all committee arrangements.

The committee is very useful as a means of formalizing relationships and contacts, and I would not minimize that at all.

It was amazing to me how, in the spring and summer of 1942, a request from the Army Service Forces for formal representation on committees in WPB should have been rebuffed as an attempt to expand military jurisdiction. That was up at the ideological level, again, where we got into argument, when, as a matter of fact, they could not operate without these contacts. They could not make the decisions they had to make without very close working relationships. There were many military officers with military personnel in the Social Security Building all the time, and nobody said, "We want to kick them out." Yet at the same time, WPB people were saying, "We don't want them on any committees," which was a nonsensical arrangement. The Army never asked, at any time, for anything except representation. It did not ask for power of decision.

I think the present formula of a committee with a chairman with power of decision may be a workable answer to, on the one hand, the problem of formalizing relationships, and, on the other hand, to the problem of the delay that can arise if you are going to clear with everybody first.

QUESTION: Dr. Millett, you mentioned that one of the difficulties you encountered was too much organizational thinking at the ideological level and too little thinking at the operational level. This is a rather hard question to phrase, but could you comment on how far standardized organizational patterns should be forced by the higher echelons on the lower echelons? In other words, is standardization of organization a golden calf or not?

DR. MILLETT: That is a nice question. I have encountered that in a number of different places, at different times.

You know, maybe self-confession is good for the soul, but, actually, the more I study and the more I see different organizations, the less I believe I really know about organization.

I have been guilty of this thrusting business myself, and I have some very severe reservations about it. There is a good reason for it, bear in mind. An organization which is constructed, in Army terms, on the line-staff pattern involves many types of contacts from one level to another level. Those hierarchical, or line, up-and-down, echelon-to-echelon relationships are facilitated if you, as a staff officer here, know a counterpart down here. He is identified as such, and his sphere of responsibility corresponds to your sphere of responsibility up above. To be specific, if you are a G-4 of an army, for instance, you would like to have a G-4 at the corps and a G-4 at the division in a tactical organization, because it facilitates your getting your job done if you, as G-4 of the army, can spot a G-4 in the corps and a G-4 in the division, know the guy, call him by his first name, can get the information you want out of him, and can consult with him without any difficulty. So that a standard organizational pattern has some very real advantages of that sort that I think ought not to be overlooked.

On the other hand, any standard organization must make allowances for personality factors and for other difficulties. Some of you men could say more on this score than I can, but I have heard of divisions where the most important staff man and the real brains of the division was the adjutant and not the chief of staff, and I have heard of other arrangements where the G-3 was, for all practical purposes, the real commanding general. The standard pattern of organization in those cases did not reveal the realities of the personality situation that existed.

I am rather inclined to say, if I have to in a categorical fashion, that there is a lot to be said for the standard pattern in facilitating relationships, but no standard pattern can ever take account of personality factors. Don't be misled by the standard pattern; find out about the persons, too.

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QUESTION: Doctor, we have set up, it seems to me, two bases that are in conflict. One is that the plan must be realistic and meeting changing conditions, and the other is that it must be acceptable to those responsible, presumably the Congress and the people. Isn't there a definite conflict there? Isn't the only course, sometimes, to set up an organization in terms of the past and thereby reveal the mistakes, which will make the change to what is needed acceptable later on?

DR. MILLETT: Yes. I am not sure that there is a conflict there, in this sense: I grant you that any organizational pattern, as I said, has to be adjustable under varying circumstances, and one of the circumstances is this matter of popular acceptance or prevailing beliefs at that particular time. Then you must take account of that. I would be satisfied, for instance, if we recognize that any organizational pattern represents best current thinking under circumstances we know about from past experience and reasonably anticipate, but not let ourselves get into hard-and-fast thinking as a result. Really, all I am pleading for is flexibility in organizational thinking.

If I might be critical for a moment--a lot of people won't agree with this--I have a feeling that the staff organization pattern which was developed in the Army as a result of the Harbord Board's work in 1921 has come on down through the years in such a way that it has crystallized in the thinking of many people to the point that they just are not willing to believe that there might be some different organizational pattern. I think that the organizational planning of the Harbord Board was magnificent. I went over the proceedings of that Board and read the report with a great deal of care some time ago, and I was tremendously impressed by the job that was done. Of course, the terms of reference were to develop a staff system for the Army comparable to that which General Pershing had worked out for the AEF in France, with his headquarters at Chaumont. In those terms of reference, the result carried out exactly the instructions. And to me there is a lot of organizational thinking there that is still sound, but I think that you should still be open-minded about it, reassess it, and decide whether you think it has to work that way. I believe, from what I know, the Army is doing some thinking of that kind right now and is making, at the Army Department level, some rather important modifications in that old thinking.

COLONEL NEIS: Gentlemen, our time has about run out. I know that we have all profited tremendously from listening to Colonel Millett this morning.

Colonel Millett, I want you to know that we have, despite any implications to the contrary, no golden calf within our barn, and the work of any student who feels that he has the urge to write a minority report is most acceptable if it is complete. Thank you.

(30 August 1949--750)S.