THE RESIDENT COURSE

19 August 1960

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NOTICE

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

THE RESIDENT COURSE

19 August 1960

ADMIRAL PATRICK: General Mundy, Gentlemen: May I add my welcome to the Industrial College and congratulations to each student for having been selected by his department or agency to participate as a student in the Class of 1961.

This is a wonderful opportunity and I know that each of you is welcoming it as a challenge and will meet it in the same manner in which you have met other challenges during your successful career.

My remarks should be considered a link between General Mundy's talk and more details on your course that will follow. You have just left positions of responsibility where you were probably under great pressures to accomplish missions of your commands. On your arrival here you have been designated as students of the Industrial College of the Armed Forces.

Your outlook for the next 10 months should create a relaxed, friendly, academic atmosphere. However, we expect you to gain a great deal from this course. As in every endeavor, your gain depends on your own efforts.

The Commandant, his deputies, and the faculty are very proud of the Industrial College and of the opportunity which it offers you, the students. We have a fine faculty, and each is capable and most willing to advise you. You will not be led by the hand nor will you be given specific ideas on how you should run your own studies. The faculty does stand ready to assist you on request in formulating and developing your own ideas. In this atmosphere it is expected that you will make your needs known.

Yesterday you were each met and escorted into the building by a member of the faculty. He is known as your faculty associate and you will be closely associated with him until you graduate. He very likely won't know all the answers that you will put to him, but I will assure you that he knows where to find the answers. By knowing your faculty associate and discussing many things with him, you will find that the year will be more interesting and more profitable.

You are not limited in knowing just one member of the faculty. I know that during the course of the year you will learn to know each one

of them. You no doubt have served with several of them during your career.

As we progress into the academic year, you will soon see that the course is quite broad in scope and complex in nature. No member of the faculty is an expert in all the fields that the course embraces. We have recognized experts on the faculty, as I know we must have in the student group.

More important at the moment, however, is the fact that the members of our faculty are generalists in the fields which we cover. There are times when the important factor is to know the proper question to ask in order to get and recognize an expert answer on the subject.

Much of our course is based upon the use of highly qualified lecturers as well as panelists for our seminars. These distinguished persons must be invited well in advance. This is the responsibility of the faculty and, in doing this, they must be very selective. Fortunately, it is an honor to an individual to be invited to speak from this platform. This has become traditional because of the caliber of the audience and the manner in which the visitor is received. It is incumbent upon us to preserve this tradition.

Our visiting lecturers and panelists are told that we respect academic freedom. They are told that what they say to you, the students, will be respected as privileged information and that it will not be quoted without their permission. And this is most important. Discreet statements made by our guest speakers must not be discussed in public nor in any way allowed to leak, for this might cause great embarrassment both to the College and to the speaker. It is because we have the reputation of respecting this privileged position that we are able to have very prominent people participate in our studies here at the College. Indiscretion could jeopardize our program.

At each lecture it is customary to have a discussion or question period following the lecture. There will be times when the lecturer will have made statements with which you will violently disagree. Remember it is not our object to have the speaker come here and tell you something that you already know or with which you already agree. A graduate student must be capable of intelligently considering all aspects of any problem. It is in this spirit that you must bring your questions to the speaker. Make your questions brief and clear. Be diplomatic and polite in stating your questions to the speaker. After he has answered your question you are requested not to requestion the speaker without again being recognized

by the monitor. However, if the speaker invite you to say whether you consider the question answered, then speak up.

At a designated time in our course, each of you will make a speech of about 15 minutes from this platform. In the past students have been known to practice for this speech when asking a question from the floor.

I would like to say that this year we feel that the course will be the best course ever presented at the school. It will offer more than we have been able to give the students in years before. It is naturally a balanced course.

First we establish a foundation, giving you the basic materials for an understanding of that which is to follow. Then you will have two phases of study--the national scene and the international scene. The international phase will give you a greater feeling for the complex problems facing our Nation today. It is during this portion of our study that we take our international field trip. This year our coverage will be even greater than last year, our first year for the international field trip. This year it will include Europe, Africa, the Middle East, South America, and the Far East.

The course then terminates with the final unit wherein you will have a chance to apply all that you have learned during the course of the year. I understand that you will profit by retaining your notes from previous units. I would like to repeat that your solution to the final problem encompasses all you have learned during the year.

During the course of your study you will be dealing with various problems facing our most senior Government leaders. You will find that these problems seldom lend themselves to clear, plain solutions. These are matters that require mature consideration. These problems are situations which receive consideration by responsible people in our Government every day. This is the type of work which you will find so interesting and challenging.

How the course will be presented to you and the greater educational features will be discussed by our Director of Instruction, Dr. Reichley. First I would like to introduce a few of my staff. My deputy is Colonel Hawkins. The Director of the Resources Division is Colonel Smith. The Director of Plans and Readiness Division is Colonel Sills. His division will conduct the first unit, the Foundation Unit, so later today you will be hearing from him. The Director of the Materiel Management Division is Colonel Keach.

Now I would like to turn the platform over to Dr. Reichley.

Dr. Reichley.

Thank you, Admiral Patrick.

Gentlemen of the Industrial College, Class of 1961.

The first few days of any new job are likely to be trying as well as exhilarating. I am sure this must be true for most of you, who find yourselves in the unaccustomed role of students going back to school after a lapse of several years. It is our sincere hope that you will always look back on these few days with two distinct recollections: First, that you received a warm, friendly welcome; and, second, that this marked the beginning of a new and stimulating experience in which you broadened your intellectual horizons, enhanced your professional stature, and gained a new understanding of our national economy and of its relationship to the strength of your country.

I would like to expand somewhat on General Mundy's and Admiral Patrick's remarks about what we have to offer here. Let me list some of these things:

1. Contact with leaders in business, education, science, Government, warfare, and politics.

2. Close association with officers and civilians from other services and agencies, students like yourselves, products of a winnowing process which brings only the best to this College.

3. The opportunity to associate with a faculty combining experience, knowledge, and understanding.

4. Access to a library having an ample collection of books, periodicals, newspapers, reports, and documents, carefully selected to enrich your course of studies, and a professional library staff trained and eager to assist you.

5. Perhaps most important of all, the College offers you freedom from operational and administrative responsibilities, leisure to study, think, and enlarge your perspectives.

You have already received a lot of material and in the coming months you will read curriculum books and other descriptive material about our course. But, to me, the best and most important things about this College, or any college, cannot be described in catalogues or curriculum books, or reduced to clock hours, credits, and degrees. The most priceless gifts a college has to offer, are intangible and difficult to describe in words--such things as an academic atmosphere, something in the air that stimulates inquiring thought and free discussion; leisure time for deliberate and discursive reading and calm reflection; personal and intellectual companionship. Never again in your career, perhaps even in your life, will you have so much time to inquire, to study, to think. And, gentlemen, thought is the basic energy in human history. Civilization finds its driving force not from machines but from thought. Man is unique in creation, not merely through his ability to make things, but to sort and relate them. Other animals communicate; only man comprehends.

In many ways, the intellectual life of a college revolves about its library. A college library is truly a wonderful place. It is not merely a storehouse of facts and information more capacious by far than the minds of many men, but also a repository of ideas--a record of man's contemplation of himself and his environment, from the inscription on a Pharaoh's tomb to the editorial in today's newspaper. In a library one learns that there is nothing so rare as a new idea, or so durable as an old one. In a library, with time and patience, one can learn both humility and serenity.

We are rather proud of our College library. It is not a vast archive equipped for scholarly research in any field of human knowledge; the Library of Congress and other collections in this area will serve whatever interests you may have along those lines. Our library is a compact, balanced collection of standard, recent, and current literature on the subjects covered by or related to our curriculum. It is an excellent special-purpose library, carefully tailored to the particular needs of our educational program. I urge you, at your earliest opportunity, to browse through it, talk to the staff, and make yourself familiar with its facilities. You will find it an indispensable foundation for your studies here. You are welcome, incidentally, to use the library of our sister institution, the National War College.

A word, now, about our educational philosophy and method. The Industrial College is a graduate-level college, and the course of study you will pursue here is both broad and highly specialized. It has no counterpart either in our military educational system or in any of our civilian colleges or universities. Our educational philosophy leans

heavily on the principle of self-instruction and individual responsibility. As General Mundy has told you, you will not be graded, or placed in overtly competitive relationships with your fellow students, or prodded to keep up with your work. As mature and serious-minded individuals, it is assumed that you long ago learned to study efficiently, to organize and schedule your work, and to be self-propelling in the pursuit of knowledge. Our faculty members will not supervise your study or attempt to channel your thinking in any way. Nor will they ordinarily instruct you in the usual sense of the word.

In essence, our educational method is to bring to the College, as lecturers, seminar panelists, and instructors, the leading experts and authorities in each field, to make available to you the most authoritative literature in these fields, and to organize the flow of this information into a coherent and meaningful pattern. We also weave through the course an organized schedule of activities--group discussion meetings, seminars, case studies, committee projects, individual research projects, oral presentations--which experience has shown to be effective in helping you to absorb the information thrown at you and in stimulating the juices of intellectual digestion.

Our faculty plays an active and vital part in all this. They organize and conduct the course; they serve as moderators and discussion leaders, and some of them will present lectures in their special fields of competence; they explore sources of information and guide your own exploration; collectively, they place at your disposal an immense fund of experience and professional training in education and in various fields of academic and technical knowledge.

But your own role is even more important. You are all mature persons; you are all "pros" in your respective fields. In the aggregate, you imbody a wide and diverse range of knowledge and experience. We plan for your specialized knowledge to contribute to this course. This will be done in a number of ways--through individual oral presentations to the class, through individual research papers, through your contributions to committee projects. But primarily, you will contribute to the course in less formal ways--through the give and take of free discussion around the committee or seminar table and in your own spontaneous bull sessions, during study periods and coffee breaks. In brief we want you to share the intellectual wealth that you bring to the College. In this way we not only increase our total "input" of knowledge--or "intake" from your point of view--but also, through mutual exchange and exposure to many critical minds, we test our ideas on the proving ground of free discussion.

To sum up--we offer you an organized course of education. We give you a ball to run with, not an armful of stuffing--but we still expect you to run with the ball. We can't carry it for you. Where you take it, or how far, is up to you.

Now, let's take a closer look at your course of study.

You may have noticed that we do not give it a name. Actually, the omission has no particular significance. Our Correspondence Course, which is patterned after our Resident Course, is entitled "The Economics of National Security," and perhaps that is as good a name as any, except that the course you will take here is far more than a course in economics. Its central thread is the study of the economic and industrial aspects of national security. Since these aspects cannot be studied in a vacuum, we give considerable attention as well to the related political, military, social, administrative, and scientific developments and conditions that affect national security. This is done in the context of both national and world affairs, and under conditions of peacetime international tension and conflict as well as general and limited war. We place heavy emphasis on the problems of developing and sustaining economic strength and readiness for all varieties of cold war situations, and on the problems of postattack rehabilitation in nuclear war.

A pervasive theme of the course is the nature of the Communist threat to our national security, and the policies and programs which our Government seeks to counter and defeat the challenge. You will have many opportunities--indeed, you will be expected--to examine these policies and programs critically and to come up with your own ideas of how we should respond to the Communist challenge.

Before reviewing for you the organization of the course, there is one point I would like to emphasize. When you went to College--many more years ago, I am sure, than you care to remember--you took, each year, several courses, perhaps four or five of them. You studied these courses concurrently, devoting several hours of class time each week to each of them, and the courses were, in general, quite distinct--though there was, of course, a relationship between, say, a course in American Government and one in American Foreign Relations. This is the system in effect in most colleges and universities. Now, here at the Industrial College, we are organized somewhat differently. In order to make the most of the single academic year you spend here, and in view of the very special and important purposes for which you are sent here, we offer a single course. We divide this course into phases and units, which run, not concurrently, but consecutively. We offer a completely integrated,

homogeneous, consecutive course--and only one course--and all of you will study it together. The several units are carefully meshed, so that each one lays the groundwork for those that follow and each one builds upon those that precede it. The course begins with a review of background information and basic principles, moves successively into the major problem areas, and concludes with a synthesis and final evaluation which you yourself will formulate. In short, we try to guide you through the course in such a way that you will be able to build up your knowledge layer by layer in an orderly, progressive manner.

Now, here is how it looks.

The Resident Course is divided into four main phases as illustrated on the chart:

a. Foundations

b. The National Scene

c. The International Scene

d. Plans and Readiness

These four main phases are subdivided and presented through nine major units of study.

We first devote about six weeks to getting acquainted with some of the basic considerations and factors affecting national security. This is done in Unit I--Foundations--which consists of five main subject areas. First, you will broadly survey the position of the United States today. Second, you will review the basic principles of comparative political thought and American system of government. Third, you will examine current concepts of modern warfare and strategy, especially as they are affected by technological developments. This area also includes a two-day Advanced Weapons Orientation presentation. Fourth, you will review the fundamental principles of economics and some of the major economic problems of our day as they relate to national security. These last three reviews are designed to help you gain a better understanding of the relationship of political, military, and economic factors to the substance of the remainder of the course.

Included in the Foundations Unit is a fifth area of study lasting one week called Executive Development. In this study we employ the case discussion method to analyze and evaluate certain of the qualities and

skills contributing to the effectiveness of an executive, especially those involving human relations and decision making.

Following the Foundations Unit, we move into a group of course units concerned with the problems of national security in a primarily national context, although all have direct or indirect ramifications on the international scene as well. The first course unit of this group is Unit II, National Security Objectives, Requirements, and Programs. Here you will study the processes of policymaking for our national security effort, analyze the overall national organizational structure, and in general, examine how requirements to insure the achievement of those objectives are determined and programed. In addition, such factors as the interdependence of strategy and logistics; the balance of military, civilian and foreign aid requirements; the nature of planning, programing, and budgeting; the influences of joint and combined logistic plans; and international commitments and how they affect our national policy, are included.

Closely related to Unit II is the next unit of study, Unit III, Resources. The material and human resources possessed by a nation are the primary sources of its economic strength and are basic to national power in general. These elements, therefore, are major forces in the struggle for international power. Obviously these subjects will be important throughout your entire course.

In Unit IV--Materiel Management--you will explore the processes and problems involved in the development and acquisition of materiel and with its distribution through Government channels. This unit is not concerned with the "nuts and bolts" of military procurement and distribution, but with the broad problem of providing the material needed to support a defense establishment and a military preparedness posture adequate to deter armed aggression or to prosecute a military effort successfully in the event of armed hostilities. Particular attention is devoted to military-industrial relationships involved in the processes of procurement and production. While this unit is in progress, you will spend a full week during January in making a number of industrial area field trips. The class will be divided into groups to visit major industrial areas of the country--to see steel mills, aircraft and missile plants, oil refineries, assembly plants, and other production facilities important to national defense. Not only will you observe industry at first hand, but you will also have an opportunity to meet top management and to discuss their problems on the spot. One faculty member recently referred to these trips as our "multibillion-dollar visual aids." I should point out, too, that while these field trips occur

during the Materiel Management Unit of the course, they are designed more generally to provide you a glimpse of our national economy as a background for all your studies in the course.

In Unit V--Economic Stabilization--you will examine the many problems involved in keeping our economy both stable and dynamic in the face of the tremendous demands imposed upon it by our extensive foreign aid programs and heavy national security expenditures. This unit also includes a study of the unprecedented requirements anticipated for rehabilitation of monetary and credit measures following nuclear attack.

Now we move to the third phase--The International Scene. Unit VI--Contemporary International Politics--will provide a basis for an understanding of the contemporary scene in international politics. You will study the principal forces, both traditional and contemporary, shaping the character of politics among nations, together with an analysis of the nature of the current cold war.

In Unit VII--Economic Capability for International Conflict--we will undertake to compare and assess the relative economic capability of major nations and coalitions of nations to realize their national and international objectives. Obviously, this is a rather large order and one which will require you to draw on the total knowledge that you have gathered previously.

Unit VIII--International Field Studies--will be of particular interest to those of you with globe-trotting inclinations. For approximately 17 days in April you will visit various countries in various parts of the world--Western Europe, Latin America, the Middle East, Africa, and the Far East. Naturally, not all of you will go to all these areas; you will be divided into contingents, each of which will be sent to one or more groups of countries, and--to anticipate the question I can see you all want to ask--the selection will be based on your individual preference to the extent that the logistics of the undertaking permit. Later you will receive a more detailed briefing on this part of our course. For the present, suffice it to say that you will visit, in each country, certain regions and centers of important economic activity in order to observe at first hand operating samples of foreign economies vital to the free world. Wherever you go you will talk informally to foreign political and military leaders, businessmen, labor representatives, technical experts, and ordinary citizens. You will also visit the headquarters of important international regional organizations, such as SHAPE, the Organization

pment, and the European Common
e, for all of you, a vivid personal and
and we consider it a significant educational
gram.

On your return from these trips, you will take a deep breath and plunge into Unit IX--Plans and Readiness. This unit is intended to enable you to look back over the entire course, to see it as an organized and meaningful whole, and, from this vantage point, to analyze the Nation's total readiness and capability posture. On the basis of this analysis, you will then be asked, on a committee basis, to formulate a national program of policy and action calculated to develop our strengths and correct our weaknesses.

In order to preserve continuity, I have purposely sidestepped several other very important parts of the course. You will encounter areas of importance such as science and security, civil defense, legal and legislative problems, the challenge of space, and the Federal budget. You will hear many discussions on the nature of future war. And now I'll slip this one in fast. You will also take a course in effective oral communication.

Two final points of our curriculum: First, throughout the year the Industrial College joins from time to time with the National War College in presenting jointly sponsored lectures by eminent civilian and military leaders. Second, we schedule numerous lectures of opportunity, taking advantage of the opportunity to hear distinguished statesmen and military leaders during their visits to Washington. These lectures are not always phased into our schedule subjectwise as closely as we would like, but, regardless of timing, these lectures surveying political, military, and economic conditions are believed to be of such value that we cannot affort to miss them.

So much for the structure of the course. Now, how do we run it?

The School of Resident Studies has three teaching divisions. Their titles are underlined on this chart--Resources, Materiel Management, and Plans and Readiness. These divisions are responsible for developing and presenting the various units of the course. For instance, the Plans and Readiness Division has responsibility for the subjects that are shown here in the same color scheme--Foundations, Economic Stabilization, and the Plans and Readiness Units. The Resources Division has responsibility for Resources, Contemporary International Politics, Economic Capability for International Conflict, and so on.

Before any new unit of the course begins, naturally you will receive a curriculum book. This book will show you the organization, the scheme of the lectures and seminar presentations. If you take this as your guide to the subject, I believe you will be able to work up your own personal study plan.

In addition, we put out a weekly schedule. In the student mail room there is a bulletin board, where we try to keep approximately five weeks of advance tentative schedules, so that you can plan your own study time, free time, flying time, and so on. We try to keep those tentative schedules from changing too much, but they will change occasionally.

So much for the schedule. What about the method?

It consists of a combination of lectures, seminars, discussion groups, case discussions, committee and individual problems, written reports, oral presentations, study, reading, and research.

An important element in the plan of study for each unit of the course is the lecture program. In each unit we try to bring you as lecturers the foremost authorities in the various fields under discussion. The lecture topics are first very carefully planned to fit into the general plan, and then we seek out the individual best qualified to treat that topic. So during the course of the year you will meet, hear, and talk with a great number of the most prominent leaders of thought and action in the United States.

Another method employed extensively to explore the various facets of our course is the seminar. This is a device whereby we bring a number of authorities here for discussions with students in small groups. These visitors are knowledgeable people, usually actively working or studying in the area under discussion. The seminars, too, are carefully planned, and are conducted in such a way as to make the discussion as close, friendly, and informal as possible.

But the lectures and seminars are not necessarily the most important of our educational methods. We recognize the educational values inherent in a free exchange of opinion among students of your maturity. We recognize that you have wide, varied and extensive experience in some of the subjects we treat here. Therefore, we place considerable emphasis on the discussion method and on the student committee as techniques in the educational process. The discussions will offer you an opportunity to voice your ideas and contribute to the course from your

own knowledge, and, at the same time to listen and profit by your classmate's ideas and thoughts.

In addition to attending lectures, seminars, and discussions, you will work on both group problems and individual problems. You will participate in the preparation of three written committee reports. You will prepare one short individual written report. Part of the class will write this individual report during the unit on National Security Objectives, Requirements, and Programs, another group during the unit on Resources, and the remainder during the Economic Stabilization Unit.

In committees you may be a chairman, you may be a vice chairman, or a working member.

In addition, you will be called on to give one brief formal oral presentation to the class and faculty. As you can see, we believe that our future leaders must be articulate in both written and oral communication.

Finally, you will write a term paper, longer and of greater depth and scope than the individual report I mentioned earlier. Complete details regarding this term paper will be given to you at a later date. However, at this time I should like to make just one or two general observations concerning it.

The Industrial College is a graduate-level educational institution--that is, it is not concerned primarily with teaching basic disciplines, but with applying these disciplines to the study of specific problem areas--in this case, the problems of national security in a primarily economic context. Despite our rather specialized curriculum and mission, we try to adhere to the same standards and requirements in scholarship that prevail in the graduate schools of the major universities. The term paper is generally comparable to the graduate dissertation--required in practically all graduate schools. It differs from the standard dissertation in certain important particulars, but these will be explained to you later and there is no need to go into them now. In general, the College considers the term paper as one of the most important individual requirements that will be placed upon you, in the sense that it involves no committee work, group discussion, or attendance at lectures, and is a product of your own study and thought. While I refer to this as an individual requirement, it is in reality an individual opportunity, an opportunity for individual initiative and accomplishment. In the term paper you will have your best opportunity to study and master a single facet of national security problems, to formulate your own conclusions, and present them in a finished, meaningful synthesis. I think

you will find it a most engrossing and rewarding endeavor, and one in which, after it is all over, you will take considerable pride. For if I may paraphrase, "Greater pride hath no man than an author."

Let me also warn you. The deadline for submitting the term paper is not until next April. But time flies swiftly. As soon as you get the announcement, which will be next month, get started on it.

Behind our educational methods lies a basic philosophy. We do not "teach" or "instruct" in the commonly accepted undergraduate sense. It is our aim to make available to you the best and most authoritative information possible, and then to stimulate your interest, thinking, and intellectual curiosity, so that you may formulate your own ideas. We ask you to approach each subject with an open mind, and then draw your own conclusions.

Second, we offer no so-called school solutions. In fact, many of the problems of national security you will study may have no solutions at all, or they may have many solutions. You may be disappointed at the number of times distinguished speakers tell you all about the troubles we are having with missile production, or with foreign aid, or our procurement programs--and then say in effect, "This is a very tough problem; there are lots of things we are trying to do about it, but so far we haven't had much success in solving it." If these experts don't know how to solve it, you may say, maybe we had better get some new experts.

But the trouble is that most of our big problems are rooted in facts and conditions--like the distribution of world population and resources, national traditions and character, climate and geography--that we can't change very much, at least overnight. About all we can do is try to understand them, and through the power that comes from understanding, try to cope with the problems that grow out of them.

At the College we go about this business of trying to understand with one basic preconception--some would call it a prejudice. That is, that wisdom and understanding can come only from the free exchange of ideas. This is academic freedom, the foundation on which our American educational system has been built. It may surprise you that a military educational institution should regard this as important. But we have found that academic freedom works. And this is understandable, once you begin to think about it. The problems we face are difficult enough. Let us, by all means, attack them with the full power of our collective intelligence, unfretted by bias, emotion, irrevelant dogmas, or predetermined solutions. Let us pool our ideas, jostle

them about in the rough-and-tumble of discussion. Let us not wear blinders, if we want to see the whole picture.

We will serve up facts and ideas to you--carloads of them--and try to give them order and meaningful context. But you will have to interpret them. And you are far more likely to reach intelligent conclusions if you listen to what your fellow students have to say, and they by listening to you, than if each of you sits thinking silently and alone in a cubicle. Mind you, I do not depreciate calm, solitary reflection. Some of the best and most original ideas are born in solitude, and one of the blessings we offer you, here at the College, is the opportunity to sit back and think. But do some of your thinking aloud and together. When you assemble in a seminar or committee--please--don't sit back and just listen--or daydream. Sound off. Make yourself heard. And let the ideas fall where they may. This is what we mean by academic freedom.

Here's another point. Remember that these problems, most of them, lie in the realm of the social sciences--such as sociology, political science, history, and economics. These are the studies that deal with man and his efforts to adjust himself to his fellow men. In these fields, you cannot handle your materials--which are human beings--as though they were mathematical symbols or inanimate natural elements, responsive to predictable rules of behavior. This is the big difference between the social sciences and the study of physics or electronics or aerodynamics. Men behave unpredictably, and through their intelligence they have the power to influence, if not control, their destiny. And in society, the immense complexity of the human mind and character is multiplied infinitely by the relations among men, and man's organizations.

Although full recognition is given to the fact that the College exists to further your personal knowledge, none of us should ever lose sight of our higher obligation--the obligation to serve the Nation as a group to the best of our ability in the special fields of our education and our skills. It is very important that we share fully our opinions, and our knowledge, and address ourselves to the principle of mutual support and understanding.

The ability of the students and the faculty to combine in hard, practical thinking, those lessons of the past and the best available information of the present, might some day well represent the margin between the existence or destruction of this Nation. I think the best service we can do for our country is to see as far as one may, and to feel the great forces that are behind daily events--for that makes the difference between philosophy and gossip, between great action and small. And

gentlemen--great action--that is what our country needs if we are to provide the leadership which may save the world from self-destruction.

In closing, I would like to reiterate what both General Mundy and Admiral Patrick have stated, that we believe you have a splendid opportunity this year to increase your professional knowledge and capabilities. But the benefits you derive from this opportunity will be only in proportion to the effort expended. This year should be one of self-evaluation, cogitation, and rounding out. It is suggested that what you ultimately get out of this course depends on you yourself, and that the true value you get out of the course is the broader background, increased knowledge, and personal understanding you will take to your services and apply to your duties in the years to come.

I know that our work together here this year will be both satisfying and truly productive.

Thank you.

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

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Dr. Paul W. McCracken, Professor of Business Conditions, School of Business Administration, University of Michigan, was born in Richland, Iowa, 29 December 1915. He received his A.B. degree at William Penn College, and his M.A. and Ph. D. degrees from Harvard. From 1942-43 he was an economist with the Department of Commerce, 1943-45 financial economist, Federal Reserve Bank, Minneapolis. In 1948 he became associate professor, Business Conditions, School of Business Administration, University of Michigan and in 1950 was made professor. He was a member of the President's Council of Economic Advisers until 1958 when he returned to his present position. He is a member of the American Economic Association, the American Science Association, and the American Finance Association. He is the author of many articles on economics, among them: "Public Debt: Hindrance or Advantage to Credit Control;" "Present Status of Monetary and Fiscal Policy;" and "Taxation and Capital Formation in Federal Tax Policy for Economic Growth and Stability," published in the "Joint Committee on Economic Report," 1955. This is his second lecture at the Industrial College.