

MOBILIZATION OF THE TRANSPORTATION INDUSTRY
FOR WAR

14 December 1955

CONTENTS

	<u>Page</u>
INTRODUCTION--Captain C. H. Gerlach, USN, Member of the Faculty, Industrial College of the Armed Forces.....	1
SPEAKER--Mr. John P. Dennis, Traffic Manager of the Texas Company, until recently Coordinator of Defense Transportation	2
GENERAL DISCUSSION	15

Publication No. L56-75

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

Mr. John P. Dennis, Traffic Manager of the Texas Company, was born in Preston, Maryland, 18 November 1898. He was educated at Princeton University. Entered railroad service with Northern Pacific Railway in St. Paul, Minn., 1921 and worked for that company until 1942. Served in the Traffic Department as Assistant General Freight Agent, Assistant to Freight Traffic Manager and Assistant to Vice President. Resigned in 1942 to become Assistant Traffic Manager of the Texas Company in New York. Appointed to his present position in 1948. Served as Coordinator of Defense Transportation in the Office of Defense Mobilization, 15 September 1954 to 15 September 1955. Former President of the Traffic Club of New York and Director of the Transportation Association of America. This is his first lecture at the Industrial College.

MOBILIZATION OF THE TRANSPORTATION INDUSTRY
FOR WAR

14 December 1955

CAPTAIN GERLACH: I think a great many of the problems that the Army is wrestling with concerning the employment of troops in a future general war are at the roots really problems of transportation--working out in a new environment General Forrest's dictum of "get there fustest with the mostest."

Transportation is a fundamental means by which force is applied. But behind this application of force at the business end there is the more basic area of providing all the instruments and agencies which go along with the application of such force. Here it is that national power really is made effective, and here again transportation is fundamental.

For instance, it was not a transportation man, but it was the geographer Mackinder who, in speaking about the forces under which Italy fell apart, said: "In early times Rome had mobilized the power of her settled peoples by means of her roads, but the Roman roads had fallen into decay and were not replaced until the 18th century."

Now, war after war has confirmed this fact about the necessity of managing transportation. But in the interim we tend to forget that this management is required. And thus it was that about a year and a half ago the Office of Defense Mobilization realized that they were not planning all that needed to be done for the transportation function in a future emergency. So they prevailed upon our speaker this morning to come down and undertake the task of getting all the people involved facing in the same way about this problem of transportation in an emergency.

Last fall, having done that job, our speaker returned to his private-life position as traffic manager for the Texas Company. He was a WOC in his Washington tour, but his experiences evidently were not too harrowing, because he readily agreed to come back and serve us by talking to the college about this business of how to manage transportation in a wartime emergency.

It is a pleasure to introduce the former Coordinator of Defense Transportation, Mr. John P. Dennis.

MR. DENNIS: General Hollis, General Calhoun, Captain Gerlach, and gentlemen: I have noted that this is number thirteen in the series of lectures to which you gentlemen have been subjected. I hope that this place on your program is not ominous either for me or for you.

I also understand that General Yount spoke to you a few weeks ago about mobilization planning for military transportation. I have not seen his remarks and do not know what he may have said, but I am a little bit apprehensive that there may be some overlapping in our subjects, or that perhaps I may say something that is contradictory to what he said. But, if so, that should at least stimulate the discussion which I understand is to follow.

There is a story told of two boys who were bitter rivals. Throughout their high school years they argued constantly, fought on many occasions, and were always on opposite sides of every issue. Unhappily they both went on to the same college, where their high school experience was repeated. They argued, fought, and insulted each other at every opportunity. Finally graduation came and they parted, each fervently hoping he would never again see the other. Years passed without their paths crossing. One became a bishop and the other a general. One day they suddenly came face to face in the Washington station. They recognized each other instantly, and memory of old insults and injuries came rushing back. The bishop recovered himself first and quickly noted the uniform and stars. Stepping forward without a sign of recognition, he said: "Porter, can you tell me on which track the train for New York leaves?" The general looked him over coolly, observed the clerical garb and corpulent figure, and replied: "Why, yes, I can. The train you want leaves on track 10, Madam; but in your condition do you think you should be traveling?"

You men in the Armed Forces are concerned with keeping men and materials traveling under any and all conditions. We know from the experience of the past two wars how essential it is to have prompt and sufficient transportation. Even in times of peace the Department of Defense is the largest consumer of transportation. I think it important, therefore, for you to know what thought has been given and what plans made to assure adequate transportation in an emergency.

A little more than a year ago Dr. Arthur Flemming, Director of the Office of Defense Mobilization, asked me to come to Washington and serve on his staff as Coordinator of Defense Transportation. If that leaves you uninformed concerning what I was to do, you are in precisely

the same position I found myself when I came down here on 15 September 1954. Nor was I given much additional information or guidance, since it was a new position in ODM. A press release was issued at the time, which was my sole guidance. It informed me that I would be responsible for reviewing and further developing defense mobilization plans in the transport field, so that when necessary there would be an orderly transition of the industry from peacetime to emergency operating conditions. In addition, I was to coordinate the development of policies designed to strengthen the transport industry, so that it could meet the mobilization needs of the Nation. Now, these were very fine phrases; but they left me most uncertain as to how to proceed to accomplish such results.

As you all know, the Office of Defense Mobilization is within the Executive Office of the President; and its Director, Dr. Arthur Flemming, sits with the Cabinet and reports directly to the President. It is responsible for economic, industrial, and governmental planning to meet the needs of war in all areas except military.

This work comes under six major divisions, which are: (1) Production, (2) Materials, (3) Manpower, (4) Stabilization, (5) Telecommunications, and, (6) Transportation. You will recognize that these subjects cover the whole field of mobilization planning except the military, which is, of course, the responsibility of the Department of Defense. My remarks will be directed entirely to mobilization planning in transportation.

Now, while I was the first to fill the position of Coordinator of Defense Transportation in ODM, I do not wish to leave the impression that there had been no previous planning or study of transportation requirements under emergency conditions. This I quickly discovered after concluding that the best way to develop a program was to call on each department of Government dealing with transportation and ask the responsible head what he thought I should do. I visited the Department of Defense, the Department of Commerce, the Department of Interior, the Department of State, the Department of Agriculture, Federal Civil Defense, the Interstate Commerce Commission, and the Maritime Commission. From each I asked the same questions, all directed to finding out what in their judgment were the most pressing transportation problems with which the ODM should concern itself.

This was an interesting series of interviews, for, as might be anticipated, there was a wide variety of opinion, and each man's

particular problems seemed to him most important. Nevertheless, two problems emerged in all these discussions. It became apparent there were two basic issues which cut across all departmental lines and which were fundamental to all transportation planning for war.

The first and perhaps most important of these problems concerns the character and extent of governmental controls to be exercised at the national level over various forms of transportation in the event of war or national emergency. If or when war again comes, should the Government seize and operate all forms of transport, or would our objectives be better accomplished through private operation under Government supervision and coordination? If the latter, then what form of organization should now be agreed upon and blueprinted, to be activated only when the need arises?

You all recall that in World War I the Government seized the railroads, while in World War II they operated under private control and management, subject to direction by the Office of Defense Transportation. What are the lessons to be learned from both these experiences?

I was astonished to find that, while these questions and problem areas had been under investigation and study for six years, no conclusion or agreement had been reached. The differences which had developed between departments appeared irreconcilable.

Back in 1948 and early 1949 the National Security Resources Board, recognizing the gravity of the problem, initiated five projects in the field of mobilization planning for transportation, as follows:

Project TR-1	Domestic Transport and Storage
" TR-2	Air Transport
" TR-3	Sea Transport
" TR-4	Port Utilization
" TR-5	Integration of Results of above Projects

In explanation of the projects, the Board stated:

"Transportation is such an integral part of wartime activities that the war effort would break down without adequate transport facilities. Hence it is essential that resource mobilization planning for transportation in all major areas keep pace with such planning for the whole economy."

Working groups composed of both industry and Government representatives were set up for each of the first four projects.

Colonel J. Monroe Johnson, former Director of the Office of Defense Transportation and member of the Interstate Commerce Commission, served as general chairman for Project TR-1, Domestic Transport and Storage, and was assisted by task groups assigned to study and report on:

1. Railroad Transport
2. Street and Highway Transport
3. Inland Waterway Transport
4. Pipe Line Transport, and
5. Warehousing and Storage.

Colonel Johnson's report, containing comprehensive recommendations for mobilization plans in the area assigned him, was submitted in July 1950.

Preparation of recommendations for mobilization plans for sea transport was delegated in July 1949, to Major General Philip B. Fleming, then Chairman of the U. S. Maritime Commission, assisted by working groups to cover:

1. Troop Ships
2. Dry Cargo Vessels
3. Tankers
4. Operations, and
5. Organization.

General Fleming submitted his report and recommendations 15 September 1950.

Extensive mobilization planning studies for air transport were conducted for the National Security Resources Board by the Air Coordinating Committee from December 1948, to August 1950.

To supplement these studies, an Air Transport Mobilization Survey was organized in October 1950, under the general chairmanship of Delos W. Rentzel, Chairman of the Civil Aeronautics Board, with task groups to report on:

1. Air Transport
2. Training, Overhaul, and Maintenance

3. Business, Executive, and Agricultural Flying
4. Airports, and
5. Airways.

In addition, a study of military airlift requirements to be supplied by the civilian air lines was undertaken in October 1950, by a group under the chairmanship of Colonel James H. Douglas, Chief of Staff of the Air Transport Command in World War II and now Under Secretary of the Air Force.

Planning for port utilization was assigned in April 1949, to Brigadier General Robert H. Wylie, Manager, Board of Harbor Commissioners, San Francisco, as chairman of a group. A report submitted 19 April 1950, recommended organization and procedure for coordinating port operations by:

1. The allocation of port facilities
2. The allocation of quotas of vessel tonnage to ports, and
3. The control of Government and commercial traffic to ports.

Because of dangers from the atomic bomb, the National Security Resources Board in July 1950, arranged for a survey under Vice Admiral O'Niell of:

1. Port protection
2. Alternate port facilities, and
3. Port restoration.

Now, the enormous amount of work involved in all of these surveys is indicated by the number of people who served on various committees, totaling 429, and divided:

Representatives of industry	205
Representatives of Federal Agencies	118
Representatives of Department of Defense	106
	<u>429</u>

When I presented these figures to the Defense Mobilization Board, Secretary Humphrey smilingly asked if 429 people could be laid off when this job was done.

Thirty-two separate reports were submitted, all dealing with some phase of mobilization planning for transportation.

The fifth and final project, TR-5, Integration of Results, was not undertaken, for various reasons, notwithstanding the fact that this was to be the harvest of all other work done. Shortly after the basic reports were made, the Korean conflict developed, and long-range planning gave place to immediate action. The various reports and the recommendations contained therein were held in abeyance.

By the time the needs and pressures of Korea receded, certain fundamental differences, which I shall later describe, developed between departments of Government, effectively blocking all progress toward integrating the various recommendations into a cohesive plan of action. Nevertheless, the reports which I have described achieved general acceptance of a number of basic principles without which further progress would have been difficult.

It was agreed that:

1. Transportation should continue under private ownership and management, subject to necessary controls.
2. A single, civilian agency, the War Transport Administration, should be set up to exercise needed controls over all forms of transportation--on land, on sea, and in the air.
3. The War Transport Administration should have equal status with other major war agencies, such as the War Production Board or its equivalent.
4. The War Transport Administration should be temporary, created to meet the emergency, and terminating as soon as circumstances would permit.
5. No major user of transportation, such as the Department of Defense, Civil Defense, or Commerce, should be in control; but would be a claimant upon the Administration for whatever quantity and type of transportation it required.

Notwithstanding agreement reached on these basic issues, a road block to their implementation developed when the Department of Commerce took the position that mobilization planning in transportation is properly a function of the Office of the Under Secretary of Commerce for Transportation. It urged that within this office there is a nucleus organization experienced in transport matters, which in time of need

could be expanded into a full-blown War Transport Administration, providing an easy and logical transition from the requirements of peace to those of war. As you know, the Maritime Commission, with jurisdiction over ocean shipping, and the Civil Aeronautics Board and Civil Aeronautics Administration, with authority in air transport, are within the Department of Commerce. The Bureau of Public Roads is likewise in this department. Therefore, it was argued, domestic land transportation by rail, highway, and pipeline could be added to it very readily in an emergency; and the War Transport Administration would become an enlargement or an expansion of its present functions. The nucleus organization would be a going concern, ever prepared to meet an emergency.

Others were equally firm in their conviction that this is an erroneous and dangerous concept. Those opposing the Department of Commerce insisted that war agencies, with their extraordinary authority and powers, should be set up independently and apart from the normal peacetime functions and departments of Government; that they should exist only for the duration of the emergency and be quickly liquidated when such emergency passed; that the Department of Commerce possessed no particular competence in personnel or experience which would qualify it to direct the entire transport of the country, whereas a temporary agency could enlist or draft the outstanding men in each field of transportation to direct its activities.

It was on this issue that all progress had ceased for more than a year when I arrived in Washington in September 1954.

A few weeks after my appointment, Dr. Flemming made me Chairman of the Interagency Committee on Transport and Storage, succeeding the Under Secretary of Commerce for Transportation. This placed me in an advantageous position to approach the problem.

A committee of transportation men outside of Government, with Arthur Grotz, president of the Western Maryland Railroad, as chairman, was appointed by the Department of Commerce to review their position and to advise with respect to it. Mr. Grotz and his committee came to the unanimous conclusion that the position taken by Commerce was unsound, and recommended against it.

A meeting of the Interagency Committee on Transport and Storage was thereupon called; and on 17 December 1954, just about a year ago, agreements were reached which cleared the way for the final Project

TR-5, set up in 1948 by the National Security Resources Board, which was the integration of results of the first four projects previously described.

We thereupon set to work to draft a document which would outline the duties, responsibilities, and authorities of a War Transport Administration to make effective the recommendations which had been so laboriously hammered out.

I have with me here a 67-page document entitled "Report on Form of Wartime Transport Control Organization," which was accepted and approved by the Defense Mobilization Board on August 24th of this year. It is the culmination of more than six years study, discussion, and argument; and has been approved by all departments of Government having major interest in transportation, including the Department of Defense.

This plan provides that upon declaration of war, or following an attack upon the United States, a War Transport Administration will be established. It will be a civilian agency, under a single administrator, with coequal operating bureaus for port control, domestic surface transport and storage, sea transport, and air transport. There are to be staff divisions for allocations and priorities, and for claimancy for manpower, materials, and financial assistance.

Now, here is a somewhat rough chart of that War Transport Administration, as set forth in this document (see appendix, page 23). You can observe the major divisions. It uses a word which does not have my approval, designating the major divisions as bureaus. Not having worked in Washington more than one year, I don't care for the word "bureau." I think it belittles the importance of the organization and its divisions. I hope that some happier word will be found to designate these very important agencies, because under this concept they will run the total transport of this country in the next war. I wanted this chart up here so you could see it and follow what I say.

Now, there is much to be done to develop it fully. This is a skeleton outline. It is a blueprint which points the direction and gives to you in broad outline the general concept. So if you will follow the chart as I proceed with my remarks, I think it will be helpful to you in fixing the plan in your minds.

The War Transport Administration will report to the Office of War Resources, or whatever its name may be. It will have coordinate status

with the War Production Board or other temporary wartime supply agencies. It will not be subject to control by a principal transport claimant or user, such as the Department of Defense or Federal Civil Defense Administration.

The functions of the four--I was about to say "bureaus"--the four offices and the two staff divisions are to be as follows:

1. The Bureau of Port Control will have control over all port facilities, equipment, and services under the jurisdiction or control of the United States; allocate quotas of ocean lift to ports; coordinate the movement of traffic into, through, and from port areas; and develop alternate ports and other facilities. An Advisory Council, composed of representatives of claimant agencies and industry, will assist the Port Controller on bureau functions.

2. The Bureau of Domestic Surface Transport and Storage will have jurisdiction over transportation by railroad, street, and highway (including passenger automobile); inland waterways (including Great Lakes shipping); and petroleum pipelines--certain functions concerning petroleum pipelines and petroleum storage may be delegated to the petroleum control agency--and over warehousing and storage, including that provided by all public service and private carriers, vehicles, and facilities.

3. The Bureau or Office of Sea Transport will have control over the construction, acquisition, and use; provision for the manning, upkeep, supply, operation, and allocation, of all merchant-type, ocean-going vessels under the flag or control of the United States, except combat vessels of the Department of Defense and the Coast Guard, fleet auxiliaries of the Navy, vessels owned by or allocated to the exclusive jurisdiction and control of the Military Sea Transport Service, and vessels engaged in inland water transportation on rivers and on the Great Lakes.

4. The Bureau of Air Transport will have control over domestic, overseas, and international transport by civil aircraft, certificated and noncertificated, in common carrier, charter, and contract service, and privately and corporate-owned aircraft for transport. Jurisdiction includes support by equipment, facilities, and services of aircraft, engines, spare units and parts; overhaul and maintenance; fixed base operations; arrangements for fuel, training; other civilian service and facility organizations; and the adequate use of airports and airways.

5. The Staff Division for Traffic Allocation and Priorities. -- An intra-agency board will exercise policymaking and appellate functions with respect to transportation, storage, and port allocations and priorities.

6. The Staff Division for Claimancy. -- An intra-agency board will exercise policymaking and claimancy functions for materials, manpower, and financial assistance.

Now, if anything has been omitted, I don't know what it is. This is a very powerful organization.

Such is the overall plan at the national level for the control and direction of transportation in the event of war. Much remains to be done in working out the detail in each major department or office and for each form of transportation. There is the very important problem of staffing such an organization with the most competent and experienced transportation men available.

It is hoped that an executive reserve can be established, which would form the nucleus around which the organization could be quickly built. The men in such a reserve should be drawn from the various segments of the transportation industry, recognized for their experience and competence, and capable of quickly setting up this central organization in the most effective manner.

Study has also been given to some of the problems which are peculiar to the different kinds of transportation. Our railroad system as a whole is probably stronger than ever, and better prepared to handle the enormous load of war-generated traffic than it was during either World War I or World War II. The diesel locomotive has greatly increased railroad efficiency, and provides a reservoir of added capacity which is believed to be adequate.

However, it is estimated that the railroads would require some 300,000 additional freight cars to meet the requirements of a three-year war without an attack on the continental United States. It seems probable that about 60,000 cars would be built each year of such a war, or a total of 180,000 cars, leaving a deficit of better than 100,000 cars.

The feasibility of stockpiling the principal components of such cars is under investigation, but presents many serious difficulties.

In 1954 the railroads practically ceased buying freight cars, scrapped old cars in large numbers, and permitted the percentage of bad-order cars to increase substantially. Happily, that policy has now been reversed, and the railroads are back in the market for all the new equipment that can probably be built in the next twelve months or beyond. The present program calls for 145,000 new cars, costing one and a quarter billions of dollars, of which some 60,000 are already on order. The remainder will have to be ordered by 1 January 1956, to get the benefits of rapid tax amortization. This new equipment will not only relieve the present freight car shortage, but will be an addition to their present carrying capacity for years to come.

We are likewise confronted with a shortage of ocean shipping, both cargo ships and tankers, if we should have to fight an overseas war. There are some 2,000 cargo ships tied up in reserve fleets on the Hudson, the James, the Columbia rivers, and elsewhere, which many of you have seen. But they are too slow for modern warfare, making only about 10 knots. Furthermore, many of our shipyards have been abandoned, and the skilled labor supply scattered. There is also a lack of capacity to make the propulsion machinery for a large ship-building program. Both the Maritime Commission and ODM are keenly aware of this situation and are grappling with the problem.

Closely associated with the need for additional tankers is the problem of supplying the East Coast with petroleum products from the Gulf in the event of war. You will recall that during World War II the Big Inch and Little Big Inch pipelines were built to fulfill this need. These lines have since been converted to natural gas, although there is now a plan to return the Little Big Inch to petroleum service. Studies have been made for additional petroleum lines. If such should be built, the need for added tankers would, of course, diminish.

You are probably familiar with the Civil Reserve Air Fleet plan, under which some 300 four-motor aircraft, now operated by the commercial airlines, would come under the direction of the military immediately upon a declaration of war. This plan can be activated only by an executive order of the President. The Civil Reserve Air Fleet plan was developed in considerable detail before my arrival in Washington, and I had nothing whatsoever to do with this program.

Our improved highways and constantly growing fleets of trucks and passenger cars give us a carrying capacity, mobility, and flexibility unequalled in the world's history. Theoretically, the entire population

of our country could be moved at once on the back seats of the 58 million motor vehicles. I mention this because of the recurrent discussions of the possibility of atomic bombing of our major cities and the various evacuation plans.

Evacuation means transportation, and the motor vehicle provides the greatest readily available means of transportation up to the capacity of the roads and highways. With a few hours warning and some planning, a city like Omaha or St. Paul could perhaps be pretty well abandoned, but I have never believed it possible to evacuate more than a small fraction of New York City's millions. Motor transport would, of course, be of incalculable value in bringing relief and supplies to any stricken area.

And this brings me to another area of mobilization planning in transportation.

It is accepted that under any attack pattern which involves the atomic bombing of a large number of our principal cities, there will be serious disruption of our entire transportation system. I have examined a number of assumed target patterns and have found that, while serious damage can be done, it is virtually impossible to block all rail transport between main centers of population. There are too many alternate routes available which by-pass target cities.

Destruction of Atlantic and Pacific coastal cities, with their vital port facilities, would be a crippling blow; but it seems likely that enough ports would survive to handle essential cargo pending restoration. Our railroads are experienced in disaster and rapid restoration of service. I have little fear that they can be totally paralyzed even by the simultaneous destruction of fifty or more of our principal cities. It is even more impossible to interdict all traffic on the network of highways.

But organization at a national level is not enough to assure transportation in target areas under attack conditions. If we are to be fully prepared, there must be a transportation organization in every primary target area, with plans for unified direction of all transportation facilities should the need arise. This is where Civil Defense becomes involved.

As you know, Mr. Val Peterson is Administrator of Federal Civil Defense and as such is responsible for the development, coordination, guidance, and leadership of a national program of civil defense. The

State governments and their political subdivisions have the primary responsibility for civil defense at state and local levels.

Federal Civil Defense has worked with state and city officials for several years in an attempt to set up transportation plans and organizations adequate to meet an emergency, but has met with very limited success. This is partially due to inertia or indifference at state and city level; but some of it may be attributed to the failure of both Federal Civil Defense and the Office of Defense Mobilization to have a realistic program to guide city and state officials in their planning. When the chips are down, the men who know transportation in and around Washington are going to have to provide transportation in this community under attack conditions. No one elsewhere can do much to meet immediate needs. And so it is in every city of our country.

I attempted to find out through Federal Civil Defense what had been done in 70 or 80 cities, which have been designated primary targets, in the way of local transportation organization for emergency; but I met with little success. Thereupon I set up a task group of three men--one from Federal Civil Defense, one from the Defense Transport Administration, and one from the Department of Defense--to make a field survey in 30 target cities throughout the United States. They were to report on the state of transportation readiness to meet an emergency in each of the cities visited.

The report was received only a few days before I left Washington, and was transmitted to Dr. Flemming. It confirmed my suspicion that, despite much talk, little has yet been accomplished in most cities. But the problems have been pointed up; and I am hopeful that, with the encouragement and guidance of both the Federal Civil Defense Administration and the Office of Defense Mobilization, real progress will be made at the local level in transportation planning for emergency.

Such is the present state of transportation planning in Government as I came to know it during my year with the Office of Defense Mobilization. Progress has been made, but much remains to be done.

Shortly before leaving Washington I was asked if in my judgment there was need for further activity by the Office of Defense Mobilization in this field. My reply was that, so long as it is necessary to make plans for production, material, manpower, stabilization, and communication, it will be sound policy to review and mature plans for transportation under any emergency. Transportation, as you well know, is

not static, but is constantly changing and improving. We dare not become involved in future military operations without a transportation system equal to any demands that may be made upon it.

CAPTAIN GERLACH: Gentlemen, Mr. Dennis is ready for your questions.

QUESTION: I watched the reserve fleet in World War I being tied up in the Hudson River and in World War II until it was ready to be scrapped. Are we going to do the same thing again, according to this plan?

MR. DENNIS: At the present time many ships are being used for storage of grain. If war is postponed long enough, I assume it would be the ultimate destiny of the fleet to be broken up.

But in the meanwhile it gives us some ships in being. As you know, they are slow. But the Maritime Commission has broken some of them out of storage from time to time. These ships are all we have in reserve in the way of cargo-carrying craft. How long they can be preserved in a state of immobility and be of any value I don't know. As you know, some of them have been reconditioned.

I am not an expert on that matter. All of you naval men know more than I do about it. But so long as we have a surplus of wheat, I presume they will be there.

QUESTION: Any future war I believe will probably be fought under our NATO commitments. Thus there appears to me to be some conflict between your Bureau of Sea Transport and this Planning Board on Ocean Shipping. I believe the Planning Board on Ocean Shipping, as it is presently planned, would like very much to take over all of our ocean shipping in the event of war. Do you see any conflict between those two organizations; and, if so, how would it be resolved?

MR. DENNIS: Let me say in the first place that I don't know very much about these international commitments--NATO and the other things. But there is a provision in this document which governs those relations. It refers to NATO in this language:

"The Office of Sea Transport will participate in the work of the Defense Shipping Authority as required. In this connection it will represent the United States on the Defense Shipping Council and the

Washington branch of the Defense Shipping Executive Board. It will provide such information on merchant shipping as the Washington DSEB may need to carry out its functions. It will be responsible for implementing the decisions of the Washington DSEB."

That was written by the Maritime Commission. If there is any conflict, they have gotten themselves snarled up. That is about all that I can say in answer to your question.

QUESTION: Is any of this organization in effect today in peacetime, or has any organization been assigned the responsibility for making plans for putting it into effect in an emergency?

MR. DENNIS: This concept was accepted by the Defense Mobilization Board on August 24th, and I left Washington September the first. I don't believe very much progress has been made toward making it effective. At the present time it is largely a blueprint.

But there are several agencies in Washington that could be fitted into it very quickly. For instance, the Maritime Commission would be the nucleus of the organization to look after ocean shipping. Perhaps the Defense Air Transport Administration (DATA), would be the center of the organization, or might well be the organization, on which you would draw for your air transport. The Defense Transport Administration and the ICC would contribute. So you would bring these various segments in. But there is no organization in being as such today in the Government to carry out this plan.

QUESTION: Is there anyone who is responsible for carrying it out, who would be in charge?

MR. DENNIS: I think they are still looking for a successor in the job that I had. You know, WOC's are not very welcome down here in some quarters. I got out at just the right time.

QUESTION: I noticed one slight area of conflict at the bureau level and that is that if you have a port and then you have railroads, both of them have to have marshaling yards in order to get things done. Under whose control would those marshaling yards be? Would they be under the railroads, Domestic Surface Transport, or would they be under the Port Authority?

MR. DENNIS: Well, the marshaling yards could not be under the Port Authority, because there are a lot of marshaling yards that have

nothing to do with port operations. Then there would be certain yard facilities which would have a very direct relation to the operation of a port. I think it would have to be sort of worked out in conjunction.

I would say that primarily the yards would be under the Office of Domestic Transport and not under the ports, except as the port operation might require certain things from them. That would be my reasoning. I have never thought of that conflict before. There would have to be a mutual agreement and understanding.

Of course that applies to your large Atlantic and Pacific and Gulf ports. It might have to be clarified as to just where the line is drawn. But remember, you have a single head, the War Transport Administrator; and if there is any conflict, it could be quickly resolved by him.

CAPTAIN GERLACH: What you are saying is that in this area the organization has not been clarified? Is that it?

MR. DENNIS: Yes. I would say that is it.

QUESTION: If they continue to dieselize the railroads, there are going to be competing demands for petroleum by the railroads and the commercial aviation industry. Who is going to allocate the petroleum supply as between those two claimants?

MR. DENNIS: Insofar as the petroleum supply is concerned, this War Transport Administration would be a claimant agency for the necessary supplies. They would have to aggregate the fuel requirements for the diesels and the over-the-road transportation and the civil aircraft; and they would have to go to whatever outfit is allocating petroleum as a claimant agency for the materials. They would have to urge their needs and present their case.

Now, if you are apprehensive that lack of diesel fuel might immobilize our railroads, they, of course, would take top priority. You and I wouldn't have much gasoline to run our individual cars. Obviously, the railroads would have to get fuel, if there was any to be gotten.

The petroleum facilities of the country are pretty widely distributed. The petroleum agency has been doing a great deal of work on the requirements to fuel a war. I believe they anticipate no grave problems in having enough to meet the essential requirements. But this transport agency would be only a claimant for supplies for the various segments of transportation covered by it.

QUESTION: I am a member of the National Defense Transportation Association and I wondered whether in my association with that organization we could make a significant contribution to getting this local area conflict straightened out.

MR. DENNIS: I think the National Defense Transportation Association, through its individual members, can make a tremendous contribution locally by offering their services. I do not think that the National Defense Transportation Association as an organization can take over and be the local organization. But the individual members, I think, can be invaluable.

QUESTION: I am having a little difficulty following the flow lines on that chart for the Bureau of Air Transport. It would seem that the user, at the bottom of the chart, will lay a claim on the Secretary of Defense; but there is a dotted line then coming out of the Secretary of Defense into the Bureau of Air Transport. That is my first question.

The second question has to do with whether or not, when you take the Civil Reserve Air Fleet out, you have anything left really in the transportation industry; and whether that would lead to putting in effect an agency somewhat similar to the Bureau of Sea Transport for aircraft construction.

MR. DENNIS: Well, of course, if you take 300 four-motor aircraft out of the civil fleet, you greatly reduce its effectiveness. You will have something left, but how much you would have left I don't know. You would immediately have a shortage in civil aircraft.

What was the second part of your question?

QUESTION: It has to do with the dotted line going from the Secretary of Defense box up to the Bureau of Air Transport--the broken line.

MR. DENNIS: Well, that box was put there because, before this plan was drawn up, there was an agreement between the Secretary of Defense and the air people on priorities. I think you know about it. It is an outstanding agreement. I didn't have anything to do with it. I don't know very much about what it is. But certain agreements which had been entered into are preserved under this plan, and they are shown on the chart in this form.

I don't know that I can answer your question except that that broken line doesn't indicate a direct line of authority, but really suggests an

agreement that has been worked out before this thing went into effect. I am not sure how it would be reconciled. That is not a very complete answer.

QUESTION: With the broad powers given the Federal Civil Defense Administrator, would that put him on top of this administration at least down to domestic service transportation?

MR. DENNIS: You have touched on what I consider a very, very important matter. That is, the foggy relationship between Civil Defense and all the other agencies.

This Transport Administration is not subordinate to Civil Defense, I hope. Mr. Peterson claims that practically everything is subordinate to Civil Defense, if I understand his position. That is a foggy area of authority, which sooner or later must be clarified.

Civil Defense under this plan is a claimant for transportation, not a control agency, despite their assertions that under certain conditions they practically run the works. But the intent was to make Civil Defense a claimant for transportation to this agency, not a control agency. But I agree that it is far from understood, and that it is a fuzzy area, which should be more sharply defined.

QUESTION: I gathered from the blocks on that chart that, as between the Bureau of Sea Transport and the Bureau of Port Control, one is more or less to do the operating and the other to do the planning. Yet I notice there is no line of connection, dotted or straight, between the two boxes.

MR. DENNIS: They are intended to be separate and distinct. The Bureau of Port Control is really the connecting link between land and sea. It has both land-side duties and sea-side duties. So it is a connecting link between the two. But they are separate and equal under this plan, and there is no connecting link as to operation. They will have to work together when they have, for example, a ship destination room.

That was a point of dispute. Where would the ship destination room be? Under the Bureau of Sea Transport or under Port Control? But, as we always do, we compromised. Sea Transport has control of the original ship's destination, and the Port Control Authority has the diversion destination, and everybody is happy. The Bureau of Port

Control will allocate the amount of tonnage to go through each individual port, depending upon its capacity and the shipping conditions. Then, of course, Sea Transport assigns the necessary ships to lift that tonnage.

QUESTION: This is a very fancy-looking chart. I assume this is just a picture of the whole organization structure that would control transportation. You would probably have to go to regional organizations and then to state organizations. Just how do you get an organization like this moving in time of emergency--the forms, procedures, and all that sort of thing?

MR. DENNIS: Well, I think the first thing that would have to be done would probably be to develop an executive reserve, built around this plan. If I were doing it, I would try to preselect two or three good men for each one of those key spots, and then have them develop their own ideas of an organization. Then if war came, you would have a nucleus of people whom you could pull in. You would bring in someone who would head up your domestic transportation, and he would bring in two or three men, and then set to work to implement and staff it and set it up.

But all of that has to be worked out in detail. The plan hasn't gone that far. All we have done is to outline the broad framework of this thing, and now it should be filled in. It is not complete, but it is a start.

I think that something along the lines that you suggested would have to be done. It would have to go down to the regional level. This would be an enormous organization.

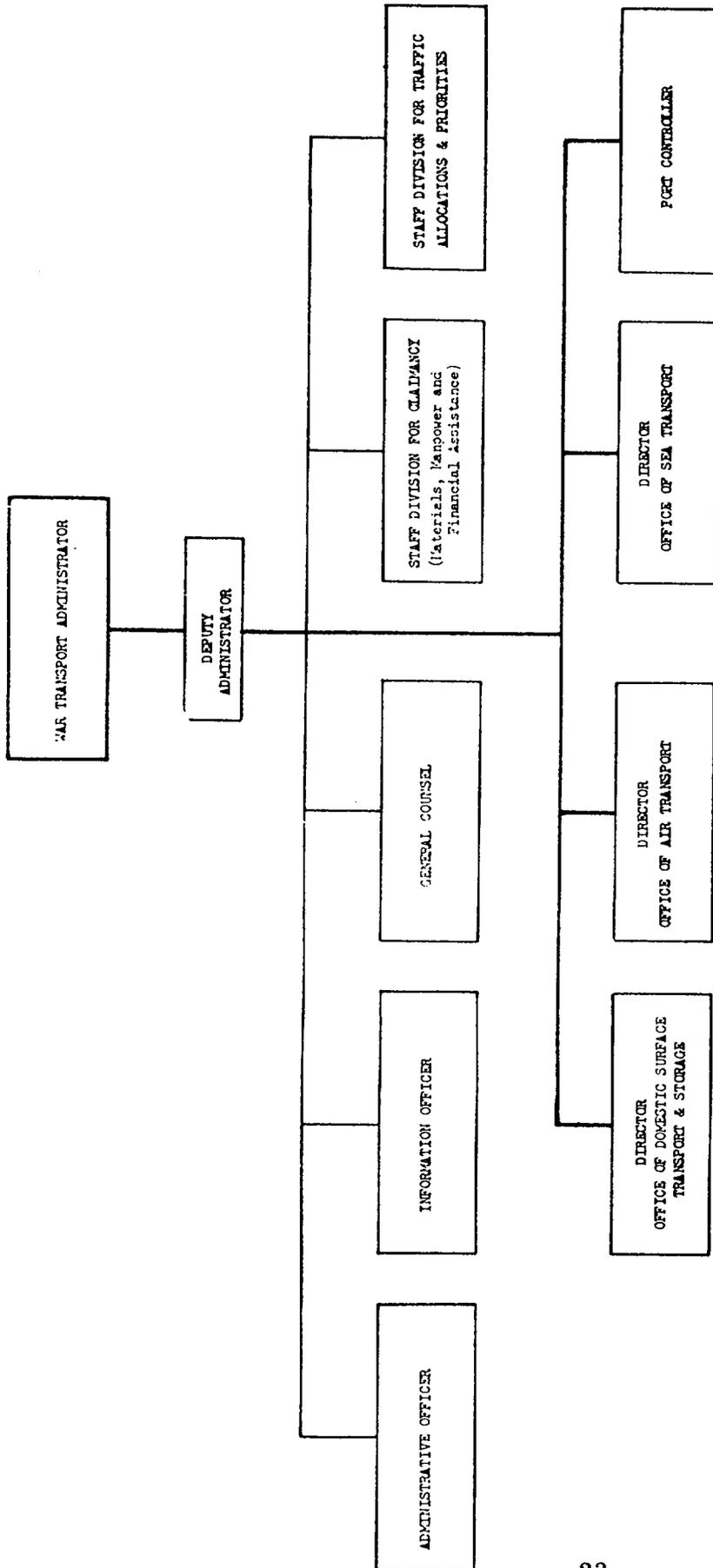
The ODT during the last war had about five thousand employees alone. This is several times that size, when you bring in shipbuilding, ship operations, and so on. So it can't spring full blown into existence. If we were under attack tomorrow it would take quite a time to get this thing set up. You would have to worry along as best you could until it could be done. But it could be done. And it will be implemented and expedited to the extent that enough planning is now done and as certain individuals are appointed or selected and are informed of this.

I have held that everybody connected with transportation ought to know about this plan in advance. This secret classification is not of my doing. I would like to have it known and for everyone to begin

thinking about it and accept it in advance, so they would know what they were going to deal with. I think it would be immensely helpful if that could be done. But security people don't agree with me.

CAPTAIN GERLACH: Mr. Dennis, it is only courtesy to you that compels us to close this question period. You have not only given us a splendid lecture on transportation, but you have given us an insight into the governmental process which not often are we privileged to have. On behalf of the members of the College, I wish to thank you very much.

(16 Feb 1956--450)B/ibc



OUTLINE
ORGANIZATION CHART

OF THE

WAR TRANSPORT ADMINISTRATION

OF THE

WAR RESOURCES ADMINISTRATION

NOTICE: This chart is not the one used at the lecture, but it is included to add to the reader's understanding of the general form of the proposed organization.

D T A JUNE 2, 1955