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Addresses

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INFORMAL ADDRESS

by

Colonel Frank A. Scott,
First Chairman, War Industries Board.

SCOTT, FRANK A. COLONEL
INFORMAL ADDRESS BEFORE THE ARMY
INDUSTRIAL COLLEGE, OCTOBER 13, 1932

OFFICE OF THE ASSISTANT
SECRETARY OF WAR
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October 13, 1932.

Col. McCain:

Gentlemen:

We are now honored by the actual presence of the man whose name, perhaps more than that of any other, is passed to and fro over our council tables.

Projecting ourselves back for a moment into the hectic days of 1917 we recall the blare of trumpets, the eternal ballyhoo of the eternal politician, 'the tumult and the shouting, the captains and the kings'. But where was Frank Scott? Tucked away in a cubby-hole here somewhere working his heart out for the United States, and when I say working his heart out, I mean working his heart out. Doing what? Putting every iota of his fine ability, every ounce of his physical strength into the Herculean task of trying to repair, in a few short months, the irreparable damage caused by the neglect of one regime of politicians after another and of one generation after another of a people ignorant and careless of their national security.

Often, when he had to eat, he ate in his office; when he had to sleep he slept in his office; and finally when flesh and blood could stand it no longer he was hauled out on a stretcher, a voluntary sacrifice on that rarest of altars - Unselfish Service.

Happily his health has been regained. His spirit is today where it was then - unbroken and ready to serve. Then he denied himself the commission which he held in order that, as a civilian, he could better serve the broader interests of his country. Today he is a Colonel of the Ordnance Reserve Corps, a wearer of the Distinguished Service Medal and, so far as my humble but housetop opinion is concerned, the only reason why he isn't a Major General is that republics are ungrateful

Gentlemen, that splendid American - Col. Frank A. Scott.

Colonel Scott:

Colonel McCain, Gentlemen:

Every time that I have been here since the war I have been made to feel that it would be very easy to forget the adage of HenryVth who, you know, was a great soldier, that in peace there is nothing so becomes a man as modest silence and humility, because the gentleman I have heard introduced is one I should like to emulate but I have never known the gentleman. I do appreciate more deeply than I can tell you the cordiality with which the Army has always welcomed my return to Washington since 1917, although in the presence of you men and every man like you I continually feel a deep sense of humility. My experience in 1917 taught me what the regulars of the two military arms mean to our country, and if we did not have the unselfish devotion to duty in times of peace which is bestowed by you men and others of your respective services, I would certainly despair for the future of our country.

I thought when I came here in 1917 that I knew a little of the Army and Navy because I had had some contact with the bureaus and was a reserve officer of the Ordnance Department. But I had not been here more than a few weeks working with men who were working under stresses of every kind when I began to say to myself: "Of all the men you have known all your life, of every kind and every nationality, you are now becoming acquainted for the first time with men who lead all others in a sense of honor, in a sense of devotion to their duty, and in a high average of intelligence and industry." So, I always come back to you with a real sense of humility.

Colonel McCain called me up at the hotel last night and asked me to come here this morning and speak to you gentlemen for a little while on anything that came into my mind in connection with my services in 1917, and I thought it would be better to do it without any preparation and make it as informal as possible. Perhaps it is more appropriate that it should be informal, because I want to assure you that our entry into the war, as far as the Army and Navy were concerned, was decidedly informal.

I want to begin with this thought because it belongs in the atmosphere of military students: there is a temptation in all military endeavor to be governed by the lessons of the past in detail rather than in general, so we just naturally find that instead of planning for the next war (if we are to have a next war), we are re-planning the last war. I will ask you

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gentlemen as you proceed with your studies, to keep that thought in mind; that while we have to keep our feet on the ground and can only do so by contact with the practical things experience has taught us and can only begin to march by filing out in the road and forming, yet we do have to let our minds range ahead into an area absolutely unknown to us now and which can only be planned for in a partial way at this time. War as I see it is very much like a tennis game; we may know who our opponent is, we may know the style of his game, but what we do on the court depends on what he does across the net from us. What we must do is be ready and apply ourselves to the exigency of the moment.

I have a very definite thought as a result of what I encountered here. We had been in the Civil War and we had put into that war one in every ten men of the North and South and we had really fought both sections to the point of exhaustion, just as the nations fought each other to the point of exhaustion in the last war. Men who had studied war; many men who had studied the Civil War (and I was one of them), overlooked the fact that both sides in that war were equally unprepared and had equal opportunity for preparation as time went by. So preparation in a materiel sense and a military sense proceeded until both became armed nations; whereas, we plunged into a war against the Central Powers highly trained and experienced by several years of action, with ourselves entirely unprepared and without any such general planning and organization as, I am happy to say, our country has today

I shall try to illustrate that by going back to what existed at that time. First of all we, differing from England, France, Italy, Germany, and, I presume, Austria, had no automatic way of changing from a peace basis to a war basis by the mere declaration of war. What happened in the United States when we went to war in 1917 was; Congress declared a state of war and then practically none of the peace-time limitations were withdrawn by that declaration of Congress. In that respect we differed from the other great nations of the world. The limitation which made it impossible for an Ordnance Officer to contract for an article for which he had no appropriation applied just the same after the declaration of war as it did before. The limitation which prevented renting an office in the city of Washington applied just the same after the declaration of war; the limitation that made it impossible to employ a stenographer or a draftsman, without the intervention of the Civil Service Commission, applied just the same. If you will try to think of a great nation, potentially able to become the greatest military power on earth, planning to go to war, but tying its own hands and blindfolding itself first, I do not see how we could have done it more successfully. The Spanish War apparently taught us nothing. I am giving you this so you can get the contrast between whatever picture you see and the picture I am trying to give you of 1917.

When I came to Washington in 1917, I found this situation in the Army: The Supply Departments (Quartermaster, Ordnance, Engineers, Signal, Medical, etc.) were proceeding each on its own preparations, independently of the others, except that Ordnance furnished certain things for some of the others. In the Navy the Bureau of Yards and Docks, Construction and Repair, the Surgeon General of the Navy, etc., were each doing the same thing except that the Bureau of Supplies and Accounts did more for the Navy in general than the Quartermaster Corps did for the Army. They were about to enter upon an experience where every demand was going to exceed the available supply, and all the experience they had had up to that time was acquiring a limited amount in the face of an unlimited supply; and, in addition to competing with each other, they were about to compete with all of the Allies that were using our sources of production, and the Allies' demands were very heavy at that time. You can, therefore, very readily picture to yourself the confusion that was about to arise in, first of all, acquiring what was needed, or knowing what was needed; and second, in the element of cost and then in the element of priority. What goods were available were bound to go to the man who was liveliest, who was first on the market and willing to take the risk and pay a big price. As I looked over the situation when I first came here that was what I saw.

You may ask what I had to do with it. I was asked to come down here to head up what was called the Munitions Standards Board, looking toward the possible coordination of the needs of the Army and Navy in respect to manufacturing facilities. That Board did a little work and probably was helpful, but after a few days we began to see that that was a trifle; what we should bother about was the confusion and chaos about to be created as soon as we let those departments loose on the United States without anybody to determine priorities - rushing out in a national sense to discover sources of manufacture and new resources. To me it was a perfectly appalling picture.

We had already reached that stage of ferment where it was perfectly obvious that war was to be declared and it looked as if we were going to bring down upon our country the penalty of unsuccessful war (we would have been a great bit for the Central Powers if we had waged unsuccessful war) without having foreseen the program we had to follow if we intended to make the war successful.

In the presence of you gentlemen who are professional soldiers and sailors, as a civilian I probably should defend my right to an opinion as to what these military arms of the Government ought to do at the outset of a great war. Therefore I will explain that I was not altogether inexperienced.

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I had been for years what the newspapers later called a "war fan". For over thirty years I had indulged in the study of war as a hobby and whenever I had to be in Europe I had "snuggled up" to the military men with whom my friends could bring me into contact and through such channels had received a fair picture of Great General Staff work as conducted in some of the European countries. I had enlarged upon this by really serious study.

It happened that during the winter and spring of 1914 I had been in Europe and had seen the preparations which were then very evident in Germany and Russia for the Great War, and also I had been in Europe in the summer of 1911 and had seen the temporary mobilization of active troops in Germany and France as a result of the Agadir incident. It will not seem strange, therefore, that I had something of the vision of war as conducted by any nation that had made its resources available by Great General Staff work and of course I knew that we lacked that coordinating influence furnished by a Great General Staff.

The then Secretary of War Baker knew of this special interest of mine and, in fact, he frequently made some game of me in Cleveland when he discovered that instead of reading the kind of things he was reading and which I would have enjoyed reading, I was studying and stewing upon military subjects which had no relation to my normal life. This I give you as a probable explanation of his request to me in the early spring of 1917 to submit to the Council of National Defense a memorandum covering my views of what had to be done in order that we might have coordination and control in the shortest possible time. I shall now try to tell you why I decided on what was done, - whether wisely or not.

First of all, I believed tremendously in the Army and Navy of the United States. I knew something of the faithful work of these supply departments in peace and something of the limitations that surrounded these supply officers in their endeavor to make the most of the work to which they devoted themselves. I felt it was in the national interest to avoid what England had done, build up a great civilian organization; that it would be to our interest to expand and sustain the military supply departments until they could hit their stride and then have civilians drop out as rapidly as they could be eliminated, and let the Army and Navy handle their own war with merely reinforcements of civilians (which would give to those men the reward to which they were entitled) and leave our country after the

what it now has - a great body of men just like yourselves who are trained by your own experience and through this regular service able to project your experiences into the future with the highly trained minds you have.

Therefore, I did not want a Munitions Department, although that was discussed. I did want to see coordination and control under the statutes as Congress had enacted them, to avoid loss of time necessary to change those statutes, and also to sustain these Supply Department structures; and this was the scheme I worked out on paper and the one the Council adopted, and the Secretary of War and the Secretary of the Navy issued orders in their departments resulting in the General Munitions Board. The President approved the establishment of the General Munitions Board as a General Purchasing Board, and I think the records of that time will show you that I was asked to become chairman of the General Purchasing Board, and the records of the Council of National Defense show that word "Purchasing" stricken out of the record and "Munitions" substituted. That was at my request because I wanted the purchasing to be done by departments authorized by law to purchase and the civilians merely advisory, notwithstanding the loss of efficiency that exists between advice and direct authority.

So the General Munitions Board acquired its authority from the Army and Navy, first by an order of the respective Secretaries to the respective Chiefs of Departments and Bureaus and then by an order from the respective Chiefs to suitable subordinates to proceed to organize as a Munitions Board, each subordinate bearing the authority and responsibility and legal support of his Chief. I think since the war there has been no fault found with the legality of that structure because nothing was taken away from anybody and nobody on the outside did anything that properly belonged to the military. If you find anything wrong in that I will be surprised.

That temporarily brought us to some extent under the same limitations from which the Army and Navy were suffering but it also brought to the Army and Navy immediately a great reservoir of power which is yours in time of war but which filters down to you through fixed channels - that is, what we call the war powers of the President. As you know, no ruler in the world has the war powers possessed by the President of the United States once Congress declares war. He becomes Commander in Chief of the Army and Navy of the United States and is charged with the duty of winning the war, which means that through Congress the people have put behind him all the resources of their Government to win the war. Those great powers are undefined, and this I want to pin down in your minds because there has been a lot of agitation on

the other side of this question. Those powers are not only undefined but our safety rests in the fact that they are undefinable. You must not try to define them. That is what I would like to have said to the War Policies Commission but I am glad I was not asked to say it because I did not want to have any controversy.

Why don't we want them defined? Because we don't know anything about the next war. If we could define them we could do all the other things necessary to fight a war and you can only fight that kind of war when you choose the time, the place and the enemy. If you were a German or a Frenchman you might do that to some extent, but you cannot do it as an American. We do not wage aggressive war. We do not know who the enemy will be or what the object, so our job is to do military thinking, remembering that a war worth while involves all the resources of the nation and that you have the means of reaching them through the war powers of the President unless Congress earlier says how it would like to have the thing done, Fortunately, in 1917 Congress passed the Selective Service Act and I think it is one of the greatest pieces of legislation ever written. I am assuming that having done that once we will do it again and that is the biggest hurdle of the United States in War - how to get man power promptly in a way to make the country feel it has been done justly. We have resources. In the Civil War both sides went to work on the Volunteer System and the side that was fighting for the Union proceeded for two years to fight as a confederacy, by limiting itself to the volunteer system; and the side that was fighting for the Confederacy, proceeded to fight as a union by introducing the conscription system. Had we had in the North a Selective Service Act at the beginning of the war, we might have chosen our men in the areas where we wanted them (picture that to yourself the next time you are reading about it), and had we added to that the manufacture and issue of breech loading arms which we frowned upon twice, in 1854 and 1856 because of the problems introduced by additional ammunitions supply and variety of munitions, - had we done these two things we probably would have fought the war out in two years instead of four. By 1864 we had forgotten our fears of the difficulties of ammunition supply and had introduced eighteen different types of breech loading arms. If we had made our decision in 1856 we could have had one type. I mention that, not as something to laugh about, but as something to think about if we face a similar problem. We should let our minds range on ahead and not behind.

I am going back now to 1917. The General Munitions Board was created in the way I have described as part of the Council of National Defense, so everything that had to be done could be done

under it. It was almost limitless. There was, however, no provision for the Board when it was organized; there was no place for it. The State, War & Navy Building was over-crowded and we could not move because the law said so. I walked out of that building, Chairman of the General Munitions Board of the greatest nation of the world, and that nation about to go to war (we were within six days of the declaration of war), charged with the responsibility that you can find for yourselves if you will read the document organizing it, with no money, no help in the sense of people to work with except for those Army and Navy officers already overworked, with no place to go. I remember I went down to the Munsey Building where the Council of National Defense had a small office, and I remember writing a telegram on the top of my hat in the corridor of that building summoning down here Mr. Chester C. Bolton of Cleveland, now Congressman from the 22d Ohio District. He knew about war and was the right man. I thought "there is a fellow who knows the game, who has brains and money, and the chances are if I wire him he will help". So I wired him and he was here the next morning. He served here, was made a Lieutenant Colonel and went on home two and a half years later. That is starting from scratch, isn't it?

When that Board was brought together for its first meeting just the mere act of bringing those men together uncorked immediately all the thoughts they had with respect to their duties, their work, related duties, problems of their Government and the war in general, and they were no longer embarrassed by channels because their chiefs had sent them out to do this job and they could pour out their souls. There was a tremendous lot accomplished. They were all men of liberal minds and attitude. I have every respect and regard for those men. We were charged, first of all, with finding out the requirements of the departments, then with the establishment of new sources of supply, the determination of priorities as between the Departments and Bureaus, later as between our military services and the Allies and then as you know, in the end between all of those and the civilian population, so that when the President at last authorized the War Industries Board in March, 1918, we were able to establish essential items. Civilians were permitted to acquire the nonessentials as they pleased; the essential were limited by the War Industries Board.

The question of price fixing came up almost immediately because of the presence of the Allies in our markets, and they, of course, were not under our control in the matter of acquiring their needs. The President asked me first of all if I believed in it (price fixing) and I did, and then he asked if we were going to approach it should we approach it by asking Congress to pass the necessary legislation. With a great deal of timidity, because the President was a gentleman well skilled in economic history, I told him I knew of no evidence that the

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establishing of prices by law ever accomplished anything. You cannot police your industries well enough to control prices. My idea was to take steel first, because it was the largest requirement. 45% of that production was controlled by one corporation, the United States Steel Corporation, and that was controlled by one gentleman, an American and a patriotic citizen - Judge Gary. Another man in that industry of like character was Mr. Farrell, so we only had to pull down two gentlemen definitely willing to be pulled down, and immediately there adhered to them men of similar character in the industry, so almost immediately we had 65% of that crucial industry. And when you have them they police each other because the United States Government could not know whether concerns in Pittsburgh or Cleveland cut their prices or did the reverse, as well as the United States Steel Corporation would know it. Once you had the majority of the industry lined up, they policed themselves and you could forget it. When you pulled down the strongest, the weak ones had to fall. When you pulled down steel, - copper, aluminum etc., just naturally came into line; so that was our procedure for price control. The two Secretaries of the War and Navy Departments, Mr. Baruch and I got the steel men down here. They were no more eager to part with the greater profits which our wide-open system had allowed than any of us would have been; no more anxious than the boys were to go in and suffer; but when the problem was stated to them they were willing to meet it. They met it and carried it through in the same spirit; and none of the nations at war had the support of industry and of the civilian population to the extent we had. In England, you remember, their particular anathema was the "Defense of the Realm Act" which they nicknamed "Dora", and there was great rejoicing when "Dora" was abrogated. But when our Fuel Administrator announced gasless Sundays it was worth your life to drive your car! The Justice of the Peace in any little hamlet would put you in jail; all because Mr. Garfield said the gas was needed to support the boys in France. That was the attitude encountered everywhere.

As to our planning at the present time; this Army Industrial College - is a great step in advance for our country. The country has owed this training to its Bureaus and Departments of the two Services ever since it established those Bureaus and Departments. There could be nothing more unreasonable than to ask you men to be responsible for the biggest business in the world without any training in that phase of your Departments; but that is what you were expected to do before the establishment of this College, unless you got it accidentally.

The problem of supplying 113,000 men in time of peace has nothing to do with the problem of supplying of two, three, four or five million men in time of war - men who are expending their resources in the way in which soldiers have to expand them.

Therefore I say this College is a great step forward and a great step in the national defense. I want this morning to particularly ask you gentlemen to follow up the Scriptural injunction: "This ought ye to have done and not to have left the other undone". I would like that applied first, to your planning as it relates to what you would do today, tomorrow or next year if we had a war; and then, as it relates to what would happen if war did not come for twenty years. The first part of that steps on with the passage of time and with the studies which you and your successors are making from time to time; and the next step relates to general principles, and as General Hof said this morning, they are immutable. They are just the same as in the days of Alexander and Caesar. Those principles do not change and they even change less in economics than they do in combat service. Cupidity is present in us even when courage and fear are gone.

I do not believe in trying to freeze prices when the war starts. What you will find when war is declared is just what you find before it is declared. Somebody goes out and yells, but that does not give you the war spirit. You cannot call on people for sacrifice until they have become imbued with the war spirit. That takes time. You have got to let your minds rest on a population that will be entirely indifferent to war. In 1917, by the time I was getting ready to take my place on the stretcher, the country began to realize there was something going on; but at the outset it was exactly like the men invited to the feast in the Scriptures - one man had bought an ox, one had married a wife, but they all had an excuse.

The element of time - that is the thing. You probably can make up the wastage of anything except time. Whatever happens to you, wherever you are, sail straight through on that. Once you have lent yourselves to the declaration of war, then do nothing and think nothing but fight; and as you of course know, that means activity and you must not, above all things waste time.

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Q. What do you say is the reason steel production fell off in 1917 and 1918 - from that of 1916?

A. Probably failure on the part of transportation - if we could get an analysis of all the elements of the industry. You see there came to be such a demand from the Allies for many things not related to the steel industry that the railroads and various terminals clogged up. Steel production depends almost entirely on how much ore you can bring down the lakes in season. The great production of iron and steel in our country depends on the sixty to one hundred million tons of ore brought down the Great Lakes to southern lake ports and from there distributed, and that movement of ore is entirely dependent upon when the ice

gets put of the St. Clair and Huron Rivers. Those ships bring down anywhere from five to ten thousand tons. The federal post office at Detroit reports that ships pass there once every twenty-three seconds. If you picture a movement of that kind arrested say, from the 1st of May to the 18th, you can realize the degree of falling off.

That recalls to my mind a controversy between General Goethals and Mr. Denman, chairmen of two sections of the Emergency Fleet Board. The President sent word asking me to see if I could solve the difficulty because he did not want to lose either of these men. I discussed the difficulty with the Army representative, General Palmer Pierce, Mr. Denman and General Goethals and I recall now the difficulty we had in explaining to Mr. Denman the shortage in production (we were opening service on the lakes very late). Mr. Denman said he did not see why if we could not bring the ore down in ships we did not bring it down by rail. Well, some of you are familiar with that area and you know how everything is equipped to bring the ore in by ships - the railroads run to the docks, etc., and the amount you could bring at a great cost by rail is so trifling with what you can haul by ship that very little thought is given to rail transportation.

Q. Did the draft have much effect on that?

A. It may have had some, although in most places the Boards were so reasonable they did not invade industry in the beginning. There were some very humorous things. In my own plant we had a boy who had but one leg, and who was very clever on the manufacture of the panoramic sight. He was so tickled to be drafted that he would not put in an application for exemption. We, however, put in an application for his exemption and pointed out that he was very clever along certain essential lines. The Board would not exempt him. So he went away and drove a truck and came back a veteran, while the two-legged boys stayed in the plant. It was a great joke.

Q. You spoke about looking into the future - the long-time viewpoint. We can look back for a period of fifteen years and see what has been done in industry in that time. We know industrial production has increased, on a percentage basis, enough to handle war requirements equivalent to that of the last war. Is it your opinion that we can depend upon a continued increase, or would it be a decreasing rate in the next fifteen or twenty years?

A. That is an interesting question and it brings out this: Take the Ordnance Department. They have the districts organized. For meeting the purposes of war they are better organized than the General Munitions Board was. I would rather take any one of them and move down here with it. So I say, we are tremendously in advance. However, everything has moved also. I am not at all

sure that even with all the tremendous advance we have made, the intensification of war by reason of advances in the natural sciences, etc., may more than offset our advances in preparedness. However, that brings out the point that if you are doing trained thinking you will anticipate that. You will see it for yourselves and go after new sources. That should be part of your thinking whether the school tells you about it or not. Do your own thinking. If the next war comes you will find it very serviceable.

General Gilchrist:

Colonel Scott brought out a very important point when he spoke of the handicap under which he was obliged to labor during the early days of our participation in the war, due to the fact that his activities were governed by peacetime regulations.

I had an interesting experience along those lines. Shortly after war was declared, I was ordered to Cleveland to take command of an organization there which had been selected by the Secretary of War to be the first over. For that reason, I was instructed to expedite matters.

I arrived in Cleveland on Wednesday night and on the following Sunday morning, the organization was ready for departure, all matters pertaining to it having been completed. In the meantime, I received further telephone communication from the office of the Secretary of War to the effect that the large steamer "Orduna", a Cunard Liner, had been designated to convey the organization to France, was being held at her pier in New York for that purpose, and that it would be necessary for the organization to reach there not later than Monday morning.

With this information at hand, I took it upon myself to arrange with the Superintendent of the Pennsylvania Railroad for a special train to convey the organization from Cleveland to New York City. I also arranged for meals for the command at Pittsburgh and at the station in Jersey City. Everything went off satisfactorily. We arrived at our destination on time, boarded the steamer and sailed.

Several months later I received a communication from the War Department wanting to know what authority I had for ordering a special train from Cleveland to New York for the purpose of conveying the troops, at the same time inviting my attention to Army Regulations which called for the advertising for bids for that work. Information was also requested as to what authority I had for transporting the enlisted men in Pullmans when tourist sleepers could have been obtained in Kansas City.

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I mention this incident only to bring out the point emphasized by Colonel Scott; - that regulations governing an Army in peace are not entirely applicable in time of war.

Colonel McCain:

Gentlemen, I am going to stop the questioning as we do not want to impose any further upon Colonel Scott. We are very grateful to him for giving us so much of his time and for his words of wisdom.