

A NEW LOOK FOR BUSINESS-GOVERNMENT RELATIONS
IN THE
NATIONAL SECURITY PROGRAM

13 May 1955

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

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ADMIRAL HAGUE: Last November the Alumni Association had the very good fortune of having our guest this morning, Honorable Frank Pace, Jr., as their luncheon speaker. That talk was so impressive that we immediately started laying our plans to see if Mr. Pace would give us the time to come down here and discuss the same subject, or some elaboration of it, Business and Government Relations, for the benefit of the student body. Happily he consented to do so.

I need not point out to this group that the defense of the country demands the utmost cooperation between General Government, the military, and business. Too often that cooperation is not achieved because we fail to develop the proper understanding, because we have not had personal experience in the other fellow's field.

You will note from the printed biography of Mr. Pace that he has been eminently successful in General Government, in the military, as Secretary of the Army, and in business. Therefore, he speaks with personal knowledge and understanding.

Mr. Secretary, it is a great pleasure to present you to the College.

MR. PACE: Admiral Hague, members of the Industrial College: This is a most pleasant experience for me. I am going to leave the safety of the podium and the protection of the amplifier and get out here where I can talk to you rather than at you. I will beg your indulgence, because from time to time I will have to at least return and look at the outline that I prepared this morning at five o'clock. Back in the days when I was Director of the Budget or Secretary of the Army, I was able to tackle this situation without the aid of notes, but I find to my regret that, having gone out into the sharp, hard world of business, and having become involved in business problems, my return to this sort of address calls for a little more mental prompting than when I lived with it every day.

I have taken a little poetic license with my subject today, and I want to talk to you on the broader subject of what I think is probably the most important factor in the problems that you will have to meet here at the Industrial College and, ultimately, that you will have to meet in your career, whether it be in the military or elsewhere.

It always seemed to me, when I was Secretary of the Army, that one of the really important problems that we faced was to determine from time to time whether it was our responsibility in the military to seek to avoid the fighting of a war, or whether it was our responsibility to, frankly, prepare for fighting another war. Obviously, the responsibility for the military lay in both fields; but it was also obvious that one or the other must have priority.

It was quite clear to me during that period that, above all else, if it were possible to do so, a war should be avoided. I think that fact has become increasingly clear to the American people with the passage of time. I think that requires a definite caveat, though. I think that war should be avoided only under certain circumstances and under certain conditions. I think war can be avoided only if we are prepared to fight; because, I think, if it ever became apparent to the other fellow that we were not prepared to fight in those areas in which fighting was necessary, then our opportunity to preserve our position in the world would be long gone.

I think we also have to be prepared to win because I don't think it is possible for our foreign-policy planners to plan intelligently, wisely, or meaningfully unless they are planning within the spirit of a program in which winning of the war is a definite determination, if a war comes up.

I was impressed during the period that I was in Government, not only with the close interrelationship that existed between the military and the political planner, but the degree to which the political planner relied upon the military man in reaching his ultimate determination; and I was impressed with the enormously useful background that the military man brought not only to military decisions but also to the semi-political decisions which were forced upon him from day to day.

Unfortunately, in the military political sphere there is no such thing as the clear-cut line of cleavage. There is no such thing as a purely political decision. There is no such thing as a purely military

decision. That being true, it becomes imperative that, in the planning that is done in the military field, the most intimate coordination exist between the military and the political.

It has been my feeling that, in terms of any program that we might make to avoid a war, it is imperative that we have the strength to win a war. It has also been my observation, partly personal, and partly by association with men who had lived through a number of wars, that the further you get away from a war the more the inclination arises to fail to keep yourself prepared either for the next war or to avoid the next war.

With the passage of time the requirements for preparation for war become less imperative. I can never forget the reaction that, for instance, General Marshall had to the rapid and really unwise demobilization immediately after World War II. I can never forget the growth of the general feeling that the local--by "local" I mean national, as opposed to broad-scale international or military--requirements became increasingly important with the passage of time; and these are not generally foolish requirements--they are necessary requirements.

To the congressman who has a flood-control project in his district, there are going to be acres and acres of worthwhile farmland overrun by the river if you don't build a flood-control project. This is no boondoggle. This is something terribly important to his district. This is something which is basic as to whether he is elected or re-elected. To the Far West, the development of public power is the difference between growth or lack of growth. Therefore, these issues become more pressing, and the proposition of supporting that very large slug of the budget that goes into military expenditures becomes, frankly, less pressing. So, with the passage of time, there comes that normal inclination to pay more attention to local rather than national requirements, which can mean less attention to national defense and less attention to international requirements.

Therefore, for those of us who believe that survival depends upon strength, it is an important and ever present requirement that the emphasis on really consistent, substantial national-defense budgets be continued over a period of time.

This problem is going to become more acute, as we must at some time in the future have some recession in total appropriations. It is

not possible to believe that the economy can always move upward and forward, and, as you feel the pinch of economic requirements, again that large slug of the budget that goes into the military appropriations, and all the things that have been drawn under the protection of the military umbrella, sometimes to the detriment of the military appropriation, become a pretty legitimate target.

And I don't think we can look for too much help from the enemy in this regard, as we did from time to time in the past. Whenever it appeared as though military appropriations were going to disappear below the horizon, there was always an effort to take over Greece, and the opportunity to remind the people of America of the importance of preparation arose when the guns began to speak. While this is obviously no time to go into the proposition of whether the war in Korea was either politically wise or necessary, I think there are certain facts that come out of the Korean War which have had a permanent effect upon our thinking in a democracy and which are important to you men in your thinking.

One of the first facts was the understanding of the enormous toll in life and money that even a local war could take on a great nation like the United States. When one adds up the cost of a Korean War in lives or in dollars and then weighs against it the cost of being prepared to avoid such a war, the argument is indeed quite compelling and has made an enormous impression on the public mind.

Secondly, out of Korea came for the first time an understanding that large, consistent, and permanent military budgets were necessary in this democracy. The history of military budgets had been consistently up and down in a jagged fashion that was most uneconomical from the point of view of the national purse as well as the national well being. So, for the first time in history, it became apparent that it was necessary to maintain large, permanent military budgets in peacetime; and this has been, and I think will continue to be for some time, the basis of our national thinking, varying from time to time in degree, based upon the pressures that are put on us.

A third factor that came out of the Korean War, probably known and thought about by military men, but certainly not known and thought about to too high a degree by the civilian, was the enormous advantage that lies with the aggressor.

I remember sitting in those most difficult days in which we were seeking to decide--hours, rather than days--what steps should be taken either to defend against the North Korean or to allow him to have his way, and I remember reviewing the training that had gone into the indigenous South Korean troops, and I remember that, while that training was not obviously all that it should have been, it still was exceptionally fine training. Further I remember that, although the original decision was to support those indigenous ground troops only with air and naval forces, it was scarcely 24 hours before a statement came that, if we intended to defend Korea, we would have to defend it with people on the ground as well as in the air and on the sea, and I was particularly impressed with the enormous advantage that goes to the aggressor.

I think it would be a tremendously interesting military exercise to proceed upon the assumption that the same state of training existed both in North Korea and in South Korea at that time, but that the South Korean was addressing himself to take over North Korea, and North Korea was interested in maintaining the status quo. The South Korean had the choice of time and the place of attack, and it would be very interesting to see the military conclusions that would be reached as to what would be the result of the same forces, given a change in both attitude and time and place of attack, assuming only indigenous troops. If I had to make a guess, I would guess that, given the same circumstances, the South Korean troops would have gone through the North Korean troops and straight to the Yalu.

But we have today a philosophy born of that conflict that never again shall we be caught in peacetime unprepared to meet our requirements.

I used to wonder in the latter days of Stalin's life whether the Russians really had a plan for moving our budgets up and down, our military budgets, to the top and to the bottom, because of the way they were then engaging in their alarms and excursions for the purpose of general annoyance. I don't think I, or anyone else, will ever completely know the answer to that question; but certainly it seemed to me that there was a general plan behind what they were doing and that their purpose was to make our operation as uneconomical as possible.

I find, and have found, that it is always unwise to underestimate the enemy. I think that more has been lost by underassessing the enemy

than by overassessing ourselves over a period of time, and I would be inclined to believe that his program was a planned one, and I would be inclined to believe that he again would move to try to take us off the plateau, the military-spending plateau, on which we currently rest.

If I were wearing a Russian cap I would say that the greatest deterrent to Russia's ultimate purpose of dominating the world lay in the fact that we have this strong, hard core of continuous and of certain military preparation. I emphasize that word "continuous" because no man could possibly have been more impressed than I with the unecomic performance that went on as military budgets rose and fell. So when I say "large military budgets," which I think are important, I likewise say "consistent military budgets," because I think they likewise are important. And if I were wearing that Russian hat today I think I would probably want to create an impression on the American people that I was anxious to find a peaceful solution to our problem. I think I would want to have an end to small wars that give rise to an understanding of the importance of military preparedness. I think I would want to soft-pedal the anti-U. S. blasts, and I think I would want to indicate that I was willing to participate in some thinking and planning towards an eventual solution.

Fortunately for us, Russia does not control her situation quite as well as I think the lay mind assumes that she does. She has, even as a country that permits the few to dominate its policy, real problems to face. Even a dictator cannot ignore an absence of food and, as their agricultural problems rise, their only solution for those problems is more blasts against the capitalist world. If uneasy rests the head that wears the crown, uneasy indeed must rest the heads that wear three crowns, and this government that has been so kaleidoscopic and quick changing in Russia is an uneasy and parlous one. Their policies must be dictated by other dictates than their own feeling or desire for long-range domination.

Then, Russia has an ally, a very powerful ally, in Red China. We have found that it is not always simple to work with allies. There is always difficulty in causing national points of view to be sublimated to the international good, and this ally of Russia is not the kind of fellow who bends very easily to the yoke. He is a fellow who has ambition of his own, and desires of his own. It is an uneasy partnership. I am not sure that Russia will be able to follow her plan on the harder course. Certainly I am sure if she could she would prefer to win allies by

subversion rather than by firing shots. Whether that is quick enough to satisfy her partner, Red China, time alone, I think, will tell.

But in any event, if she pursues this policy, and if she holds out the dove of peace so pleasantly, and if at some time or another our economy slips back--not slides back, but slips back--then indeed will this nation be faced with one of its gravest political problems, because again that big, fat portion of the budget will look most enticing, and the capacity to balance a budget on reduced taxes will inevitably be revived to the detriment of that particular phase of the budget. There again great courage and great leadership are going to be required in our country, and, in my estimation, they will insure that this essential hard core, without which we can neither avoid a war or win a war, is sustained and held intact.

Now, why would I take the trouble to give you my views, which are certainly only individual views, on subjects as broad as these, when our real problem is that of industrial planning and production. I do so for two reasons. The object of this exercise is not for me to make a speech, but to stimulate thinking, whether you agree or disagree with me.

It has always been my philosophy over all that it is tremendously important in any operation, and particularly in an industrial operation, that not only the top echelons but also, as far as possible, the intermediate echelons, and also, as far as possible, the lower echelons know what the total pattern and program is, in order to do their most effective job as a part of that program. I found that, as I traveled around the world in the period that I was Secretary of the Army, most of all, the thing that was exciting was to tell the commander out at the end of the line what really was going on, as far as I knew it, back in Washington. So I think that no industrial planner today, no industrial programmer today, no man who is thinking in terms of production, is thinking fully or wisely or well unless he at least has his own field in the general pattern, not only of things today, but also of things to come.

A second reason is that, as industry and production planners, you talk fundamentally in terms of dollars, and I have found that, with a budget that is an annual budget, and with plans that run five, ten, fifteen, twenty, or twenty-five years into the future, there is a normal tendency to feel that the flow of monies will be approximately what they are at the time you are doing your thinking. I think that is probably as good an assumption as any. But I also think it is an assumption on which you

would want some degree of flexibility in your thinking and planning in terms of what might come to be in the future, in terms of the money that would be available to you.

Now let me get down specifically to the proposition of the difference between planning to avoid a war and planning to fight a war. You might ask: Is this really something quite different, or is it the same set of factors with a different name or a different set of denominations? Don't you really have to plan to avoid a war and don't you really have to plan to fight a war, or is this something different? I think frankly it is something different. I think it is different in terms of the way you ultimately have to plan.

There is one area of similarity. Of that I am quite sure. That is that substantial, consistent, military appropriations are necessary to support either. You can neither avoid a war nor fight a war without substantial, consistent, military appropriations.

But from that point on you begin to move into spheres in which I think differentiations exist. I think in the first place that you have to, if you are planning industrially, militarily, or otherwise to avoid a war, establish greater flexibility of planning. If you are militarily preparing to fight a war, you have a very specific objective before you. If you are planning to avoid a war, you must plan your military commitments so that you are able to meet the political requirements. I always use "political" in the broad sense. You are required to meet the international political requirements that are established by your own Department of State, and you are also required to plan, in my estimation, in such a fashion that you are able to support an affirmative policy once it is established by the political side of the Government.

Now again, in all these things I realize that many of them are easier said than done. I realize that the military planner often finds that there are no clear-cut political plans. The military planner says, "My God, if they just one time tell me what they are going to do, then I can give them what they want." But again you find a proposition in which perforce and of necessity you are talking about hypothetical situations and undefined goals, and it is in my estimation essential that you maintain a degree of flexibility that you would not normally have to maintain if you were solely preparing to fight another war.

I think likewise that it is important in terms of the way you reward people in the military. Traditionally it has been the policy of the military to reward normally the combat man. In my period of time as a civilian secretary, some of my most vigorous arguments were on the subject of rewarding the technical man as well as the combat man. I found that the reasons for rewarding the combat man were not merely some historical precedent nor a desire to satisfy a public demand to recognize a hero, but had some very logical bases. The first was that to a degree it was fair that the man who risked his life should receive a greater reward than one who did not. A second reason, and a sound reason, was that, in order to encourage a man to take the greater risk that exists in combat, either in the air, on the sea, or on the ground, it was imperative that a system be established which rewarded the combat man. Thirdly, it was likewise felt that, in the heat of combat and under the requirements of leadership that come to men in combat, certain qualities evolved that were all-pervading irrespective of what the problem might be. These qualities were essential, irrespective of the assignment of the men under consideration.

Nonetheless, if you come to the conclusion that the purpose is to avoid a war in the future rather than to fight a war, then you come, of course, you and I, to the conclusion that encouragement and development of the technical man is an essential ingredient in the problem of the military of the future.

I think likewise that, if you are planning for the avoidance of war rather than the fighting of war, you will tend to place more emphasis on the future than on the present. I think you will tend to put more money into basic and applied research. I think you will probably build a few more prototypes and I think you will take a greater calculated present risk and a lesser calculated risk in the future. To me this seems logical if the Russian is going to move. This can happen on two bases: he might first do so because of some internal compulsion over which we have no control, and thus over which our planning has no control. It is a fact of life. We have to recognize it. We have to prepare for it; but there is very little that we can do about it.

The second basis on which he would move would be his own estimate that he had a clear-cut opportunity to take us in the field of battle without being destroyed himself.

This situation I do not think obtains today, and I do not think it will obtain in the immediate future. However, I think, with the passage of time, and with the emphasis that a society such as the Russian society is able to put on this sort of thing, it is highly probable that the danger will increase. Therefore, logically, it seems to me that in seeking to avoid war and in seeking to keep him from moving the emphasis upon the future rather than upon the present is a logical one.

I think that I would urge bold, original thinking in the industrial planner in the military field. Again, that is easy to say, hard to execute. The essence of the military system is discipline. The capacity to give a command and know it is going to be carried out, and carried out well, is essential to success in peace or war, and no man was more impressed than was I with the real advantages that come from the training and discipline that come to the man in the service. But it is likewise true that a discipline system and a system of promotion that is based upon time in grade is not fundamentally such as to produce bold, original, aggressive thinking.

I am perfectly aware that in anything as large as the military time in grade is a basic factor in a promotional scheme. I am perfectly aware that if you turned it loose to the wisdom of individual commanders the system would be a thoroughly unjust one. But I do feel that the time has come for finding a quicker way to reward in individual cases the kind of bold and aggressive thinking in which if you are wrong you get your head chopped off and if you are right you have given something to the United States of America that is terribly important.

Naturally I should not suggest this without a solution. I am reminded of Will Rogers. He wrote a column in the days of the First World War, when the submarine was such a menace that we were concerned about our survival. Will Rogers came out with a headline in his column which said: "Submarine Menace Solved!" He said: "It has been discovered beyond a peradventure of a doubt that the submarine cannot survive in boiling water. Raise the temperature of the ocean to the boiling point and the submarine menace will be eliminated." He said, "There will be those of little mind who will ask me: 'How will this be accomplished?' To them I say, 'I have given you the program. You work out the details.'"

I would suggest that, in a period in which one was preparing to avoid war rather than to fight a war, closer contact with your contractors should be kept, if possible. I would suggest that you make them partners, not just as producers, but as themselves, as original thinkers for you, whether you be Army, Navy, or Air Force. This I suggest because out of them one will generate ideas that can be useful to you if they are aware of your planning. They have the opportunity to reward financially. They have the opportunity to promote immediately. They have the resources to put the drive back of the production of ideas. That is important.

Number two, if you do that, your contractor is a better producer if he has played some part in the planning and the programming of what he is producing.

Number three, you will find that, if you do not make your contractor a partner, he will atrophy or die on the vine, unless his men are allowed to participate in the original thinking and planning. If you treat them solely as producers, or job-lot operators, if you like, then those men lose the opportunity for the kind of aggressive thinking that you are going to need when they are your partners, either to build the power to avoid a war, or the weapons to fight a war.

One final suggestion would be, if you can't let the contractors be your partners in the programming and planning, then at least advise them what the plans and programs are; because, again, if a man knows ultimately what this is being done for, and that it is best to do it within the security system, he is a lot better man working for you. He is not really working for you; he is working with you; and that is terribly important.

I find that the time is 11:15. It has been my rule over a period of time that I never talk to people without allowing them to fire back at me. I had a few thoughts that I had prepared in terms of what I thought you might do in the event you were preparing for a war as opposed to preparing to avoid a war, some thoughts that were distilled from an experience of four or five years. Or I can cut what I am saying off at this point, because I have always felt you got more out of questions and answers than you do after talking. I am prepared to do it either way.

ADMIRAL HAGUE: Suppose we take a break and then come back to the question period. I know this group will keep you going very nicely.

MR. PACE: I am looking forward to it. Thank you.

COMMANDER THORSON: Are you ready for questions sir?

MR. PACE: I am. I would like to have two very quick privileges if I may. I would like to mention two things which are on my mind. I think they are useful to this group here. One is the shortage of the ammunition we had in Korea. The only yardstick you have to plan for another war is what happened in the last war. Any sound supply man in the areas critical to human life will add 50 to 100 percent to the requirements. This procedure has always created a long-range advantage which pays dividends. In the ammunition situation what my technical people did was take the World War II yardstick, in which an awful lot of ammunition was used up, and add a factor of 75 percent to it. It just so happened in Korea that they actually used three, four, or five times the factor of World War II in specific areas of ammunition.

Now, the reason I say that is, while you have to use that yardstick of experience, be sure you don't use it too inflexibly, because you will get caught. The thing that interests me is how I would look if I had three, four, or five times the ammunition used in World War II in a stockpile somewhere and Congressman X came out to have a look at the stockpile. They would legitimately cut my heart out, and yet it would be the only way you would be adequately prepared.

I cite that because I am sure in citing it I strike a responsive cord in the hearts of men who have to do this sort of thing and get cut up doing it.

The second thing is, don't underestimate the lead time, no matter what you figure it. Add a little on to it. It just works out that way.

Number two, when you are talking about lead time in a country that is under attack for the first time in its history, and under atomic attack as well, you have some really tough problems to chew on.

So from my own point of view I am interested in those mobilization reserves and those stand-by facilities, and, in my judgment, the ones

you are going to be really relying on are the ones actively doing business. The others may or may not get into the act. As far as possible, those actually doing business are really going.

I want to tell a quick story before they ask the questions. This is the story of little Johnnie, who was sitting by the fire. His father was sitting by him reading a book. Johnnie was reading a newspaper. Johnnie said, "Say, dad, is the Empire State Building the largest building in the world?" His father said, "What are you trying to do, embarrass me? You know I am not an architect. I can't answer that question." In a few minutes Johnnie asked, "Dad, why is grass green?" His father said, "You are trying to embarrass me. I am no botanist. I don't know why grass is green." Pretty soon Johnnie said, "Look, dad." He held up a paper and asked, "What makes the paper so slick?" His father said, "Son, I am not a chemist. Are you trying to embarrass me by asking me those questions?" The little boy was almost in tears. He said, "Pops, you don't mind my asking you questions, do you?" His father said, "Certainly not, son. How do you ever expect to learn anything unless you ask questions?"

With that in mind, we can go ahead.

QUESTION: Mr. Pace, would you care to discuss what you think is the validity of the policy depending upon a production base, that is, production capability plus some small reserves in being? In light of the atomic age, what might happen if we were hit and had all our production base destroyed?

MR. PACE: As a lawyer I would describe that as a leading question. I feel this way about it, Colonel. My observation has been that one is never adequately prepared for war; certainly one is never adequately prepared for war when one is defending at a time and place of the enemy's own choosing. There is no possibility of being prepared. I have always personally favored the proposition of production facilities versus stockpiling. I recognize that, with the possibility of production facilities being knocked out in an atomic age, you take a chance. On the other hand, I have always felt that stockpiling to too high a degree would be built-in obsolescence. With the change in all forms of weapons that exist today, it is absolutely impossible to keep up to date by having scores of weapons in being. You have to have enough to do the job.

I admit that there is a great deal of argument on both sides. I am still a strong man for maintaining the production facilities and enough production to do the job, but rely upon those facilities and your capacity to keep them repaired, keep them going. The Germans did quite a job. The atomic bomb is obviously infinitely more destructive, but I think that fear of the unknown is more compelling than fear of the known.

That is just one man's judgment.

QUESTION: In view of what you have said of your feelings that the Russians would try to lull us into security as part of their overall plan, if you were the President, would you agree with the parley at the summit, as is now proposed?

MR. PACE: I had almost forgotten those 64-dollar questions. I think my answer to that would be, yes; and I think my reason for it is this: I do not think that any opportunity to move forward can be neglected. I think that, while my clear conclusion is that the Russian seeks to lull us into security, if he makes an offer of that nature and we fail to take advantage of it, we are marked before the world as people who are not interested in achieving peace. I think if there were no chance whatever of any success we should meet because of the posture we have before the world and with our allies. There is always the outside chance that some good will come of it, and I think that opportunity cannot be ignored. So my answer to you is, in any event, I think it is a wise thing to do.

QUESTION: Mr. Secretary, I wonder if you would like to go a little further on these two types of preparation for winning the war or for preventing the war. In any event, will you tell us if you think they are necessarily incompatible plans?

MR. PACE: That's very sound. Frankly, I feel they are not incompatible. They are purely a matter of degree. It is largely a matter of emphasis on one or the other. You do both. Obviously you have to do both to do either. There are areas in which emphasis can be put on one side or the other. For my purpose I want to see it put in the area of preventing a war as opposed to putting it in the area of fighting a war. There may be some cases in which I would want to put the emphasis in favor of fighting a war, some specific cases.

Fundamentally they are in no sense of the word incompatible. They must both be done. It is a matter of emphasis and degree.

QUESTION: Mr. Pace, this is just a little off the subject we are discussing, but I think we would be interested in your answer if you care to answer it.

MR PACE: I will tell you in advance, I have never failed to answer a question, though I have often failed to answer it well.

STUDENT: In the dealings of the Armed Services with Congress, do you think they have reacted to the advantage of the country, in view of this excess amount of servility that we have demonstrated in our dealings with individual members of Congress?

MR. PACE: I think the answer to that is clearly, no. I think to a degree it has been the fault of the system rather than the military man. I was always disturbed when I was Secretary because I felt that the military were taking an undue burden of responsibility before the Congress. I do not feel that the military man is in a position--I think, inherently, by the nature of his position, he is not in a position to deal equally with the Congress. I think that civilians are in a position to deal equally, and I think that many times they fell back on the military men when they should not have done so. I think there is a great desire on the part of congressmen to have somebody up in uniform and with ribbons on him so that they can get the facts.

I think as our country grows and as the civilians more fully undertake their responsibility that less and less of this will be necessary. But where it becomes necessary to do so, I see no reason not to stand up and speak your piece. I think in the long range, greater service is done to you individually, to your service individually, and to the Congress. Remember, I know the Congress well. I got along with them well.

One of the things they have to look for when they go to pick a target is something with no political moxie, something that can't organize a group to vote against them, something that can't organize a group to cut off the campaign fund. The military is a natural target. There is no political moxie here.

My estimate is that, long range, it is imperative that the civilian take the burden of congressional discussions, congressional approaches, and free the military to do the thing that it is basically most capable and qualified to do--that is, to do military planning.

STUDENT: If you will pardon me sir, I have a second question on that.

MR. PACE: Right.

STUDENT: In the past experience of those in the military who have stood up and acted like they were men and talked to the congressmen and tried to explain their point of view, do you think the treatment they have been accorded is such that it will make other military men want to stand up and talk to Congress? I am thinking of Admiral Fox and Congressman Hébert. Fox received no support in his fight with Hébert. It became a one-sided proposition. That was an ideal time for the Secretaries of the Armed Services to come forth and support Admiral Fox. It was obviously a military witch hunt. They were looking for a fall guy. Hébert's charges were grossly exaggerated. Nobody supported Fox.

MR. PACE: When the military are right they must be supported. I feel that there were periods in history when many men who stood up and were counted have not been adequately rewarded; but that is no reason not to stand up and be counted, in my judgment.

I still agree with you 100 percent that when these guys go up there stating the facts they take the rap. There is no one who ought to be over in back of them, supporting them loud, hard, and clear, as much as the people who have the civilian responsibility, but who are, in the long sense of the word, transient in the term in that they pass a short time in public life, where the military man must spend his life in a career which can be affected vitally and adversely when he stands up and talks.

QUESTION: If we may continue this subject, sir, would you care to comment on a related question? Many of us in the service are disturbed very sincerely by the great number of civilians who have been interposed between the highest chiefs of the military services and the Commander-in-Chief. In the minds of many military men the situation has come to the point where there is no real authority in the military,

and yet they have the responsibility; and this great number of assistant secretaries have their piece of a great many budgeters and comptrollers. They are the people cracking the whip, and quite properly, in curbing expenditures. It has come to the point where many people think they are operating the services.

MR. PACE: That is a point that always disturbed me a great deal. I never use the words "civilian control." I always use the words "civilian leadership." I felt that, if a civilian could not command of himself and of his knowledge and of his ability the respect of the men in uniform who worked for him, he had no right to command them by law. I think if that philosophy were generally inherent there would be no problems between the military man and the civilian; because the one thing the military man understands, along with discipline, is leadership. I feel that the civilian must win, not by order, but by competent ability and capacity both to take the heat and to provide the leadership. He must win the respect of those who work beneath him.

Now, I like yourself, also have been disturbed by the layering process. When a man gets to be Chief of Staff or Vice Chief of Staff of a service, he has moved up preeminently through one of the toughest competitive situations in the world. He has been magnificently trained and has been in at least one war, and maybe two. The men with whom I was associated won my undying admiration and respect. Not to put those men in a category that permits them independence of position within the area that is theirs and within the leadership that is assigned to the civilian--because, at least theoretically, his experience should be broader in the long-range political application of the problems--in my estimation is a very dangerous situation.

Now, it is also clear that the constant change of top men requires the military to readjust to both meet the requirements of those men and to educate them to the problems. Generally speaking, the men I have known in those offices have been fine men in terms of character and in terms of willingness. After all, the selective process by which they get there is quite a different selective process from that by which a man becomes chief of a bureau, Vice Chief of Staff, Chief of Staff, or Chief of Naval Operations.

That same problem disturbs me. At the moment I would say to you that I am satisfied that this problem will work itself out. I am satisfied that those men who know best how to use the military will

not ultimately allow them to be snowed under by a group of men who stray from their proper fields and who get carried into other fields.

I have thought about this a great deal because I have thought about civilian leadership a great deal. I am satisfied this situation will find a solution in and by itself. Have I rather spelled out to a degree the way you feel about the situation?

COLONEL BARTLETT: Sir, on the subject of industry and civilians both preparing to minimize the effects of any atomic attack or to spring back afterwards, I think I can speak for the class. Our field trips give us the impression that business is confused and unwilling to do anything, for very valid reasons. Even companies such as Koppers and AMF have paper plans only. Can you offer any suggestions as to what might be done to improve the effectiveness of suffering a blow and springing back?

MR. PACE: Obviously it is something you have had on your mind all during the year. It seems to me quite clear that business, to a high degree, reflects the public attitude. This is so confusing, so complicated, and so thoroughly unattractive a proposition that the tendency to sweep it under the rug is almost irresistible. This is true of your big fellows, who are straining their nerves to meet certain requirements that are raised, who are competing with other people in very tough, rugged competitive areas, and I will say that the dearth of really competent top management exists everywhere in an expanding society like ours. It is almost impossible to take the time and the effort to do an effective job. You can assign it, as you normally do, to a senior vice-president, make that one of his duties, and he gets things organized and can tell you what is going to happen.

While I have said I always answer a question, I just can't tell you a good answer to this one, because I don't know it. I think it is a reflection of the whole popular urge not to be annoyed with this terribly unattractive thing that might happen to us.

QUESTION: Mr. Pace, I would like to return to that hard-to-get commodity you mentioned--bold, imaginative thinking. From our field trip, the one I headed to San Francisco, that seems to be in business a very rare commodity. I wonder what you do at General Dynamics to develop that. Are there some of the techniques we can apply to the service?

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MR. PACE: I regret to disappoint you, but most of the things I am doing in General Dynamics are things that were also done in the services. I think that systematically the services are awfully hard to beat. I think the way they carry out the system is limited by both the enormous amount of red tape that is tied to it and, to a degree, the lack of trained specialized personnel in the area which you can't get. But fundamentally only one thing is lacking in business, and that is time to consolidate our growth. The opportunity is there, but I think the reason you don't see it is because we have grown and expanded so enormously that the three or four people you run into in various businesses are not likely to be the one or two people who have really got the drive, imagination, shove, and go that is making that business go.

One of the hardest things I have found in business is to find really competent people. I think, if I may say so, that we have a lot of them, at least a lot of imaginative, aggressive, unfettered people in the outfit that I am with, but again, I drew a lot of them from Government.

QUESTION: Mr. Pace, if I interpreted your remarks correctly this morning, I would be inclined to think that generally you agree with the present Administration's approach to this problem of preparing for a war. I wonder if you would comment particularly on the cutting of the troops for the ground forces.

MR. PACE: Let's see--next question. Well, I feel this way about it. Obviously Korea was to a high degree a ground war. It had enormous numbers of men in the pipelines; it had enormous numbers of men tied up on the fighting front. I have not been close enough to the question to tell you how far a cut should be made. I personally was satisfied when I was Secretary that when Korea ended a cut should be made, and that a cut should be made that to a degree reflected the difference between war and peace.

I am not ducking the question, because I don't do that. I don't know how far the cut has gone, and there is no way for me to answer your question. There is a point below which the reduction of ground forces will obviously hurt our overall capacity to do a job. A reduction, a sound reduction, in the ground forces was in order after Korea. Based on the facts I have, that is the best answer I can give you. I can assure you it is an honest one.

COMMANDER THORSON: Mr. Secretary, I think we had better get you over to lunch.

MR. PACE: After that last question I am sure nobody can ask me one that is any tougher. I would take one more, because I love it so.

QUESTION: Sir, I wonder if you would explain whether or not you feel that any reorganization or modification of the military establishment is in order. That includes the Department of Defense.

MR. PACE: Did you say "another?" I will tell you that, from my observation, the military are the best reorganized people in the world. If they were as well organized as they are reorganized, we would have no war. That is a facetious answer. Obviously, the process of reorganization has to go on all the time in anything as changing as the military. I have rather felt that the military have been over reorganized. I have a feeling that a guy no sooner learns what the charts are about than he has three others. As soon as he has one boss, there are three more, and they are over across the street. I would cut down on reorganization. I would adopt principles and not organization charts. I think there are other things that are a lot more important.

Thank you very much.

(15 July 1955--300)O/ekh