

ECONOMIC MOBILIZATION SINCE WORLD WAR II

26 August 1953

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Washington, D. C.

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DR. HUNTER: Admiral Hague, General Greeley, and gentlemen: Yesterday morning, gentlemen, in what developed into an endurance contest between the audience and the speaker, I endeavored to carry the story of American economic mobilization experience from Lexington, Concord, and Bunker Hill right down to V-J Day and cleared the way for this morning's discussion of our experience since the Second World War.

Here at the Industrial College, as you will discover, and are discovering, we get all kinds and types of speakers. We get industry men. We get financial tycoons, labor leaders, and politicians. We have many Government men too, both experts and the men who deliver speeches prepared for them by experts. From time to time also we make our bow to the ivy-covered halls of higher learning and bring in college professors, especially economists.

Now, in deference to our speaker this morning, I shall make no jokes about placing thousands of economists end to end without reaching a conclusion. Two world wars and a great depression have made clear that economists are here to stay. They are one of the necessary, if at times painful, facts of life.

As his biography indicates, Dr. Somers is not only a professor, an economist, and a political scientist of distinction, but he has had extensive experience in Government, both in uniform and out of uniform. For these reasons, and for others that will become presently apparent, of all the speakers sponsored by the Mobilization Branch, Dr. Somers is just about my top favorite. And this is his fourth appearance here. I am not going to explain why. There are some products for which the salesman doesn't have to beat the drum. The product speaks for itself. I am sure it will do so this morning. Dr. Somers.

DR. SOMERS: Mr. Chairman, Admiral Hague, General Greeley, and gentlemen: It is a great pleasure for me to be back.

I was told in the letter inviting me here that this group is new, just starting this course, as distinguished from some groups I have addressed here near the end of their course; and therefore I should not assume much prior knowledge about industrial mobilization. As I read that I wondered whether one of the major contributions to your education made by the appearance of people like myself--who have spent many years grappling with the subject--is to give you early awareness that other people don't know very much either. This is not a useless

service, for it is really important to learn that this is not a field in which the right answers are readily available.

It is a very complex and difficult subject, in which there are no fixed answers. If you learn the right questions and how to think about them, this College will have served you well.

Today I hope to raise what I think are a few of the important questions. My framework for raising them is the experience of the last few years, since the end of World War II. I will call attention primarily to organizational questions, those which I think raise issues of enduring significance.

A first principle we all must learn about organization, it seems to me is the difference between legal authority and effective authority, between formal organization and informal organization, between the organization chart and operational reality. No chart or formal description whether it deals with Government or business, an academic institution, or even a social club is adequate to instruct one in the practical realities, the informal lines of authority or who take orders from whom in practice.

The importance of understanding informal authority and that it is no less real or formidable than formal legal authority cannot be exaggerated. I remind you, for example, that from the time he became dictator of Russia in the early twenties until 1940, Joseph Stalin held no post of any kind in the formal government of Russia. He was not in the government according to the organization chart. He held no official title. But he was the dictator in practice. The informal lines of authority made him the dictator. His office was secretary general of the Communist Party, which technically was not a part of the government.

It was only after the war started that he took the title of prime minister, perhaps to make his role more clear to Englishmen and Americans who tend to take organization charts literally. In this country many a city boss holds no formal political office.

During World War II, the influence and authority carried by Harry Hopkins could not be ascertained in any organization chart or in the legal authority of any official position he occupied. In the Army Service Forces during the last war I found that its head General Somervell was not always in a position to overrule the chiefs of the technical services below him; certainly not the Chief of Ordnance or the Chief of Engineers.

A second caution about these charts you have been studying is the misleading necessity of showing organizational components in distinct boxes. This suggests a separability of functions which is not real.

In practice, the functions in any particular box are rarely fully separable from functions in other boxes the realities would give us a confusing array of overlapping boxes at all points.

The chart of the present Office of Defense Mobilization--one of the charts you have in your hands--has one box which deals with financial policy, for example, and another box that deals with stabilization policy. I recently visited the Office of Defense Mobilization. The people there could not explain the precise difference between the jurisdictions of the Assistant Director of Financial Policy and the Assistant Director for Stabilization, because there are no stabilization problems that don't affect financial policy, and there are no financial policies that don't affect stabilization. I don't say this critically, because the problem is inescapable. If the divisions had been drawn differently, the character of the overlapping would be different, but overlapping would remain. The Assistant Director for Material and the Assistant Director for Manpower cannot be quite sure just where the line is drawn between them when presented with a problem of insufficient manpower to obtain needed materials. Simply drawing neat boxes on a chart does not tell you where specific complex problems will be handled when they arise--and most certainly they will tend to spread themselves through most of the boxes.

Third, we must be cautious about vague terms. One of the most commonly used phrases in this field is "coordinating mobilization planning." Not one of those three words has a specific and generally accepted meaning. What does "coordinating" mean? It has any number of possible administrative meanings, depending upon the context of the situation and who is using the term.

What is mobilization? Here you get to the core of one of this course's problems. Where are the lines drawn? What falls within the compass of industrial mobilization and what does not? Since we are dealing presumably with the total resources of the Nation, is it possible to draw a clear boundary line anywhere in particular? But if we fail to draw a line, don't we get dangerously all-inclusive? I think this is a problem you will be facing all through the year.

What is planning? I will confine myself at this point to pointing out the obvious fact that there cannot be a clear line of demarcation between planning and action. In an intelligent operation they are so interdependent that it is almost impossible to say where one begins and the other leaves off.

All of these points I am making are for the purpose of urging the necessity to look behind the charts, the job descriptions and the jargon if you are to comprehend the organizational and operational realities. Unless this is done the charts and the formal descriptions can be dangerously misleading. If their limitations are understood, they can be very useful instruments.

With this as background, I would like to discuss some actual organizational experience we have had since the end of World War II.

The first basic legislation after the end of the war was the National Security Act of 1947. The act of 1947 did three things of enduring organizational significance. One was the combining of the Armed Forces under a single holding company, then called the National Military Establishment. Second, was the creation of a National Security Resources Board and third, the creation of a National Security Council. All these are now so familiar to everybody that we tend to forget how relatively new they are. They are phenomena of the post-World War II period.

You are holding charts indicating the structure of these organizations. They are technically accurate, but they are unavoidably misleading and they certainly do not tell why the original National Military Establishment structure had so short a life--approximately two years.

You get the impression from the official chart that the Secretary of Defense, who is in the top box with lines drawn directly from him down to the Department of the Army, the Department of the Navy, and the Department of the Air Force, was the effective boss of these people, over their policies and over their actions. But that was not the case. The official shown in the top box who was James Forrestal--a very able secretary--did not have real authority over the people shown in the boxes below. They were in fact almost as independent as if he weren't there, except for the accidental factors of influence embodied in his energy and intelligence. His was largely a holding company operation.

The law said that he had the authority to exercise "general direction." What is general direction? In practice, it appears to mean that the subordinate official determines for himself whether the "direction" from his superior is "general" enough for him to have to pay attention to it. The law was extraordinarily vague. But, as we have said earlier, effective authority is not always based upon law, but is perhaps more dependent upon the institutional power relationships. By these standards the Secretary of Defense had no effective power channels. The established military and civilian bureaucracies in the several departments belonged to and were controlled by the Secretaries of those establishments, and were not accountable to the "top box."

The heads of these departments remained Cabinet members. They were members of the National Security Council. They could report directly to the Congress or to the President when they saw fit. But the law unrealistically said they had to take policy direction from a man who had neither a supporting bureaucracy nor exclusive jurisdiction in relation to the President or the Congress. Effective authority rested below the top box and it was divided authority. The chart does not tell you much about that.

A second problem was the role of the Joint Chiefs of Staff. The Joint Chiefs were said to be advisers to the Secretary of Defense and to the President of the United States. They did not have to advise the President through the Secretary but could do so directly. Since they could readily bypass the Secretary, he had no effective authority over them. Short of the President, they were in business for themselves.

There were other similar difficulties. They all added up to the fact that we had in effect military establishments independent of a relatively powerless Secretary at the top. This eventuality was not a complete surprise to the people who originally wrote the law. There had been a problem of compromising many points of view and conflicting power centers. You will recall the tremendous battle that raged over the Eberstadt Plan, the Bob Patterson Plan, and the Bureau of the Budget Plan during the legislative debates. Each of the military services was concerned; each was vastly suspicious of the other; and each was sure that every other plan for unification or coordination was only a subtle plot to diminish its role and to subordinate it to one of the other services. The result was they had to end up with a compromise which looked like unification on a chart but which gave nobody any power over anybody. But it was a first step. And perhaps it was necessary to go through this stage in order to move on later to something more effective.

In 1949 the act was basically amended. With the new legislation the heads of the individual departments of the services ceased to be individual members of the Cabinet. They ceased to be members of the National Security Council and ceased to be autonomous departmental secretaries. The individual departments become "administrative departments" directly under and responsible to the central department. Now the word "direction" by the Secretary of Defense ceased to have the word "general" in front of it, and he now had lines of authority which were more formidable and realistic.

Nothing was done about the Joint Chiefs problem, except indirectly. They were given a chairman. This attempt to coordinate would presumably make it easier for the Secretary of Defense to deal with the Joint Chiefs. But the law did not face up to the need for a clear chain of command through the Secretary to the President such as the Hoover Commission said is essential for effective Government administration. The Joint Chiefs remain to a considerable extent autonomous.

In 1953, through the President's Reorganization Plan No. 6, there was a further attempt to integrate control in the Secretary's Office. Included was a strengthening of the role of the Chairman of the Joint Chiefs of Staff and an attempt to make clearer the lines between him and the Secretary of Defense. It is much too early to know how the new design will work out as it has been in effect only a few months. We all

read the fevered debates on the theoretical merits and demerits of the plan at the time it was being considered. But the objectives of the authors of the plan were to bring the three departments within more effective control of the Secretary's Office and to strengthen the position of civilian authority.

These changes are in accord with the maxims of good organization. Clarity in lines of authority is indispensable. But even the best of theoretical maxims must be taken with some reserve. A beautifully designed pyramid of logically integrated chains of authority, such as the most ardent chart devotees dream about, has its dangers if the human beings behave precisely as the charts indicate. Such behavior would eliminate the conflict and the completion which are among democracy's most effective organizational assets as compared to totalitarian societies.

Dogged quarrels among officials look bad in the press and generally are reported as "the mess in Washington." But they serve a dynamic function which cannot be written into organization charts. The energetic conflicts among men like Robert Patterson, Harold Ickes, William Jeffers, and others, had much to do with the drive which caused us to exceed even the most optimistic production goals. Their differences not only proved the best way of keeping the public informed, but also was the best way to assure that the President, who had the final decisions to make, would be able to do so after exposure to many different views. President Roosevelt used to say that some overlapping authority kept the boys honest.

If, for example, the authority of the Joint Chiefs really gets centered in Admiral Radford, and if he is the only one whose views reach the President, and if the President is serious about his instructions, "I will not read any of your recommendations unless you people arrive at unanimous conclusions," the President will have cut himself off from full information. The things upon which those four men can arrive at a unanimous decision will be at a low common denominator, the least controversial items. The President will not be exposed to the strongly felt views of the individual chiefs of staff which do not get into the unanimous agreement or even the consensus. This is not the way to get the best or the most useful information.

If the President is to hear all the reports through the mouth of one man, he will get less than the combined knowledge and intelligence the Joint Chiefs has to offer. Insistence upon unanimity and communication solely through authoritative channels has a price which can be too costly.

The National Security Council (NSC) could in the long run be the most important invention of the postwar period. It is an organizational

attempt to correct a basic deficiency which existed throughout World War II. We lacked an organizational spot for the synthesizing of the three fundamental elements involved in war planning--the economic or production element, the strategic, and the political. The nearest thing to such a center that existed was the relationship between the Office of War Mobilization, in which the political and the production elements were generally brought together, and the Joint Chiefs of Staff. The Director of War Mobilization was allowed to attend periodically meetings of the Joint Chiefs of Staff and developed an essential informal relationship during the latter part of the war. The theory of the NSC was to overcome this serious gap and to make a place where all these fundamental considerations would merge and which might serve as a nucleus for what the British call a war cabinet.

The membership of the NSC in its first days, in 1947, was rather unbalanced. If you look through your charts you will find that the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force were all representing the military; and the Secretary of State was presumably representing everything else.

The 1949 amendments created a greater balance. With the President as Chairman, the Secretary of Defense represented the military, the Secretary of State represented the political and diplomatic considerations, and the head of the National Security Resources Board (NSRB) represented economic mobilization. This looked like a balanced and small body that could arrive at decisions, with all the basic considerations about equally represented at the highest level.

But that design soon dissipated. The NSC was too high and too prestigious an organization not to have everybody wanting to come to the meetings. And everybody did. The Director of the Budget was invited. The Chairman of the Council of Economic Advisers attended as did the Secretary of the Treasury. Then when in 1949 the act was again changed, the Director for Mutual Security was made a member. And later the Director of Defense Mobilization joined the group which soon had all the intimacy of a convention.

But it is not just a question of numbers. The larger the membership gets, the fewer the things which can be discussed. As the group grew larger, the question became who was representing what. For example, who was representing the military? The Chairman of the Joint Chiefs regularly attended--upon invitation. Who then spoke for the military--the Secretary of Defense or the Joint Chiefs Chairman? It wasn't very clear. The same dichotomy arose on the political side. With the Secretary of State and the Director for Mutual Security both representing responsibility for international affairs, who spoke for the diplomatic side? On the economic side the picture was utterly confused.

The Secretary of the Treasury, the Director of Defense Mobilization, the head of the National Security Resources Board, and the Chairman of the Council of Economic Advisers all were present. Who spoke for the economic side?

This type of disorganization diluted the purposes and procedures of the Council. Partially an effect and partially a contributing cause, the President didn't attend the meetings regularly after a certain point. The prestige and status of the National Security Council were moving very rapidly downward through 1952.

Since the new Administration has come in, and since the recent reorganization, the Council has become revitalized. It has begun to assume for the first time the role originally conceived for it. It is serving as an effective amalgam among the several basic factors which must go into overall mobilization planning. That derives from the fact that the new President of the United States is exceptionally at home in this phase of his responsibility. He has had considerable personal experience with the National Security Council, as he was himself an attending member when he was the Army Chief of Staff. He has personally attended almost all meetings since he became President. He has assigned to the Vice President--a statutory member--an effective operating role.

One of the ablest men in the White House, Robert Cutler, is the President's liaison officer to the National Security Council. He is the followup action man. He has actually undertaken a rigorous followup procedure for translating the decisions of the Council into action in the departments. As a result of all this, the NSC does now in fact have some of the better attributes of an operating war Cabinet.

Now we turn to the National Security Resources Board, the third of the innovations of the National Security Act. The NSRB has recently disappeared, but its experience should not be overlooked as an important negative guide for the future, particularly to its successor, the reorganized Office of Defense Mobilization.

The mission of the National Security Resources Board was confined to planning for economic mobilization. The original conception also included the idea that the NSRB would serve as a nucleus for the actual operating organization for industrial mobilization if and when a time arrived when we would have to move into a war position.

At the hearings on the National Security Act in 1947, the Chairman of the Senate Armed Forces Committee said: "We are of the thought that the Resources Board would operate in peacetime as a skeleton organization, and would expand in wartime as an operating agency for the allocation of materials and priorities." And the report of the committee says: "In time of war it (the NSRB) would be made the effectuating agency for

putting this plan into operation." In other words, it was the conception throughout that they would be a planning unit during peace, and that during war they would actually serve as the nucleus from which in expanded form would arise the center for control of economic mobilization.

In retrospect, this now appears to be a rather impractical notion, although it is still held in some quarters. The problem of personnel soon presented itself. The kind of personnel who proved available for pure general planning purposes would not provide the administrative and operational talent needed for a war situation. The latter type of administrative personality refused to be confined to planning alone.

The second great difficulty lay in the attempt to place planning in a vacuum. The NSRB was totally detached from the organs of responsibility for action. More and more we are coming to recognize that planning and action are not wholly separable if the planning is to prove realistic. Totally removed from the channels of operation, and all the insights and knowledge which only exposure to action can offer, the NSRB was never really in a position to do much more than "verbal" planning.

Another error was corrected in 1949, but worth noting. The authority of the NSRB originally rested in the whole Board. A board cannot be an effective decision-making body. It proved difficult even to get the members together in one room, let alone arriving at concrete decisions. Boards are for advice; for action one needs a single head. In 1949, following the recommendations of the Hoover Commission, the authority of the Board was transferred to the chairman.

The Board faced rather difficult days trying to decide what it was to plan for. What kind of war? Under what circumstances? Its work was generally in terms of full mobilization. This seemed logical enough at the time. The experts were saying that "There is no longer any such thing as a limited war." You can remember that in 1947 and 1948 everybody was saying: "The world is now small. Combat that breaks out anywhere must soon become a full-scale war." Another popular notion was that planning for all-out mobilization would serve the purposes of partial mobilization if that need would arise. The coming of the Korean "police action" of 1950, a type of exigency not foreseen in anybody's planning, demonstrated the hazards of some types of planning. But it has not dissuaded some folks from their capacity to foresee the future. Nothing wrong with the planning, just the actual events which were off!

Korea resulted in the passage of the Defense Production Act, which was signed on 8 September 1950. The next day the President issued Executive Order 10161, a very important Executive order, which was the basis for the partial mobilization, which followed upon Korea. Neither

the Defense Production Act of 1950 nor the Executive order derived from the previous planning for economic mobilization.

The first principle contained in the act and order was that the partial mobilization would be effected primarily through the existing agencies of the Government rather than by building up, as we did in World War II, emergency agencies for the special purpose of mobilization. The President, through his Executive order, divided the priority, allocation, and materiel functions among existing departments of the Government.

Secondly, the Administration decided to attempt to control the inflationary movement of prices through indirect controls. But it was again demonstrated that war pressures on prices cannot be controlled indirectly. The forces are too great, the economy is too complicated, for indirect controls--like credit controls--to prove adequate. Direct action through price control and rationing is inescapable.

Third, the NSRB was to be a small and central control unit. Stuart Symington, who was then its chairman, was given coordinating responsibility. But his authority was severely limited. Directive authority had not been delegated and Mr. Symington's powers were not clear. Nor was it clear how much of a mobilization effort was to be undertaken. This was a fundamental issue. There was a war going on. What kind of a war was it going to be? Did it require moving into a total war posture immediately? Needless to say, the price of excessive preparation for a contingency which does not occur can be extremely great. For example, if we were going to prepare immediately for a full war, we would have mobilized 10 million soldiers. If you did that and war didn't occur until three years later, you would have lost billions of dollars of essential production in terms of material that these men could have produced, which would seriously impair our long-run defense capacities.

Either decision carries with it very great risks--and it must be made largely on hunches. High military authority felt that a full war might break out sometime in the winter of 1950 to 1951. Since Korea came as so great a shock, the mood was that anything could now happen. Nobody was in a hurry to make definitive decisions, quite understandably. The military appeared to be thinking in terms of an all-out affair when it asked for a budget of 104 billion dollars.

It was not until 20 November 1951 two days before Congress reconvened and one day after the President had met with the NSC and the Joint Chiefs of Staff, that the official program decision was announced, through General Marshall. It was to be "partial mobilization"; full mobilization appeared ill advised. It was a guess which proved right.

The decision was made on the assumption that full war would not break out for some time, that partial mobilization would be adequate and would also make it possible to conserve our resources and develop a more substantial mobilization base for the future. Of course, if events hadn't worked out that way, Marshall would have been called a villain; we are rarely generous to the man who guesses wrong.

Once that decision was made, the next problem was how to galvanize public action. It was at first felt that we could start mobilization action with the agency that had been doing the planning. The personnel, the tradition of inactive planning, and the lack of status made that impractical, despite the exceptional talents of the relatively new Chairman, Mr. Symington. It soon appeared clear that vigorous action and effective authority would require the vitalizing influence of a new agency. But this too was a delicate problem of balance. Would it be wasteful to set up a new top mobilization authority at so early a stage of "partial mobilization"?

The Office of Defense Mobilization (ODM) was created in December 1950 and Charles Wilson was persuaded to give up the presidency of the General Electric Company to head that agency. He was given full presidential directive authority--a delegation of Executive authority probably without previous parallel.

NSRB continued to exist, but it was not clear why. The general explanation was that NSRB was to continue with long-range planning and ODM was to do short-range planning as well as coordination of the mobilization effort. The precise difference between these types of planning and why they had to be in separate agencies has yet to be made clear. Of course, NSRB gradually evaporated.

Charles Wilson was an eminently good choice in terms of the needs of the time. He brought with him enormous industrial prestige, which the Government needed at that time. He was a highly respected and successful industrialist and his willingness to serve gave great status to the general effort as well as the particular job. He helped meet a most formidable problem that we continue to face today, the persuasion of persons outside Government to accept Government posts.

ODM doesn't produce a thing; it has to see to it that others do. As was demonstrated in World War I and again in World War II, the negotiating, the compromising, the reconciling of all the complex forces in our society which the mobilization job requires can only be performed in a political context.

I see I have overtalked my time and so I will conclude briefly with a word on the future of planning for economic mobilization.

The new ODM has been established as a permanent agency; it is to be the locus for both short-range and long-range planning in economic mobilization. An attempt is being made not to repeat some of the difficulties of the past, such as those that came about through separating planning from action, by giving this agency some operational responsibility. It is now responsible, as you know, for control of stockpiling. ODM is now responsible for such allocations and priorities authority as still exists.

ODM is experimenting with a plan for having the head of each of its various divisions--Assistant Director for Manpower, Assistant Director for Defense, and so forth--to be a rotating position, to be assigned to a prominent citizen who will occupy the post for about six months. The office below will be permanent and stable. In this way, it is hoped that several able industrialists and men from other walks of life will be oriented and trained in some top mobilization jobs. While they could not be persuaded to take permanent jobs now, they can be obtained for six months. Thereby, a good reserve pool of knowledgeable executive talent can be ready for an emergency.

This is valuable even if these men do not eventually take Washington jobs. Their acquaintance with the governmental side of mobilization will make them more useful in their plants in Kansas City, Detroit, and elsewhere.

This type of education is an important part of the planning process, just as your present training is an important part of the planning process.

Real planning requires full knowledge and full communication with the operational centers whose everyday actions prove or disprove, strengthen or weaken, plans and parts of plans. The Director of the ODM has a rather impressive law and Executive order to back up his duties, in the sense that he is legally able to give directives to the various department heads. In reality, as a very wise man he doesn't try it, because in practice, such formal authority is not very meaningful. In the structure of this Government the Secretary of Defense, for example, wouldn't have to take his orders because his status and real authority are greater than the director's. The director must try to perform his job through negotiation and persuasion. One of the vehicles is his Advisory Board, which is attended by most members of the Cabinet.

The most important authority in mobilization planning rests primarily in the Department of Defense, because the multitude of concrete action it must take every day condition every plan which can be made, since they are a conscious or unconscious part of planning. Every action taken today in part dictates what action must be taken tomorrow and the day after that.

Mr. Wilson's decision to narrow the mobilization base is different from his predecessor's. It is an action decision, but it is a form of planning too. It sets the terms of the future. According to the organization charts this type of planning should be performed in ODM, but it is inescapable that Mr. Wilson, who is responsible for the placement of the contracts, will really have to make the decisions. The Secretary of the Treasury's recent decision to increase the interest rate is a tremendously important part of economic mobilization planning; but he makes it inescapably, not ODM.

The great problem that has to be worked out by ODM is how a coordinator who is supposed to reconcile all these important decisions, but doesn't have his hand in the daily decision-making process and has no way to influence the daily actions on which real plans depend, can make he himself felt--and effectively.

The big difficulty facing the planners in ODM today is not essentially different from that which killed NSRB. Therefore the real issue is how the ODM can avoid the same fate, the fate of ineffectuality, as the NSRB. If you can find an answer to that, you will have done a good year's work.

COLONEL BARNES: Dr. Somers is ready to defend everything he said.

QUESTION: Doctor, I wonder if you will comment on one particular facet of the authority that Mr. Johnson as Secretary of Defense showed as compared with the authority that Mr. Forrestal showed. Mr. Forrestal, as I recall, didn't issue any direct military directives; but Mr. Johnson, as Secretary of Defense, for one thing, I believe, stopped the construction of the supercarrier. Would you comment on that?

DR. SOMERS: When Mr. Forrestal was Secretary, there was some question whether he had authority to issue that kind of directive. I don't have information on the incident you are referring to; a great deal would depend upon whether it was taken before or after the amendments of 1949.

COMMENT: With particular reference to that date, I was of the opinion that the amendment to the National Security Act took place while Mr. Johnson was in office. He had no more authority than Mr. Forrestal had when he came in, but nevertheless he believed that he had more and took on more.

DR. SOMERS: You put that very well. A good deal of your authority depends on what you believe and how you exercise it.

QUESTION: I was a little surprised at something you said about planning. We have about a 40-billion-dollar budget for the military to

support the emergency war plan. We have operators in the field in the Armed Forces. I am told that we must mobilize our national resources to support that plan. Why, then, shouldn't we have an economic mobilization plan in blueprint form, with the operators in position, so that they can do the planning to support that 40-billion-dollar war plan?

DR. SOMERS: I think it is fair to say that it has not proved practical to put economic mobilization plans in blueprint form. The economy moves, changes, and shifts much too rapidly. The blueprint of today will not stand up in the economy of tomorrow. This does not mean we ought not to have planning; it merely means that planning of the blueprinting variety is not the right kind of planning.

QUESTION: My point was that the emergency war plan I am speaking of is constantly being revised. Why shouldn't the economic mobilization plan be constantly revised too, so as to keep it up to date on electronics, guns, and tanks day by day, month by month?

DR. SOMERS: If you mean, why can we not translate materiel requirements in terms of tons of steel, iron ore, textile, and so on, that is being done all the time and should be. But that is not quite what I mean by planning in the economic mobilization field which gets into the question of how are we going to mobilize all the resources we need, the techniques--economic, political, and organizational--for effective mobilization. Since a rigid blueprint can be totally upset by the smallest action or omission by Congress, by any unforeseen political event, the blueprint has the danger of proving a stultifying influence.

I am aware that such a statement has the danger of sounding anti-planning. I believe it would be disastrous to omit planning--which is why I have concerned myself so extensively here with the record of NSRB and the future of ODM. It is a question of what kind of planning is most useful. I have already insisted that effective planning must be made part of the chain of action, both to improve the actions and to make the planning realistic. Good planning is a form of preparedness. We are best prepared when we are fully informed, when the resources--human and otherwise--for quick and flexible determinations of needed action are readily available. Since the variables in political economy are infinite, we cannot trust to fixed charts, but can do better with a readiness in terms of fully trained and informed personnel, acquainted with the accumulated knowledge and experience and ready to draw upon the data which prove relevant to the actual given situation. Given the nature of the modern world, I trust intelligent and alert adaptability to what I believe to be the illusion of the firm plan. But I am sure we both agree that planning is an indispensable aspect of being prepared and that intelligent planning need not be a strait jacket.

COLONEL BARNES: Dr. Somers, we always look forward to your visits here. You never let us down. You didn't let us down today. On behalf of the College, I thank you for the full coverage you have given to the subject and for the stimulating way in which you have given it.

(9 Mar 1954--750)S/en