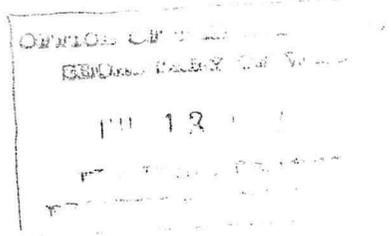


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THE ARMY INDUSTRIAL COLLEGE
WASHINGTON, D. C.



GRADUATION EXERCISES

Addresses by

Honorable F. H. Payne,
The Assistant Secretary of War.

Major General Irving J. Carr,
Chief Signal Officer.

Lt. Colonel W. A. McCain, Q.M.C.
Director, Army Industrial College.

June 24, 1932.

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GRADUATION EXERCISES

Colonel McCain:

Mr. Secretary, distinguished guests, Class of 1932,
Ladies and Gentlemen:

It is regretted that our graduation exercises should be held on the same day and at the same hour as those of the Army War College. However, when this situation was finally discovered it was rather too late to remedy it satisfactorily. Nevertheless, it serves to enhance our appreciation of the presence of those guests who are able to be with us today.

I desire now to acknowledge that which, Mr. Secretary, I shall report later officially and in writing. Namely, The assistance freely rendered throughout the year by officers of your immediate office, of the Planning Branch and the Current Procurement Branch. Many of them have been of cheerful and material assistance to the faculty in handling problems in the instruction course. To a less extent, perhaps, but in a spirit no less hearty, a similar remark is applicable to officers of G-3 and G-4. The Deputy Chief of Staff continues to be a veritable rock in times of stress. The Planning Officers of all Supply Arms and Services have come to our aid whenever called upon. By courtesy of the Commandant of the Army War College we have availed ourselves of the privilege of attending numerous lectures at that institution. Cooperation by the Navy continues 100%, particularly on the part of those officers holding key positions on the Army and Navy Munitions Board. And, of course, I acknowledge that sine qua non:- highly competent instructors and clerical assistants. Our relations with the Brookings Institution and all the prominent universities in this city are cordial and profitable.

There is very little money for operating this school, so whatever extras we get are through the generosity of some of the Supply Arms and Services. Thus special thanks this year are due the Corps of Engineers for considerable printing and engraving (engraving these diplomas is a part of its handiwork, freely done.) The Quartermaster Corps has put up some real money; for example, every substantial chair in this room was bought and paid for by it, and loaned to us.

As to you gentlemen of the graduating class, I have little to add to what I have indicated to you many times throughout the course. We of the faculty are proud to have served with you. It is significant not only that you have worked out many important problems but that you have done so

with such cheerfulness and goodwill. If there has been even a squabble among you, I have never heard of it.

We are glad to have had so many officers of the Navy and Marine Corps in this class. We feel that the associations and friendships established here will be of lasting benefit to the national defense. We hope that even though this class should forget everything else it has learned here, there will be two things it will never forget: (1) that the main reason for our being here at all is to see to it that in the next war the armies in the field and the fleets afloat shall get what they need and when they need it, and (2) to accomplish this end, there must always be frank and full cooperation between the Army and the Navy.

Now gentlemen, I am going to ask our chief, The Assistant Secretary of War to address you-----The Honorable F. H. Payne.

Mr. Payne:

Gentlemen:

I congratulate the class upon the successful completion of a year of real accomplishment - and the Director and Faculty upon the progress and improvement this school has continued to experience.

I know that you gentlemen, just graduating, have added greatly to your knowledge of the industrial phases of modern war, but your ten months at this school have given you something even more fundamental to a successful military career. You have had an opportunity to obtain a proper perspective of the military, economic, and administrative problems of the nation in emergency; to devote yourselves to constructive thought unhampered by the pressure of everyday routine.

The innumerable details that continually and insistently hold any busy executive to a day-by-day existence inevitably tend to distort perspective and becloud vision. In the Army we are subjected in unusual degree to this tendency, because, during the long periods of peace, we must attend to a myriad of details whose efficient performance requires observance of a host of regulations, orders, and specific instructions. The danger is that such regulations, necessary and desirable as a means to an end, may, through long usage, acquire a sort of sacredness, and become in our minds an end and a goal in themselves. We then become a "red tape" army. This attitude is typified by the conscientious old supply sergeant who, in 1917, lamented that just as he was getting his property and records in perfect shape the war came along and spoiled everything.

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A clear perception of the end we seek is the beam that pierces the confusing shadows of administrative detail, and throws our basic problems in bold relief against a background of knowledge and of understanding.

In the school year you have just completed, both the curriculum itself and the methods of study employed are intended to encourage independent thought and to discourage worship of ritual and routine.

The new assignments for the members of this class cover a wide range of activity. Some of you will go to duty in which your Industrial College training will be immediately and directly applicable. Others, on no less important duties, will find themselves engulfed in a maze of detail and current work that will seem a far cry from the subjects and problems you have lately been considering.

All of you, however, can hold the perspective that your study and freedom here have given you. Remember that our big objective - our reason for existence as an army - is an effective defense of the United States against armed aggression. Remember also that, should we ever be called upon to take part in such a defense, the officer with a clear understanding of the economic and industrial factors certain to be involved, will be of inestimable value to the service and to our country.

Colonel McCain:

We are very much obliged to The Assistant Secretary for his encouraging words.

The principal speaker of the day is the Chief Signal Officer of the Army - a man of long and distinguished service. It is with a peculiar pride that I present him today because he was my immediate predecessor as Director of this College. For four long years he fought the battles of its infancy and finally all I had to do was to come into a goodly inheritance.

During my incumbency I have never taken an important step without first consulting him who, from the wealth of his experience and judgment, has never failed me.

I have the honor to present Major General Irving J. Carr.

General Carr:

Mr. Secretary, the Director of the Army Industrial College, distinguished guests, members of the Class, Ladies and Gentlemen:

It is a significant fact that the United States has always entered her wars thoroughly unprepared, and from an industrial standpoint this seems to be the normal condition of the nations of the world. Possibly Germany in the last war was an exception, though the inadequacy of her industrial preparation eventually caused her downfall.

Certainly nations may be excused for failure to be prepared in a strictly military sense, for large standing armies and large reserves of arms and ammunition place an intolerable burden on the people of the nation; but the more we study the details of industrial mobilization, the simplicity of its fundamentals, its relatively insignificant cost, the more astonishing it is that nations have failed in this vital element.

It is incredible how the United States sat on the brink of the terrible whirl-pool of all Europe at war, for three years, 1914 to 1917, with no thought of a national life preserver. An analysis of that condition places the blame on our national policy of that time, on our improper organization of our defense services, on certain legislative and executive restrictions, or, in some quarters, on our reliance on "a million men overnight".

However, that is all past history - Congress has corrected all that and we now have an adequate machine for the assurance of proper industrial preparedness. We can go far in this direction under our present facilities, though further legislation for "educational orders" and related matters would greatly strengthen our plans.

It remains for the Army and the Navy, through our coordinating planning agencies, to work out the details of the initial steps that can only be performed in peace time and before any war is declared.

Another reason for our habitual unpreparedness from an industrial standpoint probably lies in former lack of contact and common thought and understanding between our defense services and the business and industrial world, except in purely military matters and personal business affairs. We have been ignorant of workings of industry, its methods of operation, its problems, its needs and its difficulties. Similarly industry, business

and finance have been ignorant of the details of defense needs - of defense problems and of defense missions. They have thought - "That's the Army's and Navy's work - Let them tend to that". But strange as it seems, the Army and the Navy have never known their own industrial needs on a large scale. We could not even speak the language of industry nor could they speak ours.

Now all that is changing. We have this efficient Industrial College made up of specially selected officers of the Army, the Navy and Marine Corps. You are sent here by your respective chiefs to learn not only the big problem, but the specific problem as it pertains to your own branch or service.

You have found here a group of men of your own metal. You have found here a capable group of instructors of the Army and Navy specially trained for the purpose. You have found here a going, live institution - working in perfect harmony with the industrial staff of the Army and of the Navy.

You have studied the broad problem of the production of war needs, how they were produced, what were the obstacles, what caused these obstacles and how they were overcome. In this work your instructors have been the manufacturer, the engineer, the banker and the business man. These men from industry that have talked with you are among the nation's leaders, each in his own specialty. They not only have given you practical advice as to how to produce but they have given you the results of their experience in production during the last war. They have described to you the agony of effort and failure of adequate production and the specific reasons therefor.

You have discovered in your studies something of what must be done now and a lot about what must not be done at the beginning of a war. You have discovered that we must have a military plan, the numbers of troops to be equipped and when. We must know our requirements and where to place them. Our specifications must be possible of mass production and up to date with latest processes of manufacture.

You have discovered that your schedules of production must be carefully worked out along proper priorities to avoid an immediate scarcity and hoarding of raw materials, as well as congestion of transportation. You have discovered that your large depots must be located in proper reference to transportation facilities and certainly far removed from ports of embarkation.

You ceased to wonder at the chaotic conditions in the early stages, when you discovered how each supply chief went into the open market with vast uncoordinated orders for supplies

in many cases not needed or never used, and you have discovered the inevitable result of such a system - soaring prices, hoarding, shortages in all elements and congestion of all facilities. No wonder that everyone welcomed a super industrial control to straighten out the horrible mess.

Your training in business methods this year has been invaluable to you. The courses in industrial management, finance, banking, accounting, business economics, contract law, marketing and business statistics have given you something of the problems of industry. Your course in these subjects has been a pertinent digest of a two years course at the Harvard School of Business Administration. It has been conducted by distinguished graduates of the Harvard School with the closest tie-in and cooperation not only with the faculty of that institution, but with the faculty of Brookings Institute of Economics, George Washington University, Brown University and other institutions of national repute. You are now in a position to know where you can continue your studies in selected subjects. You know the elements of business and industrial parlance and each of you is now qualified to represent the Government in its dealings with industry and to converse intelligently and understandingly with industrial men on Army and Navy needs.

This college has a distinct mission to accomplish - a special obligation to Congress to fulfill - a national duty to perform - in keeping alive the experiences of the past war so that this nation, upon being lulled into indifference in the atmosphere of security, may never be in a position to repeat the errors of commission and the errors of omission that occurred in the early stages of the war. The inevitable waste in energy, money and time, with the consequent loss of lives, must never again be tolerated. There is no other agency in our Government so situated or so qualified to do this work as this institution and the Planning Branch of the Office of The Assistant Secretary of War.

Those great leaders of industry and our great military and naval leaders, who had first hand knowledge of the cause and effect of these chaotic conditions, will in a few years pass out of the picture. Many of them have addressed this institution and have given us the value of their personal experiences.

These are made of permanent record. They form data for a digest of all information obtainable on any particular activity - be it priorities or transportation or price control or specifications, and in connection with your continued

studies of each activity in each foreign country we are enabled to have on hand data of the war experience of the major nations of the world. How invaluable this will be to the civilian control agency appointed by the President for the handling of each particular activity. Or better still, let it be carried to him by the Army officer or the Naval officer who is selected to represent his service on this control board. If this happens to be the Allocations section of the board, let our representatives say: "Mr. Commissioner, here are the combined production schedules of the Army and Navy on A.B.C. Cos. for optical glass and range finders and on X.Y.Z. Cos. for gunsights and machine tools. These firms have already accepted these schedules and have been preparing for production since war was declared two weeks ago."

In other words, all this preliminary work must be done now, in peace time, for it will take the War Industries Board several weeks to assemble, get office space, clerks, and to organize. In the meantime, the manufacturer must begin his production. He already has on hand his normal supplies of raw materials, certain machine tools, power, labor and transportation.

We must assume that the next emergency will be a national war in all the meanings of the word. It will not be an Army war or a Navy war. The civilian element will bear the brunt - furnishing the men - the arms - the equipment. It is vital that the control of the national effort be vested in civilians appointed by the President, under the law. The organization for this control has already been set up and is based on actual past experience. It was originated by General George Van Horn Moseley and presented to the War Policies Commission by the Chief of Staff of the Army.

Let me give one word of advice. The setting up of this control agency in no way lessens the detailed planning work of the Army and Navy. We must continue work on critical problems in consultation with industry, until its solution is reached, rather than discarding the problem and saying to ourselves: "The Control Agency will handle that matter."

I would also advise that our time and energy be devoted to concrete work in perfecting the details of our plans, rather than the abstract studying of what changes might be made in the set-up of the Control Board under some indefinite and assumed future condition.

We often hear of the necessity of "organizing industry" to produce war needs, but I believe that it was the Army and the Navy that needed the organizing, so that we might be able to take our manufacturing and production problems to industry in a businesslike and normal manner. There is no question as to potentiality of our manufacturers under these conditions.

Each of you gentlemen who are graduating here today has the distinct duty of placing this national problem before the oncoming generation of manufacturing and industrial leaders. The old timers in that game are eager to talk it over. They remember their sufferings, the obstacles overcome and their successes.

Each of you has the duty of continuing this wonderful work and you must rest assured that you will never run out of material.

Industrial planning is endless, due to incessant changes in industry - new processes of manufacture - new sources of raw materials - and exhaustion of old sources.

I cannot stress too much to you gentlemen the necessity of continual effort toward speed in early production. We can never be satisfied with our planning till our production exceeds our requirements, particularly in the early stages. Our production records of the World War show that in many cases manufacturers surprised themselves by going far beyond their initial estimates. It is the driving force and ingenuity of the American manufacturer that produces such results, so in approaching a manufacturer when you gentlemen go out into your districts and gain contact with industry, you must remember that fact and be impressed by it.

It is only through definite, workable plans for the procurement of each vital item that we can gauge production rates or can increase those rates and it is only through these plans that we can discover the bottle necks that will slow down our production program. These plans must be based on conditions as of today rather than on some assumed economical status of the indefinite future.

One has only to visualize the tremendous inherent power of a single great manufacturing plant to realize its potentiality as a war making machine, provided the heads of these great plants know in advance what we need and can accordingly plan to devote their whole energy in producing those needs.

Colonel Frank A. Scott, first Chairman of the War Industries Board and a manufacturer of national repute, in a lecture before this College stated that the United States has the power to out-gun any nation or group of nations that may be brought against us. It is our duty to prepare and utilize that power. Under proper industrial preparation what greater insurance against war can there be than that?

I want to congratulate the Director and Faculty of this institution on the successful conclusion of the greatest year in its history. I want also to express my gratification at the presence of increased numbers in the student body of officers of the Navy and Marine Corps. We have a common mission here and I believe this is the answer.

To the graduating class I offer my heartiest congratulations and I wish you every success and a great career.

Following General Carr's address certificates of graduation were presented by The Assistant Secretary of War.

The Exercises were concluded with the Benediction pronounced by Chaplain Edwin Burling.