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THE ARMY INDUSTRIAL COLLEGE
WASHINGTON, D. C.

LECTURES
On the First Day of the School Year 1932-1933
ARMY INDUSTRIAL COLLEGE

by

The Assistant Secretary of War, HONORABLE F. H. PAYNE

and

The Director, Lt. Colonel, W. A. McCain, Q.M.C.

OFFICE OF THE ASSISTANT
SECRETARY OF WAR
SEP 14 1932
PLANNING BRANCH
PROCUREMENT DIVISION

September 1, 1932.

AN ADDRESS BY THE ASSISTANT SECRETARY OF WAR COLONEL FREDERICK H. PAYNE AT THE OPENING OF THE ARMY INDUSTRIAL COLLEGE.

Gentlemen:

I congratulate you upon your good fortune in being present at the Army Industrial College today. It is both an honor and a privilege to be included in this student body. It indicates War Department recognition of the excellent record of each officer selected and faith in his future capacity. With the limited facilities at our disposal, the course at the Army Industrial College is necessarily restricted to a selected number. Based upon your records of past achievement you have been marked as the potential leaders of the future.

The field of study and research that you are about to enter is new to most of you. In the past, taking the existence of the required stocks of military supplies for granted, your thought has centered about their proper use. Now you turn your attention to the difficult problems involved in the production of munitions on the vast scale required in the event of a major war. Already familiar with the time and effort required to change a raw recruit into a trained soldier, you will now discover that an even greater time and effort is required to convert a manufacturing organization, engaged in purely commercial production, to an efficient munitions plant. No student of modern warfare can omit this factor of production and retain a balanced picture of the forces involved.

I am particularly glad to welcome the officers from the Navy and from the Marine Corps. We of the Army have found our association with the Navy on matters of industrial preparedness most pleasant. You have proven yourselves good fellows to do business with. This collaboration is not only a pleasant duty, but a vitally important one. If the United States is ever required to fight another major war, the Army and the Navy will be dependent upon the same sources of supply for many essential munitions. It is absolutely necessary that we study the problems involved from a common viewpoint and reach a thorough understanding and agreement. In the new field of industrial mobilization the whole Nation is the unit.

In addition to entering a new field of study you will find, in the Army Industrial College, a new type of service school. Here is a different atmosphere. The problems upon which you will spend your time are not cut and dried, but are in general still pressing for final solution. Because of the care with which the students are selected, the interest and capacity of each member of the class is taken for granted. Your opinions and solutions are treated accordingly, and the results of your study are frequently sent to interested War Department agencies as valuable contributions to the thought on current problems.

No man whose mind is alive to new ideas can fail to be stimulated by ten months in such an environment. Your horizons will be broadened. You have an opportunity to obtain the comprehensive grasp of our war production problems that is essential to anyone occupying a position of leadership and responsibility. Again I congratulate you upon your selection and wish you a pleasant and profitable year of study.

ORIENTATION TALK

by

The Director, Lt. Colonel, W. A. McCain, Q.M.C.

Gentlemen:

Before proceeding with the actual outline of our course of instruction I think we should go back and discuss briefly the steps leading up to the establishing of the College. Only thereby may we understand just what we are trying to accomplish, how and why we are trying to accomplish it.

We all remember that in the World War there was no end of difficulty in procuring munitions in quality, quantity and, above all, in time for their urgent use, and at the same time assure ample necessities of life to the civilian population. We know that the Army sailed overseas largely in Allies bottoms and to a great extent fought the war with certain vital items of arms and equipment purchased from the Allies. We know the confusion and sky-rocketing of prices due to shortages actual or alleged and the bidding against one another by the Army, the Navy and the Shipping Board and, worse still, by the supply services of the Army among themselves. We know that one of the results of all this was the spending by the Government, not of millions but of billions of dollars more than would have been spent had planning been done in advance. We know how the President called in men prominent in the economic life of the country and, in an effort finally to bring order out of confusion and accelerate the industrial effort in support of the military, organized the War Industries Board with certain powers well nigh dictatorial. We know that, since the war, the Government has been involved in litigation running into vast sums of money. Be all that as it may, but coming closer home, we know that during the war procurement by the supply services of the Army was carried on under General Staff supervision. Apparently Congress, whether justly or unjustly, was dissatisfied; for soon after the war, it began investigating and legislating along these lines, one result being that it took away this supervision from the General Staff and put it in the hands of a civilian Assistant Secretary of War, the theory being that, the matters to be handled are big business matters and therefore, should be handled by a man prominent in the business world. (Incidentally I may say here that it is just that kind of a man we have now in Colonel Payne).

The pertinent part of the law making this change is contained in Section 5a of the National Defense Act, as follows:

> "Hereafter, in addition to such other duties as may be assigned him by the Secretary of War, the Assistant Secretary of War, under the direction of the Secretary of War, shall be charged with supervision of the procurement of all military supplies and other business of the War Department pertaining thereto and

the assurance of adequate provision for the mobilization of materiel and industrial organizations essential to war-time needs."

That paragraph, gentlemen, is the genesis and exodus of all the undertakings of this College and we hope this year to come into some revelations. So, let us give it some brief analysis - in other words, ascertain the meaning and intent of Congress contained therein.

You see there are two distinct, but closely related, missions assigned to the Assistant Secretary of War. First, supervision of the procurement of all military supplies in peace and in war. It naturally follows that if he has supervision over procurement in war he has it over the peacetime planning for that procurement. In other words, he supervises the Supply Arms and Services in the preparation of their current plans for the procurement in war of all items of Army requirements. That is all quite plain but the second mission is not so simple of understanding, that is, "the assurance of adequate provision for the mobilization of materiel and industrial organizations essential to war-time needs." What is meant by the assurance of "adequate provision"? Making plans in advance and testing them as well as we can under peacetime conditions. Second question: What are those "materiel and industrial organizations essential to war-time needs"? The answer is, all of them, directly or indirectly. We cannot limit our planning to those industries that are palpably essential because, as we all know, the economic structure of the country (and many think of the world) is such a closely-knit, integrated whole. The third question: War-time needs of whom? The Army alone? The Navy? The Army, Navy and civilian population? Of course the Assistant Secretary of War has not the slightest control over Navy planning or over industry or over the the civilian population. But remember, back of the procurement of every finished item of Army supply or equipment there are many contributory requirements:- raw materials, semi-finished products, power, labor, money, transportation and so on. Can the Assistant Secretary of War or any living man, however able, make a plan for labor, for example, and confine his effort to the labor required in the production of Army items alone? Manifestly such a plan would be worthless unless it were based upon and a component of a national plan for labor. Therefore, somebody has to make that national plan and the Assistant Secretary of War is the only man or agency that has a legal mandate to make it. But it is a logical conclusion that no such plan would be acceptable to the President and Congress unless it were acceptable to other government

departments, to industry and to labor. Both the Army and Navy have come to realize this and, in consequence, while each is making its own specific procurement plans they are making the industrial mobilization plans in collaboration. We all realize that in order that these latter plans, national in scope as they are, shall be sound and that they may be put into effect when needed, the Army and Navy must get together and stay together.

Here we see the reason, if none other, why there are so many Navy and Marine officers in this class, and that is the fundamental reason why we are so glad to have them. They may make themselves absolutely at home. These problems are theirs as well as ours. In conducting this school, any law for the Medes altereth not for the Persians.

Now, let's turn a page and look at the big picture of war planning as a whole. We have the Army War College which studies problems in strategy and tactics involving high command and staff. Selected officers go from there to the General Staff. There is the Naval War College from which officers are selected for war planning in Naval Operations. Further, selected officers from the War Plans Division of the General Staff and from the Office of the Chief of Naval Operations, form the Joint Planning Committee of the Joint Army and Navy Board. So far, observe, this is all primarily on the military side. Now, on the procurement and industrial side, the Assistant Secretary of War has his Planning Branch which prepares the industrial mobilization plans and supervises the supply arms and services in their specific procurement plans. Correspondingly the Navy has its Materiel Division. Generally speaking, officers selected from these two activities form the Army and Navy Munitions Board which coordinates the procurement and industrial mobilization plans prepared in support of the military plans. As the Planning Branch, Office of the Assistant Secretary of War, on the industrial side, is parallel and analogous to the General Staff, on the military side, so is the Army Industrial College to the Army War College. The Industrial College was established in 1924. Its mission is as set forth in the General Order creating it, as follows:

> "***The training of Army officers in the useful knowledge pertaining to the supervision of procurement of all military supplies in time of war and the assurance of adequate provision for the mobilization of materiel and industrial organizations essential to war-time needs."

We see that this mission is taken almost verbatim from Section 5a of the National Defense Act which I have just quoted and discussed. The College started out with just nine Army student officers attached to the Planning Branch for a five-months' course of special study. We have grown some; as you see now, we are a General Service school with a permanent faculty, a regular ten-months' course and some fifty-odd student officers from the Army, Navy and Marine Corps.

Now, pursuant to our mission let us see what the course of instruction consists of. It contains some forty-five problems; the chart here on the wall shows the sequence in which we take them up and the title of each. I will give you a brief explanation of each one in the order listed. Most of them are committee problems, each committee composed of from three to five student officers, and the period devoted to each problem two or three weeks, depending upon their relative magnitude. However, problems Nos. 1 to 7, inclusive, are individual problems as are also Nos. 20 and 45; that is to say, each member of the class submits his own individual report on each problem.

Problem No. 1, REPORT WRITING

The analysis of business problems and of writing reports embodying their solutions.

Problem No. 2, HISTORICAL STUDY OF PROCUREMENT AND INDUSTRIAL MOBILIZATION IN THE WORLD WAR.

A study of the major difficulties in the procurement of munitions and of all those super-agencies engaged in the mobilization of the economic resources of the nation, e.g., Council of National Defense, War Industries Board; Railway Administration; Price Control Commission; Power Commission, etc.

Problem No. 3, FUNDAMENTALS OF BUSINESS.

A discussion of the principles of organization, with their specific applications; the relation of planning to operation. A brief study of the principal subjects underlying business activities - Economics; finance; banking, accounting, statistics, marketing, contract law, etc.

Problem No. 4, WAR AND NAVY DEPARTMENTS' ORGANIZATION AND PLANS FOR PROCUREMENT AND INDUSTRIAL MOBILIZATION.

A study of the War and Navy Department organizations as authorized by legislation, and an outline of the duties and interrelationship of each agency.

Problem No. 5, PURCHASING METHODS.

A report on the student's own arm or service showing the organization of same for current procurement, the principles on which the organization is based and the methods used by The Assistant Secretary of War in his control of current procurement.

Problem No. 6, SPECIAL WORK IN PROCUREMENT PLANNING OF THE SUPPLY ARMS AND SERVICES.

A short course to familiarize the student with the organization of his arm or service for the business of war procurement.

The matter contained in these six problems may be said to be the orientation part of the course. Note that they are all individual problems. The problems which follow pertain either to procurement planning or to industrial mobilization, or, as is the case with a great many of them, pertain to both. As a matter of fact you will observe that our course is not susceptible of being broken down into clean-cut divisions.

Problem No. 7, PROCUREMENT PLANNING.

Analytical study of procurement planning by the supply arms and services - its purpose; scope; methods; agencies involved; their control and coordination; progress; essentiality of different classes of supply, etc.; specifications, standardization, simplification, requirements, statistics; apportionment; survey and allocation of facilities; factory plans; specific procurement plans.

Problem No. 8, THE PROCUREMENT DISTRICT.

A review of the history of procurement districts; their origin; determination of their boundaries. An analysis of the suitability of their present boundaries. A study of the functions of the procurement district in peace and war.

Problem No. 9, BUDGETARY CONTROL.

A study of budgetary control in industry, in the Navy Department and in the War Department.

Problem No. 10, RUSSIA.

A study of such phases of the conomic, political and social structure of Russia as will be of assistance to us in planning our industrial mobilization.

Problem No. 11, WAR RESERVES.

A study of war reserves including: development in policies relating thereto; the present method of computing the reserves, together with the factors influencing the computation.

Problem No. 12, PERSONNEL & TRAINING.

A study of the methods of recruiting and training personnel for procurement of munitions in a major emergency.

Problem No. 13, FOOD.

A study of the food problems of the country during the World War; and analysis of the present situation in the U.S. and a study of the steps necessary to effective handling of the problems in a future emergency.

Problem No. 14, COMMUNICATIONS.

A study of the control of communications systems in war, and of the importance of including plans for such control in the scheme of industrial mobilization.

Problem No. 15, PURCHASE, STORAGE & TRAFFIC DIVISION OF THE G.S., WORLD WAR.

An historical study of the development and operation of that organization. A comparison of the organization, functions and methods of procurement control of the Division, as the same were at the close of the World War, with existing War Department plans for procurement control in a future emergency.

Problem No. 16, PUBLICITY.

A study of World War activities in disseminating information regarding the mobilization of material resources. A discussion of the same class of publicity in a future war, indicating plans for control if control is thought desirable.

Problem No. 17, WAR TIME CONTRACT FORMS.

An analysis of the several contract forms recommended by the Board on War Time Contracts together with a study of the Plans of The Assistant Secretary of War relative to contracts in war.

Problem No. 18, PRODUCTION IN EARLY STAGES OF WAR.

An historical study of the means employed by the principal belligerents in the World War to stimulate production; conclusions as to the lessons that we may learn therefrom.

Problem No. 19, CONSTRUCTION AND CONVERSION OF FACILITIES.

An historical study of how these problems were handled during the World War. A discussion of the organization, functions, plans and activities of the Facilities Section, O.A.S.W.

Problem No. 20, TEST OF A MOBILIZATION PLAN WITH RESPECT TO PROCUREMENT.

A detailed study of the work required in computing primary requirements to meet mobilization plans and of ways and means of testing such plans with respect to procurement for supply.

Problem No. 21, BASIC INDUSTRIES OF THE UNITED STATES.

A continuation of studies of the more important and critical industries of the United States.

Problem No. 22.

Same as Problem No. 21.

Problem No. 23, ARMY PROCUREMENT PROCEDURE IN PEACE AND WAR.

An explanation, a justification or, a proposed correction of any inconsistencies that may appear to exist in the principles of commercial purchasing and Army procurement in peace and war.

Problem No. 24, and
Problem No. 25, ECONOMIC CONTROL IN CERTAIN FOREIGN COUNTRIES.

A discussion of the agencies and methods of economic control during the World War by Great Britain, France, Germany and Italy, together with the lessons to be learned therefrom that may be of value to us in our own planning. Also, a study of their existing plans for future control.

Problem No. 26, CONTRIBUTORY REQUIREMENTS.

A study of the problem of assuring to the manufacturers of essential items an adequate supply of contributory requirements, particularly raw materials.

Problem No. 27, THE INDUSTRIAL WAR LOAD.

A study of a critical district followed by an estimate of the effect on our industrial effort in case of loss of the area by enemy occupation. Also, a study in this connection of distribution of the war load on industry throughout the country.

Problem No. 28, JAPAN.

The same sort of study outlined for Russia.

Problem No. 29, LABOR.

A study of the labor problems of the country during the World War; an analysis of the present situation in the U.S. and a study of the steps necessary to effective handling of the problem in a future emergency.

Problem No. 30, TRANSPORTATION.

A study of our land transportation problems in the World War, the agencies and methods of handling them and results obtained; of the development of internal transportation since the World War; and a discussion of the organization, plans, etc. of the Transportation Section, O.A.S.W.

Problem No. 31, PRICE CONTROL.

A study of the necessity for and extent of government control of prices in the World War and of the planning activities in connection with this problem in a future emergency.

Problem No. 32, THE POWER OF EMINENT DOMAIN.

A study of the extraordinary power exercised in time of war by the Congress or by the President with respect to procurement and industrial mobilization, together with a study of statutory provisions relating to War Department procurement, particularly those that are restrictions or limitations; and of the legislative plan of the Assistant Secretary of War.

Problem No. 33, PRIORITIES.

A discussion of why and how the priority function was exercised in the World War; an analytical study of how Army and Navy priorities should be established and made effective in war procurement.

Problem No. 34, ECONOMIC PLANNING IN RELATION TO NATIONAL DEFENSE.

A review of the trend of modern economic developments and a consideration of their application to procurement and industrial mobilization in war.

Problem No. 35, CONTROL OF FOREIGN COMMERCE.

An historical study of the War Trade Board - its origin, organization, functions and activities. An outline of ways and means of controlling foreign commerce in a future emergency.

Problem No. 36, FINANCIAL CONTROL AGENCIES.

A brief discussion of the World War activities of the War Finance Corporation, the War Credits Board and the Capital Issues Committee; an estimate of the lessons to be drawn therefrom and a discussion of how these problems should be solved in a future emergency.

Problem No. 37, CONSERVATION.

An historical study of Conservation activities during the World War, carrying the study on as to how conservation may be best planned for in a future emergency.

Problem No. 38, FUEL AND POWER.

A study of the fuel and power problems of the country during the World War; an analysis of the present situation in the U.S. and a study of the steps necessary to effective handling of the problem in a future emergency.

Problem No. 39, COMMODITY COMMITTEES & STRATEGIC RAW MATERIALS.

A study of the Commodity Sections of the War Industries Board in the World War and of the current activities of the Commodities Division, Planning Branch, O.A.S.W. A study also of the plans of The Assistant Secretary of War for the assurance of an adequate supply of strategic raw materials in war.

Problem No. 40, SHIPPING.

A study of ocean shipping along lines similar to those stated for land transportation in the problem on Transportation.

Problem No. 41, TRADE ASSOCIATIONS.

A study of the utilization of Trade Associations in war-time procurement to effect, in so far as practicable, self-control in industry.

Problem No. 42, MAXIMUM EFFORT CRITERIA.

An attempt to define the limits of the Nation's maximum effort in war.

Problem No. 43, TRANSITION OF THE OFFICE OF THE ASSISTANT SECRETARY OF WAR FROM PEACE TO WAR.

A study of the steps necessary in changing the functions and methods of procurement and procurement control from those obtaining in peace to those contemplated in war.

Problem No. 44, INDUSTRIAL READJUSTMENT AFTER WAR.

A study of the means by which industrial difficulties incident to readjustment after war can be minimized.

Problem No. 45, ORGANIZATION FOR CONTROL OF INDUSTRY IN WAR.

To develop a definite organization for governmental control of our industrial and economic resources in a major emergency and to enable the student to clarify and correlate for himself the principles and practices involved in such control.

Following all the foregoing which in general are problems requiring written reports, we then utilize a week in the inspection of industrial plants. By courtesy of the Navy Department this includes the Navy Yard here in Washington, and the Naval Loading Plant at Indian Head, Maryland. We also spend three days in Pittsburgh inspecting some of the largest production facilities in the country. Finally we hold a WAR GAME which is somewhat analogous to a Staff Ride or a Map Maneuver on the military side; that is to say, we assign each member of the class to some office or activity in the war-making machine and then assume certain situations regarding procurement or industrial mobilization and endeavor, as a matter of practical application, to run those situations through the machine.

Off and on during the course we have lectures on pertinent subjects by men who are experts in their respective fields. About twice a month we have moving pictures showing large-scale production methods from reels loaned to us by the Department of Commerce.

Well, gentlemen, there you are. If any one of you thinks that is a course in counting beans, in vocational training or whatnot, he had better ask to go home today. Why, it runs the whole gamut in the Economics of War, at least as much of it as is possible in a short ten months. To get the best out of it demands brains, vision, application.

We feel that you have all those requirements and the reason why we feel so is: so far as the Navy officers are concerned, I understand that the Department has exercised great care in their selection; as for the Army officers, the same is true of their respective chiefs of Arm or Service and I know personally that the Office of the Assistant Secretary of War has carefully examined the efficiency records of every one of them before approving their detail.

As I have said before this first block of problems may be called the orientation part of the course. I would suggest that you concentrate as far as practicable on Nos 2, 3 and 4, for reasons manifest in their titles. No 2 is a three-weeks' study of our industrial effort in the great war from which we learn salient facts and draw valuable lessons from experience; No. 4 is another three-weeks' problem showing the current organizations and plans. These two bring you up to date. Sandwiched in between the two is No. 3, a seven-weeks' problem in the fundamentals of business. That time is all too short, but try to reach bottom on it for, you know, our plans for procurement cannot be sound unless based upon sound business fundamentals, nor can our industrial mobilization plans be sound unless grounded in sound economic theory. Mastery of those three problems will assist wonderfully in your approach to all the others.

Our instruction is mostly self-instruction. There are no approved textbooks in this school. Naturally no instructor will tell you in advance what may be his opinion of how a problem should be solved, but will cheerfully help you in any other way within the limit of his time.

Throughout the ages men have studied military preparedness, but this is the first school that has ever concentrated on economic preparedness for war. We are a comparatively young institution and, to a great extent, still exploring a primeval wilderness. So you have a great opportunity to work out virgin trails and carve your initials on virgin timber. You may put originality and individuality into your written and spoken word in this school. I mean what I say when I say that here we encourage freedom of thought and expression, within the limits of what is of course expected among high-minded officers and gentlemen: courtesy, constructive intent and, in our conferences, strict parliamentary procedure.

With reference to grading and rating. On every problem that you work on you will get superior, excellent, satisfactory, or unsatisfactory. Forget what is known as "tenth-boning" - we do not even use units and tenths in

grading problems. So much for your academic rating. Efficiency reports are governed by the same customs and regulations as obtain everywhere else in the service.

The War and Navy Departments respectively have allotted to the Assistant Secretary of War two vacancies for Army officers each year at the Army War College and one at the Naval War College. It has been the Assistant Secretary of War's practice to select these from among the students outstanding in each preceding class at the Army Industrial College. In other words, you Army officers have an opportunity to seek these details for the school year 1933-1934, provided of course you are otherwise elgible under the law and regulations.

A word about rank. Of course there are certain customs and traditions of the Service which we would not change if we could but, in our academic work, you are all on the same footing exactly. To illustrate, specifically:- the chairman of a student committee may be the junior officer in rank on the committee but, so far as his status there is concerned, he may as well be the senior.

Finally, I just want to say this:-you know there may be several ways of operating a school. But in putting a course up to a student body, there are to my mind two extremes toward one of which any Administration would be inclined to lean: first, as a sporting proposition and second, as a "squads-right" proposition, if you get what I mean. Although this is a military school, because of the fact that you are gentlemen of mature judgment, a sense of responsibility and fine records we lean definitely toward the first extreme. To illustrate my point: we make our office hours from 8:45 to 4:15, instead of the standard 9:00 to 4:30, this in order that you can find a parking space promptly in the morning and beat the traffic jams in the afternoon. I expect within reason and in the absence of roll calls and bell ringings, every officer to be at his desk by 8:45 and not to leave for the day before 4:15. On the other hand, if I happen to notice some officer habitually drifting in here about nine o'clock or drifting out around four I cannot escape the conclusion that, to say the least, somewhere in his previous service he has missed entirely or failed to profit by some very effective squads-right.

Gentlemen, I am glad to say that our relations with the Navy are precisely what they should be, especially in this work so vital to the national defense as a whole.

One of the main reasons for this is the personality, vision, and square-shooting of those Navy officers with whom we naturally come in contact in this work, particularly of Captain Pence who has been one of the key men on the Army and Navy Munitions Board and Chief of the Navy Materiel Division. He is leaving Washington and we shall miss him, but we are fortunate in having a successor to him in Captain Brown, who is present. If Captain Brown would be good enough to say a few words we would be glad to hear from him.

Captain Brown:

Colonel McCain, Colonel Voris, and officers of the Army Industrial College:

Knowing Colonel McCain as well as I do, his remarks are marked with sincerity beyond mere amenities. They are most appreciated.

We of the Navy who have been connected with planning for War Procurement fully appreciate what an excellent institution this Army Industrial College is and what an important place it occupies in our plans in preparation for national emergency. I congratulate each and every one on your opportunity to take this course. But particularly, you Naval officers and Marine Corps officers in addition to gaining a realization of the problems that your sister service has to meet and overcome, will make contacts both official and social with the officers of the Army that will continue on through the years.

There is one idea that I must stress. We must never lose sight of the fact that both the Army and the Navy exist for one common purpose --National Defense. Coordinated plans must be developed with full cooperation between the two services; otherwise, chaos would prevail at M-Day. We must avoid the unpardonable loss of valuable time, if M-Day does break, which would be caused by fighting between the Army and Navy to adjust conflicting demands for facilities to meet our joint requirements.

In the Army and Navy Munitions Board, we hope we have the proper organization and set-up to provide for harmonized adjustment before M-Day.

Times are changing. Throughout the world the economic structure is in a state of flux. Who knows which way will it flow? I am reminded of a story related by General Patterson, your No. 1 Doctor of the Army. Perhaps some of you have been placed in the situation of the young man who has nervously been pacing back and forth in the hospital corridor, smoking package after package of cigarettes, waiting interminable hours for interesting news from the delivery room. Finally when the

nurse emerged with a bouncing baby boy, he took one look and said, "What--no cellophane!" You all see the point. What impression would this story have made five years ago--even three or two years ago?

Just because you have available in the files here in this college the papers and solutions of your predecessors for the many problems that are presented here, don't accept them as approved solutions. Devise and evolve better ones that meet these changing times.

We of the Navy have always been welcome here in the Army Industrial College and, I reiterate, we appreciate it. We do not feel like strangers--we feel we are one big family and that spirit is going to continue. I want to say for the Planning Branch of the Navy that all you Army files are equally as welcome on our side of this building. We will do our best to give you what you want. We have not the same big organization as the Assistant Secretary of War. Ours is a growing organization, with a plan different from yours, aiming to get the same results in a different way.

I pledge you in behalf of the Planning Section of the Navy Department continued support, cooperation and encouragement.

Colonel McCain:

Thank you very much Captain, for your generous remarks and especially for the sincere spirit of cooperation manifest on the part of your office.

We have a few problems in the course which directly pertain to Current Procurement and several others which pertain indirectly. The Director of the Assistant Secretary of War's Current Procurement Branch is very much of a wheel-horse when it comes to helping us on such problems. He is with us here today and we would be glad to hear from him. Colonel Crain.

Colonel Crain:

Colonel McCain and Gentlemen:

The history of the world has been divided into ages of various designations. We have had the Ice Age, the Stone Age, the Machine Age, etc. My own opinion is that the present day should be known as the Propaganda Age. One of the best places to spread propaganda is a school. and I seize this opportunity to spread a little of my own.

The Olympic Games were held not long ago, and it is safe to assume that the successful contestants employed in their respective contests the same style that they had used

in training for these events. I request you gentlemen duing the coming year not to give your entire attention to the mountains and tall trees in the distance which represent war-time procurement, but to pay some attention to the ground under your feet, current procurement, which you must pass over in arriving at the more imposing background."

Colonel McCain:

Whenever our problems are tied in with General Staff planning or with procurement planning in the Supply Arms and Services, and indeed many of them are, you will find General Staff officers and procurement planning officers ready and willing to advise us. However, in the very nature of things, our closest contacts are, and should be, in the Planning Branch. Speaking somewhat figuratively, it may be said that the School studies the theory of planning but the Planning Branch makes the plans. To illustrate: whereas a student committee of the school will make a three-weeks study of Transportation as a national problem, there is an officer out here in the Planning Branch who is working the year round on the Transportation plan. So for power, labor, fuel, war trade, etc. The relative status of the Planning Branch and this College is, as I have already indicated, analogous to that of the General Staff and the Army War College. It is vital, therefore, that the Planning Branch and this College should pull together in harness. They do. Further, the Director of the Planning Branch holds, for the Army, the same key position on the Army and Navy Munitions Board as the Chief of the Navy Materiel Division does for the Navy. We have had a word from the latter, and I will now ask the former to say a few words. Colonel Voris--

Colonel Voris:

Colonel McCain and Gentlemen:

On behalf of the Planning Branch I wish to welcome this class to our family and to wish you a very happy and profitable year.

The Planning Branch wishes you to understand that its personnel considers that one of its principal functions is to cooperate in every manner possible in furthering the progress of the Army Industrial College and in giving such assistance as is practicable to the personnel of this college, to the Director, to the faculty, and to the student body.

Each officer in this Branch will always be ready to give you such information as may lay within his knowledge. The files of the Planning Branch are also open to you. We have no secret methods or knowledge which will be withheld.

Gentlemen, the Planning Branch trusts that our relationships will be both cordial and mutually helpful.

Colonel McCain:

Gentlemen, I know from long experience with the Planning Branch that Colonel Voris means just what he says and, more particularly for this reason, I would suggest that we do not "run it on the eagle". In other words, just because the Planning Branch personnel are courteous and accommodating is all the more reason why we should not impose unduly on their time. They have other things to do; so, when you go to them for information, get it and then get on out.

Now, you have already met the Assistant Secretary's Executive Officer, Colonel McFarland who, of course, can always come down here and say anything he wants to say. He is present, and if he has anything for us, we shall be glad to hear it.

Colonel McFarland:

Colonel McCain and Gentlemen:

I was very happy to accept Colonel McCain's invitation to be present at this orientation in order to get some orientation myself. But there was no intimation that I was supposed to make a speech.

It has been very illuminating to me to hear a description of all of these forty-five problems that you will be engaged in solving during the year; and in addition to being oriented in this regard, I have also received a good deal of instruction from the Biblical references made by Colonel McCain. I assure you that he is more familiar with the Bible than I am.

You all met the Assistant Secretary this morning and he told you that he holds the Industrial College in very high esteem. I would like to add that he is tremendously interested in the college and everything that is done here. Whenever a paper referring to the college comes over his desk for signature, he reads it and wants to know all about it, and is not satisfied to sign it unless he is convinced that the problem has had the consideration due it, that a proper conclusion has been reached, and that such conclusion

is for the benefit of the college itself. He comes here to a number of lectures and discussions during the year, takes part in some of them, and is always anxious to know about features of the course that he does not personally observe.

Being a business man he naturally is interested in the current affairs of the office and in politics, but in addition he continually maintains a very live interest in you, your work, and your welfare. He is very fond of the Army. In this 25%-Navy audience, I suppose I should say of the Army and Navy; but his particular interest is in the Army. He likes to meet and talk with Army officers and he is ready to fight for anything that will result in their benefit. For example, during the recent conflict in Congress over Mr. Collins' proposal to reduce the Army by 2000 officers, Mr. Payne put his whole soul and effort into defeating Mr. Collins' proposal and I am thoroughly convinced, though this has never been expressed in public, that Mr. Payne's own efforts turned the vote in the House and probably saved the Army from the loss of the 2000 officers.

You will find the course here full of interest and will have an opportunity to do much reading and to make many studies on subjects that you long have been interested in. I presume no one of you has been ordered here without your own application which at once indicates an interest in procurement matters. Accordingly, I am sure you will enter into your studies with great energy. You will obtain from Colonel McCain and his Staff full cooperation and helpfulness. One of the officers who was here last year told me that in all of his service he believed he never had lived in such a happy atmosphere.

The Assistant Secretary has congratulated you and expressed his best wishes. I can only add that every officer under his control is available to you and will welcome the opportunity to talk with you about your problems. I hope you have a very happy year and I am sure it will be profitable.

Thank you.

Colonel McCain:

Those remarks are much appreciated, especially so for reasons obvious. But, so far as concerns the "atmosphere" he speaks of, you will find that it is the "staff" here that does the work.

Now gentlemen, you have heard those to whom you will be running for help off and on throughout the year and I want you to meet them personally, now. You have already met Colonel McFarland and the faculty but I will now ask Colonel Voris, Captain Brown and all the officers of the Planning Branch please to line up and then each student officer go down the line and meet each one of them. Captain Bogman will start you off at the right of the line. Following this, there will be nothing else this morning.