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MATERIAL PLANNING FOR DEFENSE PRODUCTION

13 May 1952

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Mr. Manly Fleischmann, Administrator of the Defense Production Administration, was born in Hamburg, New York, 15 July 1908. In 1929 he was graduated from Harvard University and in 1933 from the University of Buffalo Law School. He first entered Federal Service in April 1941, serving until August 1943 as assistant general counsel of the War Production Board and its predecessor agencies. In August 1943 he was commissioned a Lieutenant in the Navy and assigned to the Office of Strategic Services. He served in India and Burma directing OSS operations while attached to the XV Indian Corps. Upon his return to this country, he was placed on inactive status in September 1945 in order to serve as general counsel for the Foreign Liquidation Commission in the State Department. In that capacity he was in charge of the legal work involved in the wind-up of the Lend-Lease accounts. He resigned that post in February 1946 to return to private law practice. During the summer of 1950 he was consultant to the ECA on Asian problems. Mr. Fleischmann was appointed administrator of the Defense Production Administration on 23 July 1951. Mr. Fleischmann, general council of the National Production Authority since it was established in September 1950, became administrator of NPA on 24 January 1951. During the period 23 July 1951 to 8 January 1952, he was chief of both DPA and NPA. On 8 January he resigned his position as administrator of NPA in order that he might devote himself exclusively to duties as administrator of DPA. He is coauthor with WPB General Counsel John Lord O'Brien of "War Production Board Administrative Policies and Procedures." He was awarded the Bronze Star and a Presidential Unit Citation and was also decorated by the Government of Siam for his work in that country.

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GENERAL HOLMAN: Gentlemen, the purpose of our lecture this morning is twofold: to acquaint you with some of the many complex problems of providing materials for the rearmament program, while at the same time keeping that segment of our economy and industry which is not directly involved in the program in a strong and healthy condition; and, second, to acquaint you with some of the problems of production from the policy and the national level.

Our speaker, Mr. Manly Fleischmann, I am sure you will find has some very interesting and realistic views on both of these topics. We tried to get him to talk to us here in January when we were in the production phase of the course; but, as things have transpired, I think we are much more fortunate in having him with us at this later date. As you know, he will be turning over the administration of the Defense Production Authority (DPA) to Mr. Henry Fowler at the end of the month, when he will return to his law practice in Buffalo.

Mr. Fleischmann, we are greatly honored to have you with us, and we feel that our studies here would be incomplete without having the pleasure and the opportunity of hearing from you on these two important subjects.

MR. FLEISCHMANN: Thank you, General. Gentlemen, it is a pleasure for me that I could wait until this particular period to come over to talk to you. As an almost has-been, it is going to be much easier for me to talk frankly and freely about some of the problems we have faced and will face in the future. I will feel perfectly at liberty to recommend the solution of many difficult problems, as I will have no responsibility for carrying out those recommendations. As I have perfect confidence in Mr. Fowler, there is no task too great for me to prescribe for him as my successor.

First, I want to review for you very briefly the progress that has been made to date in the mobilization effort. In order to do that, I must remind you of what I suppose is familiar and yet cannot be stressed too much; namely, that what has happened in the United States since Korea didn't just happen; it was planned to work out substantially the way it has. It is frequently said that nothing in Washington ever occurs as the result of a plan, but I suggest to you that is not the case at this time. A plan did emerge following the outbreak of hostilities in Korea, a simple, sensible plan. It has not been changed much in the nearly two years since that time.

With respect to planning, I do want to make one observation. That is this: I have found from time past that planning in the abstract sense

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in a field as complicated and difficult as mobilization generally does not avail much when the guns start firing. That was true in World War II. Not much of the planning that had been done to take care of industrial mobilization was ever put to use. It was true again at the outbreak of hostilities in Korea. Nearly all the extensive planning work that had been done by the National Security Resources Board (NSRB) and, to a lesser extent by the Munitions Board, was pretty much shelved when we actually got into difficulty.

That has been my own experience. I think it is necessary to make plans in peacetime for war, but the fact of the matter is that conditions of war, when they develop, are very different from anything that can be imagined.

What we did this time was to go back to the methods used in World War II, take them out of moth balls, and use them without any substantial change. There was very little done to improve upon the Controlled Materials Plan (CMP) and the other procedures that developed during World War II. Such improvements as have been made, and there have been some, have been as a result of actual operations during the last two years rather than of the interim planning period.

The plan that emerged to meet the Korean crisis was tailor made for that kind of trouble and, since that kind of trouble had not been clearly envisaged, there was no other plan available. The plan had four points.

In the first place we were facing a new kind of war, a semiwar, if you will, so we didn't need a massive production of guns, planes, and tanks; we needed a limited number of them sufficient, we hoped, to give us a clear superiority in Korea and sufficient, if we were drawn into a global conflict, to supply, during its early period, the Army, Navy, and Air Force; but not the tremendous volume of weapons we would need if all-out war threatened.

Secondly, and more important, we wanted to expand the so-called mobilization base. There are two phases of that. The first one is obviously the plants and facilities for producing new guns, tanks, and planes in great volume. They would not, according to this plan, be operated at maximum capacity unless and until war should start, but, if it should come, we wanted to have plants in being so that we could turn the switch and very quickly, perhaps within the space of a year, attain that position of overwhelming superiority which we reached toward the latter stages of World War II.

The third point of the plan, which is the second phase of the mobilization base, was recognition of the fact that nobody fights a war just with guns, planes, and tanks; that to back them up you need a tremendous industrial base.

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At the time of Korea, we didn't have enough aluminum even to take care of aircraft requirements in the event of all-out war. You can't get new aluminum without expanding electric power production. We set about, as part of the program to expand industrial capacity in this country, particularly in the areas most intimately related to the production of munitions and the preparation for war. That included the expansion of aluminum by 100 percent; the expansion of electric power capacity by something like 50 percent; steel by 20 percent; petroleum by a very large percentage; and so on down the line. So far as the drain on materials and our resources is concerned, expansion is the biggest part of the job.

One of the things most frequently misunderstood in a discussion of our mobilization effort is the relationship of the direct military expansion and this vast industrial expansion. Military production, as I have said many times, is the part of the iceberg visible above the surface, whereas the larger part, the seven-eighths submerged, is this tremendous industrial expansion provided by the steel, aluminum, machine-tool industries, and all the rest. That was the third point in the plan, the tremendous scope of our industrial expansion.

Finally, as the fourth point, we were going to do all that we planned to do without closing down civilian production. That was perhaps the most controversial part of the plan. It was said that the plan was too grandiose, too ambitious, and that it could not be accomplished. It was said that you could not produce new weapons and make factories for the production of new weapons in the greatest expansion of American industry in history and still leave industry operating at a greatly reduced but adequate level. The people who said it could not be done will have to look for explanations because it has been done. All four points have been met or we are on the way to meet them. It is frequently difficult. However, the plan was feasible and will be accomplished with some delays but not too many.

All of you know that plan, all of you have heard it discussed, so I will say no more about the plan. I will discuss where we are. Winston Churchill made a remark, when he was over here last year, that I found of great interest. He said he had been engaged in war and preparation for war seven or eight times in his lifetime, and he had always hoped that the first or the second year of preparation for war and mobilization would produce a tremendous volume of weapons; but he had always found that it could not be done--no matter how expert the planning, the preparation, and the execution of the plans. It was the third year of mobilization that really began to produce weapons in volume. He pointed out that it had been true even with the unparalleled capacities of the American production machine in World War II; that despite such capacities it was the third year before we began to get some weapons.

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I would like to be able to report to you, and you would like to think, that we have solved that problem this time. The fact of the matter is that it has taken two years to tool up, and I will venture a prediction that the third year will see the pay-off again as it did in World War II and World War I.

Why is that so? Well, there are certain things that have to be done that are not always done, not ready, when you start a mobilization effort, particularly when you are thrown into it overnight as we were at the time of Korea. There was no long and gentle build-up such as we had before World War II. One day we were at the lowest point that a nation of this size and strength could sink to, militarily speaking; the next day we were in a kind of war and it was suddenly realized we were in terrible international peril and that we should do something about it. It was as sudden as that.

We started from the lowest conceivable level; we had to make it up as fast as possible. What was done about it? Well, you can describe the first year as the year of solving the materials problems--the year from 1 July 1950 to July 1951. We are often said to have repeated all the mistakes made in World War II during this mobilization effort. No criticism irritates me quite as much as that. I am thick skinned about criticism at this late state of my government career, but that one always gets under my skin. In my judgment we have avoided all the mistakes of World War II. We have made a lot of mistakes but they are new ones this time; they are mistakes we thought of ourselves.

Unlike World War II, it was realized right from the start that metals are the key materials, that they are the key to mobilization. It was realized that no simple system of priorities such as caused us the trouble in World War II could solve the problems of even this limited mobilization. It was realized, and the lesson of experience, I think, was well learned and put into effect, that what you needed was a quantitative system of distributing scarce metals--steel, copper, and aluminum--so that a balanced program could be achieved; so that all military production could be guaranteed from the standpoint, at least, of materials; so that all this could be done in the quickest possible time. The experience of World War II showed us that no system of priorities could possibly accomplish that: First, because priorities are always a handicap, when too many of them are issued. Second, because the pressure necessary to issue too many of them without any quantitative limitation is always inescapable and cannot be met by any administrative agency, including the Munitions Board, or any civilian agency.

That was realized right from the start. When I hear the criticism made by civilians who don't know much on the subject, and even, if I may say so, by high ranking officials of the service in testimony before Congress that the basic mistake was that we didn't put the CMP into operation soon enough, I engage in a bitter laugh. The fact of the matter is,

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the CMP was put into effect at the earliest possible moment. You must remember that the civilian agencies were not set up and in operation until November 1950.

Regardless of whether or not a strict quantitative control like CMP should be put into effect, we had no requirements from anybody--military, civilian, or any group; and requirements are basic in a CMP. It was the opinion of every expert that the earliest possible date you could have the CMP in operation was October 1951; but a small minority who had worked through it before believed it might just be done by July 1951. The decision was to take the earliest possible date. That was done, and the CMP was in operation in July 1951.

I made several predictions before congressional committees and others in the spring and the summer of 1951, that it would not work very well at the outset. We were abused because it didn't work very well at the outset; but the fact of the matter is, it is now in operation and I think it is the experience of most of you who were through it before that it is working as well as it ever did in World War II.

The CMP ticket, generally speaking, except for the very scarce metals, is pretty much a certified check for the amount of material it calls for. You hear the cries of steel mills and copper mills that they are afraid CMP will ruin their business because they have not the usual sizable backlog of orders. It is the intention of CMP to reduce the demands to the size of supplies, so of course they don't have sizable backlogs all year.

The fact of the matter is there is no instance where there is waste space in the aluminum mills, the brass mills, or the wire mills. That is not quite true--there's no copper going begging; there's no aluminum going begging although there is some excess of fabrication. But there is no metal available being wasted. In the steel picture, it is only a few of the high-priced premium mills that have space.

So in my judgment CMP is working as well as we could expect.

The second aspect, the problem that bogged down in the first year, was that of expanding supply. That, too, was badly neglected in World War II. We caught up with those problems piecemeal. There was a tremendous expansion, but not a planned expansion. This time it was done with quite a bit of energy and zeal; there was a tremendous plant expansion of every metal where there was the slightest possibility of expansion.

I am going to speak before I close about what I think is one of our continuing problems--the shortage of alloy metals, even though terrific efforts have been made to correct it.

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In the first year tremendous progress was made in making the system indispensable in time of war and almost equally indispensable in time of a mobilization such as we are going through. We accomplished the military program and a larger industry capacity able to guarantee to be on schedule so far as materials availability was concerned.

Now, the year two of any mobilization effort is usually the year of tooling up, of plant building, of getting ready for all-out production. That is what it has proved to be in this year that is now just coming to a close. It would be nice again if I could report to you that through some miraculous prevision the services and the civilian agencies had been able to tell right down to the last machine tool, let's say, by six days after Korea how many of each would be needed for this vast program. I can't report that. You will never be able to do it in any mobilization effort.

At the time of Korea everything planned had to be reset and redone. Armed forces requirements could not have been known immediately, so it was actually the end of 1951 before either the civilian agencies of the armed forces really had an idea of machine-tool requirements. Of course that study is one that never ends; it goes on today and will go on for 10 years and as long as there is any mobilization.

One of the principal delays in addition to what I mentioned was in the pricing factor, which many of you may remember. It is fair to point out that the machine-tool industry is a feast or famine industry. They were right on the bottom from the end of World War II until Korea. At that time three months were wasted in haggling over the price of contracts. It was not until June 1951, a year after Korea, that the problem was solved and we could get on with the business of getting the machine tools up to date.

This past year has known extraordinary progress in that job. Machine-tool production, of course, has doubled and redoubled and is still very much on the upgrade. On the questions that faced you organizationally at the height of World War II in some areas, notably the area of subcontracting, a better job has been done by the industry than was ever done in World War II.

The problem now is the future of the machine-tool industry rather than the present prospective of production. Vast new plants have come in and are coming in every day. Tooling is not solved, but it is the end of the beginning, if not the beginning of the end. For that phase of mobilization, let me remind you that when it is said there is a machine-tool bottleneck, which there certainly is, there always will be a machine-tool bottleneck. If every military user thinks he can get every machine tool on the day he wants it, that day will never come. If the machine-tool industry were deprived of a substantial backlog of orders, if it could not have an existing supply for this tremendous operation, you would not

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have a healthy mobilization economy. This large backlog of machine-tool orders has been reduced from 24 to 16 months now. You don't want to get it very much lower than that.

There will always be a machine-tool bottleneck. We have to reduce that and see to it, by control of the distribution of machine tools, that all the machine tools that come out are being channeled as well as we can do it; that the most urgent needs are first; and that reasons are given for a priority list, which, as you know, the services have done. Then we have taken an industrial step toward setting up effective control.

As of now it can be stated that the manner and method of controlling machine-tool production and distribution is as tight and, I think, as efficient as any method used at any time during World War II. Every critical machine-tool requirement is scrutinized for the delivery requirement before it leaves the plant. We have established a master preference list, so a great deal of the work of distribution can be done by the plant without the intervention of the Government. Every survey in the National Production Authority (NPA) on the machine-tool situation finds that if the problem has not been licked, it will never be licked; but that everything has been done by civilian and military agencies to solve the worst aspects of the problem.

The third year, which we are just about to enter, must be the year of production; not the tremendous volume of mass production we had in World War II. It has not been planned that way. In my judgment, it should not have been planned that way. This will be the year, if ever, when we will start to get the planes, guns, and tanks that we are paying for as taxpayers and that we planned for in our governmental capacity. I am by nature an optimistic and confident fellow. I think we will come out. I think it will come out just about the way it did in World War II. I see every indication that exactly that is happening. Production and delivery curves are now starting to go upward at a pretty good clip, after having sauntered along on a horizontal plane for too long. Planes that we needed, the F-86, for example, are the ones that currently are being accelerated the most.

All of us in this room have heard conflicting stories about the might, or lack of might, of our potential adversaries. It is my own judgment, for what it is worth, and it is not based on any exclusive information I have, that we are just about to catch up with the Russians in the most important phases of military production, on planes, for example, by the first of next year. From then on we will be limited only by the availability of appropriations and by what we want to do.

The United States and Russia have different concepts of warfare. We are ahead in some respects and behind in others. Personally, I see no reason to fear anything not known of Russian production. I think we will equal it in the most important phases at an early date. I know many of you will give me an argument on that.

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At the NPA and the DPA we are trying to concentrate all our efforts, all our personnel, on the single main, important problem for this year-- that of military production. We have set up, as you know, an elaborate expediting arrangement. We have expanded the priority system so that it now embraces far more of the so-called B-product category. We are open and welcome to any suggestions as to what additional steps can be taken to increase the availability of materials and components for military production, because we consider that the number one job of the year ahead.

The work that has been done in the Defense Department by Mr. Bedford and his staff, working with the Munitions Board, to me, if not miraculous, is sensationally successful. It is beginning to pay off in the gradual elimination of bottlenecks. As I say, I am basically optimistic. I saw this thing happen in World War II. I know there is no use of cutting production, because, by the systematic elimination, one by one, of bottlenecks, the over-all military production figures will go up, lagging always a little behind the current schedule, which I believe is a very healthy thing. It seems to me we are certainly on the verge of the pay-off.

As to whether the planned appropriation is large enough, I don't have any view; I hope it is. I could wish for a greater margin of safety, but the limitation of funds makes that difficult of accomplishment. But I do think in the field of production we are on the verge of accomplishing the plan, at least on the current schedule.

Now, I would like to outline to you what I think are the major problems of the years ahead in the mobilization field. To me, the number one problem is the problem of public support for the mobilization effort. All other problems, in my judgment, fade into insignificance as compared with that psychological, political, sociological problem: How much will the American people pay for proper defense of our security?

It is a disheartening thing to realize that only two years ago this Nation had come to the point where a second-rate power could, with apparent impunity, challenge us--and only four and one-half years after the last guns of World War II had been fired. In that space of a few short years we had come from a position of unparalleled military, economic, and political leadership in the world to a position so lowly that we were almost without defenses; this was all because the American people had no proper estimate of the international situation and the perils we faced. Very fortunately, the dictator guessed wrong again; the American people did awake in time; and we set about correcting that perilous situation. We are back on the highroad again. I think we are now rapidly approaching a position of comparative international security, where the danger of war seems to me somewhat more remote. That condition will continue to improve only if we are able to maintain adequate defenses.

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It is a most discouraging thing to find that less than two years after we awakened, and before we have been able to liquidate this war in which we are engaging today, that public support has apparently slipped again and we are faced with what seems to me a most menacing drive on the level of priority. I suggest that you know that we can't do anything on this key problem, but that all of us, as citizens, must continue to bear in mind that all the controlled materials plans and jet rocket blueprints in the world will do us no good if we don't have money to produce them. The key problem in the years ahead is how to maintain public awareness, translated into public support of priorities. I hope as a citizen to devote part of my time to a contribution in that field.

Now, turning to other problems that we can do more about--our number one problem, substantially, is our inadequate supply of alloying metals. The extent of that deficit is, of course, classified information. But this much is known and can be freely stated: We don't have available either in the United States, or in fact in the free world, sufficient of the key alloying metals to support the requirements of an all-out war in terms of the planes and tanks and guns that are presently contemplated, according to current specifications. It is as difficult as that. In the fields of columbium, cobalt, and nickel, we are absolutely short. With everything that can be done to increase production, we still haven't enough of those key metals. That is not to say we cannot fight a war; obviously, we can. It is to say, however, that the Defense Department must vigorously pursue every conceivable plan of substitution and conservation of those five or six tightest metals, because there is not going to be enough of them to go around under any conceivable program that can be put into effect. It is to say, secondly, that the civilian agencies must exert every conceivable effort to get those metals--I put it literally--at any cost and stockpile them against the possibility of all-out war. Even with the most vigorous stockpiling program, supplemented by a buying policy that does not recognize the value of cost at all, you simply will not get enough of those metals that we as Americans will want to have if we are forced into war.

That brings me to a corollary of that problem; that is the problem of nationalism in its relation to the material problem. It gives me a very depressed feeling when I hear some people say that in the event of war, if necessary, we could draw in our horns, abandon Asia and Africa, and sit in the United States and defend the United States. The difficulty is, we don't produce in the United States enough of the key alloying metals to fight any kind of war. We don't produce cobalt in any volume. We don't produce columbium; we don't produce nickel, although we could get nickel from Canada. We have inadequate supplies of tungsten, beryl, whole hosts of metals without which you can't fight any kind of war.

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Most of the items have to be shipped here from Africa and Asia. If our supplies from Africa and Asia were shut off, that loss of supplies would shut down our war production very quickly or reduce it to a fraction of our contemplated strength. I say we must get those metals and in quantity. We must bargain and deal with every nation that is able to increase our supply of those metals.

As an indication of my own views on the subject, I refer you to the kind of arrangement we made with the British, when Mr. Churchill was here, under which we supply the British with a reasonable amount of steel, which we can well afford, and they give us or sell us tin and aluminum. That to me is an ideal type of arrangement--each nation selling the other what it can afford to sell from the standpoint of its own economy and getting what it needs in return to bolster its own economy. I think there should be more deals of that kind. We must take a long view of such deals rather than the one a friend of mine took. He said, "I think, Mr. Fleischmann, that was a wonderful deal you made with the British; but I didn't like that part where you gave them part of our steel." That would be humorous if there weren't such a prevalent attitude in the country that we can keep all our sulphur and other excess materials. Other countries must pay homage to us, give us their cobalt and tungsten, and all the rest, but we will give up anything only if it is completely convenient and completely desirable to do it. We won't survive in the world in that way. We must share even if it is difficult to do it. In no other way can we meet the requirements of all-out war.

The Defense Department, I believe, has as its number one assignment over here the problem of alloying elements. I believe no amount of study will be wasted in this operation. It is the key problem facing us in the event of all-out war.

The second problem, almost equally important, is the problem I referred to a moment ago--that of the machine-tool industry. It has taken us close to two years to get the machine-tool industry running at a respectable rate again. The industry is now beginning to fear the probability of another slump back to its pre-Korea rate of operation. You cannot turn on the switch in the machine-tool industry and supply overnight a tremendous rate of machine-tool production. Manpower, material, capital problems make it impossible.

We must, therefore, develop a national policy which, as long as our international insecurity continues, will keep the machine-tool industry operating, not at the present tremendous level but at a level above what we had pre-Korea; that is being worked on daily. Again it comes back to a matter of money. Can we stockpile complicated machine tools as we do material? I don't know. I put it to you. It is one of the great unsolved problems of mobilization.

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We have another problem--the proper control of B products. How many B products, components particularly, ought to be built to maintain the proper level of military production and civilian production? The problem was never solved during World War II. It is one problem the CMP does not afford us the solution. We muddled through it in World War II; I agree to that. We are muddling through on the B-product program in this operation. We have some of the best people available to us on that problem. So has the Munitions Board. Between us I hope we can come out with some better method of regulating the whole field of components and equipment known as B products. I regret to state that up to the present time we have not done so.

The only other problem is the problem of decontrol. You read a great deal of that in the press. At the present time we are trying to soft-pedal all the talk of decontrol. All of us are given to talking too much in public; I have done it myself. In my own judgment, the talk of decontrol at the present time is very premature. For one thing, until we are further along toward our goal of national security, we need CMP, in my own judgment, as an insurance policy against the possibility of all-out war. We have shown men you can't set up CMP and operate it effectively in less than 12 or 15 months. We don't want to have to start from scratch again, for the same reason we are stockpiling metals. In my judgment, we ought to keep up the basic CMP control for a reasonable time, until it appears more likely than it does now that we will be successful in fighting a war.

The pressure for decontrol of a fairly drastic kind is strong. We don't contemplate that kind of decontrol. We contemplate regulating the operations of the CMP so that after the requirements of the program, including the military, have been taken care of, if there is open space at the mills, provision will be made to have it taken up by manufacturers who can use it. We believe that is a reasonable judgment. We hope we can work it out in the next two or three years. We hope that will dry up a little of the talk of immediate decontrol.

With the steel strike, the possibility of a copper strike and an aluminum strike, it would be the height of folly to contemplate an assurance of decontrol of any of those metals at a fixed date in the future. My own thinking is, what you do on decontrols is take a step toward decontrol when present conditions warrant it and not undertake total decontrol at a set time in the future. If we lose a month's production of steel, or a two-weeks' production of copper, as we are very likely to do, we would have to postpone all such estimates.

Finally, we are making in the civilian agencies a review as comprehensive as we know how of that part of the mobilization base devoted to the production of munitions--end items of war. We are reviewing this under a staff which we have set up specially for the purpose.

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In World War II certain bottlenecks developed. The same bottlenecks turned up this time as last time--such things as special types of valves, heat exchangers, heavy cranes, heavy castings--a common problem with which we are wrestling today. The same bottlenecks seem to recur in the mobilization effort. We are trying on the industrial side to isolate bottlenecks as a result of the very large and efficient reservoir of tools we have in DPA and NPA, people who went through the experience before. It seems to us that now is the time to attack, to look at the over-all, the original of industrial strength, to see where it is and what kind of job can be done by the best representatives of industry we have at the present time, as distinguished from the peacetime planning agency, like NSRB.

There is one tremendous handicap in doing this; we don't have the defense setup that we had in World War II. For the benefit of those who may not know about that, it is the key weakness in the mobilization structure. At that time, the Defense Plant Corporation could make complete plans for any item of production that constituted a bottleneck or that was needed for the prosecution of war. We don't have such a setup for funds at the present time. So, if we find, for example, that a shortage of some kind of crystals, let us say, is impeding the war effort, there is no fund available to the defense agencies to break that bottleneck. It is handicapped by legal difficulties and lack of such funds.

What we hope to do is come up with a kind of blueprint, a catalog of what we think are some of the outstanding key differentials in the event of all-out war. We then intend, when that list has been prepared and screened, to put the facts before Congress for such action as it may want to take. There will be some of those differentials that private industry will make up through tax amortization incentives, loans, and things of that kind. When you do that, that will be a marginal item, and of no attraction to private business, because the need of it is confined to the practice of all-out war. We hope to get rid of bottleneck items. We hope to secure legislation designed to give us real security of the kind that seems to me to be indispensable.

This is a brief review of some of the accomplishments on both sides of the river. We have some failures, such as the failure to solve the alloy and B-product problems. Some of the unsolved problems, I am sure, will haunt us in the years ahead, to which I invite your attention as representatives of the armed forces, because this war, as World War II, has convinced me that only by cooperative action between the armed forces and the civilian agencies can any of these problems be finally solved. Thank you.

COLONEL BARNES: Gentlemen, the allotted time is up. Mr. Fleischmann, on behalf of all of us, I thank you genuinely for your very fine lecture. I will add this personal note--when you leave Washington to

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carry on your law practice, I hope you will take with you the feeling that we are part of the host of those loyal supporters you are leaving behind.

MR. FLEISCHMANN: Thank you very much.

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