

IMPACT OF ATOMIC WAR ON METHODS AND PROCESSES  
OF ECONOMIC MOBILIZATION

10 May 1954

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Publication No. L54-130

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

Honorable Arthur S. Flemming, Director, Office of Defense Mobilization, was born in Kingston, New York, 12 June 1905. He received the following degrees: A. B., Ohio Wesleyan University, 1927, LL.D., 1941; A. M., American University, 1928, LL.D., 1942; LL. B., George Washington University, 1933; LL.D., Wesleyan University, Temple University, 1941, Oberlin College, 1950. His academic career includes: instructor, American University, 1927-30, director, School of Public Affairs, 1934-39, executive officer, 1938-39; president, Ohio Wesleyan University, 1948--. He was a member of the editorial staff, U. S. Daily (now U. S. News and World Report), 1930-34; editor, Uncle Sam's Diary, 1932-35; member, U. S. Civil Service Commission, 1939-48; Chief, Labor Supply, Labor Division, OPM, 1941-42; chairman, Management-Labor Policy Committee, War Manpower Commission, 1942-45; member, Manpower Survey Board, Department of the Navy, 1943-44; member, Advisory Council, Retraining and Reemployment Administration, Department of Labor, 1944-47; member, Commission on Organization of Executive Branch of Government, 1947-49; chairman, Advisory Committee on Personnel Management, Atomic Energy Commission, 1948-53; member, International Civil Service Advisory Board, 1950--; member of President's Advisory Committee on Government Organization and member of Defense Department Organization Committee, 1953; in 1951 appointed assistant to the Director in charge of manpower problems, and Director, Office of Defense Mobilization, 1953--, statutory member of the National Security Council; (on leave as President of Ohio Wesleyan University).

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COLONEL WALKER: Admiral Hague, distinguished guests, members of the faculty and student body: We are indeed very fortunate this morning in having as our speaker a very valued and long-time friend of the Industrial College, Honorable Arthur S. Flemming. As closely as I can compute the time, for about 15 years the Federal Government has made constant demands on his services; so much that I am sure that Ohio Wesleyan University, of which he is still President, must now think that he must be on a permanent leave of absence.

The Office of Defense Mobilization (ODM) was organized in the Executive Office of the President over three years ago. Nearly a year and one-half ago President Eisenhower appointed Dr. Flemming as its Director. In this position he has had the responsibility of establishing the overall mobilization policies of the Nation.

Dr. Flemming will speak to us this morning on the "Impact of Atomic War on Methods and Processes of Economic Mobilization." Dr. Flemming, it is indeed a real pleasure to welcome you here again to the Industrial College of the Armed Forces.

DR. FLEMMING: I am certainly very happy to have the opportunity of participating once again in the program of the Industrial College. I know of no educational program going on in the Government at the present time that is of more significance to the security of the Nation than this particular program. Consequently, it is always very stimulating to me to have the opportunity to come over here and compare notes with those who are participating in the program during any given year. I can assure you that personally I look forward to the question period with possibly more enthusiasm than I do the first part of the lecture. At that time I will begin to get some ideas that otherwise I would not have the opportunity of considering.

I am very happy to review the mobilization setup in the light of the emphasis that is suggested by the topic which was assigned to me by those who are responsible for your program. It seems to me that as we consider this subject it is necessary for us to keep in mind two basic premises--both of them stated, in my judgment, very effectively by the President of the United States.

The first was contained in a statement, with which all of you are familiar, that the President issued to the American people on 8 October 1953, when he said: "Soviet Russia has the capability of attack on the United States, and that capability will increase with the passage of time." Those of you who have had the opportunity of becoming familiar with recent intelligence estimates know that this statement is not an overstatement by any means.

The second premise which, it seems to me, it is necessary for us to keep in mind is this: "We shall not be aggressors, but we and our allies have and will maintain a massive capability to strike back." That was contained in the President's state of the Union message on 7 January 1954.

It is clear and obvious to all of us that both of these premises are of course related to atomic war.

In addition to those two premises, I would like to call your attention to at least two of the basic assumptions for defense mobilization planning that have recently been approved by the National Security Council (NSC). A little over a year ago those of us who had responsibility in the field of planning for defense mobilization felt that it was necessary to have a series of assumptions agreed upon at the highest level of the Government, and so we submitted to the NSC a draft of basic assumptions. The Planning Board of the Council then went over that draft and it was later submitted to those of us who serve as members of the Council. The draft was given "tentative" approval.

Then, a few weeks ago the assumptions were reviewed again and they were once again put on the agenda of the NSC and were approved, after some editing by the Council and by the members, at a meeting on 30 April 1954.

It is my purpose this morning to discuss our mobilization program in the light of the capability of ourselves and the potential aggressor to wage atomic war.

First of all, as all of us appreciate, it is absolutely essential for us as a nation to develop and maintain a strong mobilization base. If we are going to do that, we first of all need to know what our gaps in the mobilization base are; and, as most of you know, the Government has been engaged in a program which is designed to provide us with more substantial evidence than we have ever had before as to just what gaps do exist in our

mobilization base. Most of you know that the Department of Defense has provided us with the requirements for 1,000 major military end items. Those 1,000 items would account for about 80 percent of our total expenditures for military hard goods if we should become involved in all-out mobilization; and now the Department of Defense is in the process of translating those end-item requirements into, for example, materials requirements for such materials as steel, copper, aluminum, nickel, and so forth.

At the same time that the Department of Defense has been developing this information relative to the 1,000 major military end items, such agencies as the Department of Commerce, the Department of the Interior, the Defense Transport Administration, and others have been developing requirements information on 560 of the most important defense or war-supporting items.

It seems to me that it is obvious that it is very important for us to find out as quickly as possible what impact the new strategic concepts will have on the requirements data. It may bring to light requirements that are not now known to exist.

As you know, we take this requirements information and balance it against the available information relative to supply, and in that way identify our gaps.

But not only is it necessary for us to receive as quickly as possible a review of the requirements data in the light of new strategic concepts, but it is also important for us to have as soon as possible estimates of damage resulting from enemy attack in general war. Such an attack would obviously affect our ability to meet requirements. There is no doubt about that at all. It would also have an effect on requirements by reason of both the attack that we would make on the enemy and also the damage resulting from attack by the enemy. In some instances we would have time to reestablish our sources of supply; in other instances we would not.

How can we identify in advance the kind of a situation that might confront us? I appreciate that that is a difficult question to answer.

The NSC, over a period of the past few months, has, as many of you know, been devoting a great deal of consideration to the whole problem of continental defense. In connection with our consideration of the

problem, we have been trying to develop an organizational plan for carrying forward the Nation's total continental defense program and, as a part of that plan, we have felt that it was necessary to fix responsibility for assessing the damage that might result from an attack on the continental United States. I might say that those of us in the ODM feel that we should move just as rapidly as possible in the direction of providing such an assessment.

Obviously, to a very large extent that is a military responsibility. First of all there has to be an analysis of the capability of the enemy. In the second place, those who are trained to do such things have to place themselves in the position of the enemy to try to figure out what the enemy would attempt to do--so far as the continental United States is concerned. The military also has to make some evaluation as to what extent the enemy would succeed in what it attempted to do.

Then, of course, we will have to pick up at that particular point to determine what effect that would have on our whole mobilization base--whether you are thinking of facilities and equipment, or whether you are thinking in terms of strategic materials, manpower, or any other aspect of the mobilization base.

Having determined what effect it might have on the mobilization base, then, it seems to us, we have to develop a program that will anticipate the fact that that would happen and try to do everything we possibly can to offset the damage that might be caused by an attack.

I think that you can see that the heart of a program such as I am talking about at the present time is a reevaluation of the requirements situation and also an assessment of possible damage.

But not only do we need to identify the gaps in our mobilization base, gaps which would exist if the attack should not take place on the continental United States, and gaps which would exist if an attack should take place, we also need to pursue vigorously our programs for closing the gaps in our mobilization base.

As you know, we as a nation have made considerable progress in closing what we understand to be the gaps in our mobilization base. We have been operating against 240-odd expansion goals. An analysis of those expansion goals has indicated that in the case of approximately 150 we have reached our goals; and in the case of approximately 90 we have

not reached the goals. Let us keep in mind the fact that the evidence on which those goals were set is not the best kind of evidence. We may be fooling ourselves in concluding that the goals that have been reached really do constitute a closing of the gaps in our mobilization base. In the case of approximately 90, where we have not yet closed the gaps in the mobilization base, we feel that it is incumbent on the Government to do everything within its power to develop programs that will result in closing those gaps.

As you know, the principal incentive offered by the Government up to the present time for closing the gaps has been a program of rapid tax amortization. We estimate that private industry has invested, or decided to invest, about 29 billion dollars in programs designed to close the gaps in the mobilization base. Seventeen and one-half billion dollars of that 29 billion has been subject to a rapid tax writeoff and, of the 29 billion dollars, about 10 billion is now in place. We think that some additional gaps will be closed by reason of the fact that private industry will take advantage of this incentive of rapid tax writeoffs.

We also feel, however, that in connection with some of the gaps it is going to be necessary for the Congress to provide additional incentives for specific programs. For example, we have a serious gap as far as tankers are concerned, so we have asked the Congress for two pieces of legislation designed to help us close the gaps in that part of our mobilization base. We are going to have to take other programs, analyze them, develop specific programs, and ask the Congress to underwrite those programs.

Also, as you know, the Congress has provided the Department of Defense over a period of the past few years with approximately a quarter of a million dollars to be used for the purpose of building machine tools, for example, that would take a long while to build and that are needed if we are to close certain gaps in our mobilization base.

Personally, I am not very happy over the progress that has been made under that program. That amount of money was appropriated for the first time a couple of years ago. At that time one-half billion dollars was asked for. The Congress said, "Well, you have unexpended funds in the amount of approximately 600 million dollars. We will cut the half billion to 250 million." Last year, when the Department submitted its request for appropriation, it said it had not yet developed any program for spending that 250 million dollars. The Department asked the Congress for

authority to spend that money during the present fiscal year. This year, when appearing before the House Appropriations Committee, representatives of the Department were compelled to say again that they had not spent the money, and asked for authority to spend it during the fiscal year 1955. At that point the House Appropriations Committee dropped the item out of the budget.

It is now before the Senate Appropriations Committee, and I know the Department of Defense is going to make a vigorous presentation in behalf of the item, and in doing so is going to present specific programs for the utilization of those funds.

I am glad that we are apparently moving over the top of the hill so far as that program is concerned. I am sorry that we have not moved faster. I cite it simply as an illustration of how easy it is to figure that we have time on our side and to kind of settle back in our easy chairs and follow normal procedures for dealing with this problem of closing the gaps in our mobilization base.

I have the same feeling on this tanker program. I feel that that legislation should have been enacted by the Congress at the last session. The Senate did; the House did not. Although a good deal of this session is already over, we still don't have that legislation.

Part of our problem as I see it in the mobilization field is to develop these specific programs and to develop techniques for conveying to the people within the executive branch, and also to the people within the legislative branch, as well as to the country, a sense of urgency so far as the closing of the gaps is concerned. The fact that we know that Soviet Russia has the capability of attack on the United States, the fact that we know that Soviet Russia could start an atomic war by such an attack, certainly should inspire us to move far more rapidly than we have been moving up to the present time in closing these gaps.

Might I also say this while I am on that subject--that we are not going to be very successful, by and large, in persuading the Congress to provide us with the authority to close specific gaps unless we can talk to Congress on the basis of up-to-date requirements information. So you see, I go right back to the point I made in the first instance. It is very important for us to get up-to-date requirements information as soon as possible.

May I say that top side in the Department of Defense is having some difficulty in getting that information for us. Why? Because in some instances people don't quite want to make up their minds as to what kind of schedules they would set up in the event of general mobilization. We all know the nature of that problem. There is a lot going on in our scientific laboratories. There is always something right around the corner that might change our whole strategic concept. So we don't want to freeze a particular concept even long enough to do some planning.

I would like to approach it from this point of view. Let us assume that on a scale of 100 this number would represent the very best and most modern requirements data that you could possibly obtain. Well, if we were given requirements data that might be evaluated at 50, we would be far better off than we are at the present time. Then we would be in a far better position to develop specific programs for closing these gaps and going to the Congress and getting support for those programs.

To me that is one of the most challenging problems that we have in the field of defense mobilization at the present time. How do we get and keep reasonably current good, solid requirements data so that we really know what our gaps are in the mobilization base, and so that we can develop programs designed to close those gaps?

All right--not only do we need to identify our gaps in the mobilization base and develop programs that will close our gaps, but we also need to develop programs for maintaining our mobilization base. With the possibility of atomic war hanging over our heads, we just can't permit the base that we have built up to disintegrate; and yet we all know that is what we have done in the past as a nation. We build it up--we think the emergency is over--and we let it disintegrate. We know the production curve on military end items and supporting equipment is down; we know it should be down; we know it will continue to go down, assuming the international situation does not become more critical.

Well, that means that we are shutting down production lines. That means in many instances that we are shutting down plants. What are we doing about it? Are we really exercising all of the initiative of which we are capable, for example, to take our packages of machine tools and store them in warehouses right near the plants where they would be used, to maintain them, modernize them, keep them in a condition which would mean that if it were necessary for us to move into all-out mobilization we could do so in just a few weeks, instead of a few months, as has been the case in the past?

Then, what about that hard core of management, engineering, and skilled personnel that we would need if we were going to go back into wartime production in a very short period of time? Are we doing anything at all about maintaining that hard core of personnel? You know and I know that if we do do something about it, we can cut down our lead time by months; and if we don't do something about it, we will add to our lead time by months.

Personally, I feel that the Government can, should, and must enter into contracts with management which will call for keeping these packages of machine tools intact, and which will call for maintaining them and modernizing them. I also feel that the Government can and must enter into contracts with management that will call for keeping on the job that hard core of management, engineering, and skilled personnel. What are they going to do? Well, in some instances maybe they can be kept busy on one "hot" production line. In other instances where that is not feasible, they can be kept busy part of the time on normal peacetime production, with the understanding that whatever portion of their time is needed for maintaining and modernizing equipment will be available for that purpose; and with the further understanding that whatever time is needed in order to train them and keep them up to date on the production of a particular item will likewise be available.

The possibility of an atomic war means that we have to do those things which can only be done now in order to cut down our lead time if it becomes necessary for us to go into all-out production.

Then, of course, still staying with our mobilization base, all of us recognize the fact that we have to give a great deal more time and thought than we have in the past to the protection of that base. We recognize that industry is a front-line target. Each major industry, therefore, must analyze its vulnerability and develop an emergency plan for continuing maximum production in the event of an attack.

The Business and Defense Services Administration of the Department of Commerce has been assigned the principal governmental responsibility for providing advice and guidance to industry for this purpose, and an Industry Advisory Committee or task force normally serves as the focal point for study or analysis of the problem.

We feel that protective planning for industry includes such measures as: supply measures, which include preplanned production transfers, reserve stocks, and damage reporting systems; reconstruction measures,

which include advance engineering, construction and equipment planning; and preventive measures, which include possible dispersion, deconcentration, and protective construction.

Right now there are about 90 local industrial dispersion committees making density or target surveys of their communities. Since the Korean outbreak, approximately 80 percent of all defense supporting facilities, costing a million dollars or more, for which rapid-tax-amortization certificates were issued, have been located in dispersed areas.

In addition there are encouraging examples of emergency planning work under way in industry. The chemical industry has completed an industrywide plan for facility protection. It is now determining what production transfers should be made from plants located in vulnerable areas to plants located in dispersed areas, to give the best assurance to the continuity of production of vital wartime products.

The rubber industry has completed a plan to assure airplane tire production. This plan provides for alternate production sources at dispersed sites for this vital product. Additional steps are being taken to determine the equipment and personnel measures necessary to accomplish the transfers rapidly.

The communications industry is building alternate relay stations outside the congested areas of the most critical target cities. Several have been completed and others are in the process of construction. This provides greater assurance that the telecommunications network of the country will remain in service notwithstanding large-scale damage to metropolitan centers.

The steel industry has established a top-management group to work out plans for the continuity of steel production. Some of the largest companies have already provided alternate headquarters, duplicate records, and other facilities necessary for operation in the event that their present facilities are damaged.

The electronic industry, while comparatively new, is of everincreasing importance to munitions production. Its complexity has resulted in a somewhat different approach from that of the older and more integrated industries. The most concrete planning action to date has been taken with regard to receiving-tube production. The industry is now making an analysis of dispersed production facilities which might be used to produce receiving tubes now manufactured in a few sources vulnerably located.

The machine-tool industry is examining its most critical production problems, particularly to determine how it can be prepared to produce those machine tools now produced by a single source in the event that such a source should be temporarily put out of commission. One of the largest single-source machine-tool producers has incorporated many protective construction features in its plant.

Other industries, notably aluminum, electrical equipment, photographic film, scientific instruments, domestic jeweled watch movements, brass mill copper and copper wire, flexible tube and gear manufacturers, have started to work on plans to overcome production interruptions due to attack damage.

There is no question in our minds at all that this work must be broadened and intensified. There's a lot we can do now that will save us all kinds of difficulty if an attack should come.

So much for the mobilization base. Let me touch now on a number of other aspects of our mobilization program that it seems to me are very important in the light of the present capability of Soviet Russia.

I am sure there is no doubt in your minds, as there is none in ours, that we must pursue as vigorously as possible our program for assuring the availability of adequate supplies and stocks of strategic and critical materials in the event of an emergency.

Our basic underlying philosophy is that whenever there is some doubt as to whether we should accept a high figure or a low figure, for example, in setting a stockpile objective, we should resolve the doubt in favor of the high figure.

I do not suppose there is any aspect of our defense mobilization program that has been before the NSC more often--and even before the Cabinet more often--than our program for the stockpiling of strategic and critical materials.

I think you will get some reflection of the philosophy to which I have referred in the new stockpiling directive the President gave us a few weeks ago. He asked us to set not only minimum stockpile objectives, which are the objectives on which we have been operating, but also long-term stockpile objectives. As you know, in setting the minimum stockpile objectives in the past, the Government has figured what the requirements would be

and then has figured what the supply would be in the event of a general war. In doing that it has taken foreign sources of supply and discounted them on the basis of strategic advice from the Joint Chiefs of Staff, and political advice from the State Department.

The President's new directive specifies that in setting our long-term stockpile objectives we are to discount foreign sources of supply 100 percent, with the exception of a few countries that are located so close to us that we can count on receiving supplies from them. Those countries are to be identified by the NSC.

It is true that in reaching our minimum stockpile objectives we have been pursuing a program of doing everything we can to reach those objectives just as soon as possible. We don't know how much time we have on our side.

So far as the long-term stockpile objectives are concerned, the President has specified that we are to acquire materials for those long-term objectives at times when it is advantageous for the Government to do so.

Then, also, as we think of the impact of such a war on our Nation and on our resources, there is no doubt in the minds of any of us that we must develop and implement manpower programs. Even assuming full utilization of manpower, under full mobilization manpower, especially in the scientific and technical skills, will be a seriously limiting resource. All right. -- what are we going to do about it? There is real concern relative to that problem. Some of you undoubtedly have seen the results of studies made by the Central Intelligence Agency and other intelligence agencies relative to the progress that Russia has made in dealing with this particular problem. It looks as though they are just about up to us, and in all probability moving ahead of us, so far as the development of scientific and technical talent is concerned.

The President discussed this at a Cabinet meeting just a few weeks ago and, as the result of the discussion, asked me to head up a Cabinet committee designed to develop a program to see just what our Government should be doing that it is not doing now in the direction of providing the Nation with an additional number of scientific and technically trained personnel.

We are all conscious of the long lead time that is involved in correcting this situation, and we certainly have no time on our side. Are we

doing everything that it is possible for us to do to inspire and challenge high school students and college students who have aptitudes and abilities along this line to move in and get the kind of training that they should get if they are going to render the maximum of service to the Nation in a time of peril? Are we investing as much money as we should be investing in the training of such personnel?

Then of course it is perfectly obvious to us that there is a very real relationship between this problem and the development of a realistic reserve program. Just as the needs of industry for scientific and technically trained personnel are mounting rapidly, so the needs of the Armed Forces for scientific and technically trained personnel are mounting very rapidly. We all know that there will be a terrific scramble in the event of all-out mobilization for the services of scientific and technically trained personnel. The Armed Forces will need more than they can get; industry will need more than it can get. There won't be enough to go around. How are we going to make an adequate distribution of persons with that kind of training?

Well, it is also very clear to all of us that, if we are going to have to go through the kind of a war that is involved in the term "atomic war," when hostilities break out the Armed Forces are going to have to be in a position where they can reach out and command the services of large numbers of personnel, particularly scientific and technically trained personnel almost literally overnight. In other words, we must have a reserve program that will guarantee the Armed Forces that there are certain personnel that they can have in that argument.

Then, in addition, it will be essential to have a system for screening out other personnel, to determine whether they can render their best service in the Armed Forces or whether they can render their best service in industry. The President has directed the ODM and the Department of Defense to come up with a program for a realistic reserve system for days such as these.

The Department of Defense is submitting its recommendations to us today, --that is my understanding. We will, very shortly, submit our recommendations to the NSC, and there will be very careful consideration of this problem by the Council. What we are in effect saying is this: The time has come to make just as firm determinations relative to the size and composition of our reserve forces as we make relative to the size and composition of our active forces. We are also saying that it is

not possible to develop intelligent training programs for the reserves until we have decided what our objective is, namely, what the size and composition of our reserve forces should be.

So the machinery has been set in motion to provide that kind of a determination, first by the President, on the recommendation of the NSC; and then, of course, those recommendations will in turn be transmitted to the Congress for action.

Also it is clear that it is necessary for us to have an overall manpower plan for full mobilization. There has been a great deal of work going on in that area. I now have before me certain recommendations from a management-labor committee, also recommendations from an interagency committee. After we consider those recommendations they will also be submitted to the NSC, so that we will have a top-side determination of what should be done in that particular area in the event of general war.

Finally, a prime requisite for swift mobilization is an instant readiness on the part of the Government to cope effectively with its wartime responsibilities. Accordingly, we are concerning ourselves with such tasks as continuity of essential Government functions, production control systems, economic stabilization measures, an executive reserve for mobilization positions, a wartime organizational structure for the Government, and an overall appraisal of industrial and governmental readiness.

In order to provide minimum assurance of governmental continuity, each agency of the executive branch, pursuant to ODM guidance, is preparing an emergency plan for operation of its essential functions in the event of an attack. The emergency plans include: identification of the governmental activities deemed essential for wartime; determination of the personnel required to discharge those essential functions; provision for successions in command in nontarget or low-target rated areas where practicable; programs for duplication and safe storage of records indispensable for performance of essential wartime functions; and plans and methods for alerting personnel for movement to emergency locations prior to attack, with provision for minimum transportation, communications, supplies, and equipment required in the early stages of an emergency.

Our approach is to concentrate first on those actions which can be taken rapidly and at least cost. Then we will push ahead to develop a

practical and economical long-run solution. In this manner, while recognizing the need for economy and stability in relocation planning, every effort is being made to develop adequate and realistic plans. The plans must also be simple enough to be implemented swiftly and operationally ready for testing by an actual practice exercise in the near future. That will take place in June.

We are developing also a simplified production control system which can be put into operation swiftly when full mobilization occurs.

The experience of World War II and of the Korean War provides convincing evidence that the task of establishing an effective production control system would take almost a year in the absence of prior preparations. It is of crucial importance that this time be shortened.

An indispensable first step is to continue the Defense Materials Systems which are now in effect for military and atomic energy programs for as long as we must be prepared to move on short notice into stepped-up or full mobilization. At a recent meeting of the Cabinet it was decided that this would be done.

At the same time, action is being directed to the development of a simplified production controls system that is both readily adaptable to varying types of emergencies and can be put into operation quickly. The Department of Commerce is the agency that is spending a great deal of time on that particular assignment.

We are also developing economic stabilization measures for a war emergency. These plans will be submitted to Congress whenever conditions warrant such a move. For example, if it became necessary for the President to go to Congress to ask for authority to implement certain plans, we would in all probability ask the Congress at the same time for standby authority in these areas.

Such plans and programs will be flexible so that they can be adapted to alternative types of emergencies. They will seek to minimize the burdens of controls to the maximum extent consistent with effective stabilization.

Current emphasis is on the development of the initial actions necessary to launch a new stabilization program if needed in a new emergency. The problems encountered, once a stabilization program has been launched, will be tackled next. Past stabilization legislation has been reviewed

and drafts of new bills are being developed. Business and labor consultants are being used in connection with the carrying forward of this program.

Again, however, in the carrying out of programs of this kind, we must keep in mind the fact that Soviet Russia does have the capability of attack on the United States. This calls for an entirely different type of planning from what we have had in the past. For example, in the past we have debated as to when to put rationing into effect. You don't debate that now. You develop a rationing plan that can be put into effect immediately after the outbreak of hostilities in the event of general war.

We are also devoting a considerable amount of time to the kind of organizational structure we should have in the Government in the event of general war, and the kind of organizational structure we ought to have now, if the kind that we should have in the event of general war will actually materialize. For example, if we are attacked, there is no question at all that we must have strong regional organizations for mobilization in being. We can't bring them into being after the attack. That will be too late. We have to move now to bring them into being.

Let me give you a specific illustration. During World War II, and also during the post-Korean situation, we did not have field positions comparable to that of the Director of Defense Mobilization in Washington. We had committees with cochairmen of those committees. As we think in terms of the kind of hostilities in which we would be involved in the event of an all-out attack on the United States, it is perfectly clear that we can't handle our regional problems by committees chaired by two people. It would seem clear that we should have regional counterparts of the position of the Director of Defense Mobilization.

It also seems clear to us that we have to move very rapidly in the direction of recruiting persons who could serve in such positions. They may not have to put in full time at the present time, but they will have to spend a considerable amount of time getting ready for the discharge of the duties that they would be called upon to discharge in the event of an attack on the United States.

That illustration points up, it seems to me, the need for our developing what we have referred to as an "executive reserve." There is no doubt at all that in the event of war we will need outside civilian know-how to assist in the management of production, stabilization, and manpower

programs. In the past, recruitment for these purposes has been haphazard and time-consuming. Since a standby structure for sudden and rapid mobilization must be maintained for an indefinite number of years, a systematic method for the recruitment of outside executives is needed.

Establishment of an "executive reserve" is the first step in meeting this need. Entrance into the reserve should be voluntary, but those who become a part of it should be expected to accept the obligation to serve in the event of an emergency. In my judgment that obligation should be written into law.

A draft plan for the establishment and operation of an "executive reserve" has been developed and is now being considered by other departments and agencies having mobilization functions, and is also being reviewed by leaders in the fields of business, labor, and education. We are determined to move forward with the development of such a plan-- a plan under which a person would, on a voluntary basis, become a part of the reserve. But, having volunteered, a person would then accept a legal obligation to come in for training which would at times include war gaming of our various economic mobilization measures. This obligation, in the event of the outbreak of war, would involve his reporting for duty immediately, --without any questions being raised as to his importance in the industry in which he might be working at that particular time.

We are also instituting plans for a systematic and comprehensive annual appraisal of mobilization readiness. Our objective is to provide the NSC with: (1) a full report on the Nation's mobilization strength and readiness to meet future emergencies and (2) an indication of those areas in which the mobilization program should be strengthened. While there have been reviews and reports on the mobilization program in the past, there has not been an overall appraisal of our industrial and governmental readiness. This first appraisal will have its limitations but, once attempted, shortcomings should be overcome in subsequent reviews.

The first appraisal will consist of: (1) an estimate of the Nation's ability to meet wartime requirements in terms of steel, copper, and aluminum; (2) an evaluation of the methods and programs available and which might be developed to deal with direct attack on the industrial potential of the United States; (3) special reports on the readiness status of key and critical segments of the economy, such as energy and fuels, food, transportation, communications, vital components, and health, scientific and manpower resources; (4) reports on the readiness measures

being developed for insuring continuity of Government and the control and management of the economy in wartime.

The first annual appraisal will be submitted on 30 June 1954. It will be prepared with the assistance and cooperation of the Departments of Defense; Commerce; Agriculture; Interior; Labor; Health, Education and Welfare; and other agencies, such as the General Services Administration.

This is kind of a quick bird's-eye view of some of the factors that are entering into our thinking as we look at all the various aspects of our defense mobilization program in the light of the fact that Soviet Russia does have the capability of atomic attack on the United States and that its capability is increasing rapidly with the passage of time.

COLONEL WALKER: Gentlemen, Dr. Flemming is ready for your questions.

QUESTION: Dr. Flemming, I am interested in the setting up of the regional groups, the skeleton structure. Can you tell us what status that is in--whether it is study, planning, or anywhere near to being implemented, or when you might expect it could be completely set up?

DR. FLEMMING: It is in the planning stage at the present time. I intend very soon to take it to the Cabinet. This is one I will take to the Cabinet rather than to NSC, because it involves so many departments of the Government that are not in the NSC; departments we have to count on.

Also, our present thinking runs in the direction of developing skeleton emergency organizations. As you know, there are two schools of thought on that. You can move in the direction of trying to put an additional load on existing departments and agencies, or you can move in the direction of a skeleton emergency organization. So far as the present situation is concerned, I think we can to a very considerable extent rely on the existing departments and agencies under the delegations that ODM has given to them.

In the case of general war I feel that we would have to activate emergency organizations, and I might say that I think that it is probably the philosophy of the present Administration. But I want to make sure of that and I want to make sure that there is general acceptance of that idea by taking it into the Cabinet.

Now, that also, of course, ties in with this whole concept of the "executive reserve" that I just touched on very quickly. Let me put it this way. It seems to me the problem breaks down into two parts. Let us assume acceptance of the idea that there should be regional ODM's which would have the coordinating responsibility for all phases of the mobilization program. Those persons, it seems to me, should be appointed by the President. I am not at all sure that they should not even be confirmed by the Senate. I feel they should have very high standing and prestige within their own areas.

We can and should move in the direction of selecting those persons at once. Also, it seems to me, we could and should move in the direction of selecting the key people that would be working under them in the various areas of stabilization, production, and manpower right away; and those persons should be on the job a part of the time from here on out so that they can get training that they could not get in any other way.

Then, the other part of it is to have lined up, really, thousands of key people who would be available for these various areas--production, stabilization, and manpower. Those are the people I was talking about when I talked about the "executive reserve." They should volunteer, but, having volunteered, they should then be bound legally to do certain things, both prior to and after the outbreak of war.

Somebody asked me whether I really had in mind that prior to the outbreak of a war those persons would be brought in for actual war gaming exercises, with situations put before them indicating that certain plants have been blown up and are out of production, and certain sources of supply are no longer available, and so on, and with the understanding that they would then go to work to see what they would do in circumstances of that kind. My reply was, "Yes;" that is just what I have in mind. To my way of thinking, a training program that is not climaxed by war-gaming exercises is not worth the time put into it.

That is roughly a general outline of our thinking at the present time. Some of these will need final approval by the President, and other aspects will need legislative support. I have the feeling that we can probably get both.

QUESTION: Dr. Flemming, you seem to favor the voluntary and indirect approach in manpower controls. Under the situation of atomic attack, to what extent, if any, has your thinking on the subject been tempered.

DR. FLEMMING: I think definitely, if you assume the kind of basic assumptions that the NSC has approved, that you do have to modify that approach. Certainly you are going to have to modify it to a very considerable extent in the initial stages of such a development. As I see it, there are going to be many parts of the country that will be subject to what will be tantamount to martial law, and the mobilization people will have to be working in close cooperation with the military and with those who have responsibility in the civil-defense area; and in many instances the element of choice, so far as the individual is concerned, is going to have to be eliminated, and certainly, in many other instances, severely restricted.

I have given you a generalized reply, because of the fact that we have not yet thought through the specifics. As I indicated to you, in my opening remarks, we have two documents before us right now. One is a document from a management-labor committee. They have been working on it for two years. Their emphasis is on the voluntary approach. On that point management and labor are united. They don't quarrel about that. But I feel we have to take that and build on it and adapt it to the kind of assumptions that are included in the NSC assumptions, and then present our detailed recommendations to the NSC, so that within the executive branch we have agreement and a decision on the part of the President as to how we are going to move in the manpower area. I am sure of the fact that we cannot move solely on the basis of voluntary action in the event of an atomic attack on the United States.

QUESTION: Doctor, in respect to this gap that you refer to, has any thought in respect to its solution, particularly in the light of atomic war, been given to stockpiling semifinished equipment and goods such as, for example, aluminum ingots?

DR. FLEMMING: The answer is definitely yes. The President's last directive on stockpiling authorized us to move in that direction; in other words even to cut down our stockpile objective on bauxite and step it up on aluminum ingots. We will move into that kind of program very shortly under the directive of the President. Personally, I think it makes awfully good sense, as you point out. We are then in reality stockpiling manpower, electric power, and so on, in advance of the need.

QUESTION: Dr. Flemming, your assumptions indicated that the Russians are capable right now of mounting an A-bomb attack on the United States, and their capability will increase; the inference being

that time is against us. I was wondering whether or not you have any section which might be working on a plan--or any other Department of Defense section--which would indicate the time when the Russians have developed the capability of delivering a mortal wound on the United States, after which time we won't be able to engage in successful war with them; and whether or not that plan might serve to indicate that we should take prior action.

DR. FLEMMING: You are getting me over into an area where I should not really trespass. You know, as was indicated this morning, I have been around Government quite a while. One thing I have noticed is that the shortest way in the world to create confusion is to start talking about something that belongs in somebody else's bailiwick. That is the kind of thing that would be considered in the NSC, and I do serve as a member of the Council. The President keeps impressing on us the fact that we are not there representing our agencies; that we should be there to advise him and give him our points of view. We are supposed to keep that in mind constantly.

I think I would respond just this way: I have not heard of any intelligence reports or assessments that would yet lead me or anyone else to a conclusion as pessimistic as the one that is incorporated in your question. I certainly don't think that we have reached that point as of the present time; and so far we have not assumed that they can reach that particular point. But I agree with you that if we ever conclude that they have reached that particular point, I suppose we might have to rethink some basic concepts. Whether we will ever reach that point or not, I don't know; I don't believe so.

QUESTION: My question concerns the job that you by implication handed to the armed services--that of assessing the damage in advance. I would like to paraphrase an old statement to the effect that a man who knows not and knows that he never can know is wise. On their attack, if you say, "This is it," I can give you a thousand that would fit almost as logical a pattern and have a completely different result. I think, sir, we should realize that and quit trying to do it. It is better to set up a machinery for rapid assessment of the damage once it has occurred, and make our plans on--where do we go from here.

DR. FLEMMING: I think that I would agree with the first part of one of your latter statements, namely, that we should realize the difficulties involved. I think we should. I don't think that I would agree with your

statement that we should quit trying to do something about them. Let me approach it this way--I am sure you would agree that if we are going to put ourselves in a stronger position as a nation, we are going to have to obtain the active cooperation of industry generally in doing the kind of things that some industries are already doing.

There are many points of view throughout the country and they are reflected, of course, in industry. One point of view is what I would characterize as sticking one's head in the sand and in reality saying, "It can't happen here," and therefore not attempting to do those things that should be done now that would alleviate the situation if an attack should come.

Then there is another point of view which says, "Well, maybe it could happen, but surely there would never be any possibility of the enemy getting through to where we are; therefore, we don't have to worry about it or give any consideration to it"; and so on.

Now, in assessing possible damage, you do have to indulge in certain assumptions that might never materialize. Nevertheless, it seems to me that there is enough that can be done along that particular line that can be so realistic and so convincing that the results can be taken and utilized by the civilian agencies in dealing with industry and in dealing with our civilian economy, generally, and utilized in such a manner as to galvanize industry into action. I am not talking about scaring them. I don't believe we ever get any response from people by that kind of an approach.

I have enough confidence in the ability of the military to go through an exercise of that kind to believe that the results of such an exercise would point us in the direction that we ought to be pointed in, and would result in our being able to persuade industry to do certain things that would make this country stronger in the event of an attack, and would lessen to some extent the attractiveness of some of our targets.

I believe that is the proper approach. I recognize all the difficulties you talk about, and I recognize the fact that when you come out with one set of conclusions there can be second guessers who can sit around and say you are all wrong.

Nevertheless, whether information you can supply--even though it is not perfect--can be used effectively in making America strong, and in lessening the attractiveness of some of our target areas, it is worth while.

I appreciate the question. I know it is a basic and fundamental question. I appreciate your point of view; yet I do feel that we need some facts along this line if we are going to do the best job of mobilizing our resources. And I believe the military can supply them.

COLONEL WALKER: I am sorry, gentlemen; we shall have to close. I know we all thank Dr. Flemming very much indeed for another outstanding presentation. Doctor, on behalf of the Commandant and all of us this morning, I thank you for so generously giving your time and interest to the Industrial College.

DR. FLEMMING: May I thank you for giving me this opportunity. It has been, as always, a fine experience for me. I want to assure everyone connected with the college that personally I stand ready at all times to do anything I possibly can to assist in the program which is carried on here.

May I say this--if some of you had some questions that you have not had a chance to present to me, if you would like to address them to me in writing, I will be more than happy to endeavor to give you my own reactions to those questions. I am anxious to know the kind of problems that are bothering you, the kind of things that you are thinking about, and the points that you feel those of us who have this responsibility should be keeping in mind. If you have some questions, get them to a central spot here. Then, I will be more than happy to give you some of my own personal reactions. I promise you I won't farm them out. I will sit down and dictate some personal comments and observations.

Thank you very much.

(21 May 1954--750)S/gw