

THE ARMY INDUSTRIAL COLLEGE  
WASHINGTON, D. C.

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ORIENTATION TALK

by

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OFFICE OF THE ASSISTANT  
SECRETARY OF WAR  
SEP 14 1934  
PLANNING BRANCH  
PROCUREMENT DIVISION

September 4, 1934.

ORIENTATION TALK

Gentlemen:

Our Chief, Mr. Woodring, The Assistant Secretary of War, had planned to greet you personally this morning but his duties have called him out of the city and he will have to postpone that pleasant task. I know that I voice his sentiments when I say that he is delighted to have each of you in the class.

It is my privilege to extend the greetings of the faculty to you and to say we are glad to have you here. It is my duty in this talk to orient you, as far as I am able, in the year's work ahead of you.

There were questions that arose in my mind when I entered the College some years ago and I feel the same ones arise today. Some of them are:

- Why was this College established?
- What is its mission?
- What is the College trying to do?
- Why is the College trying to do it?
- What methods are pursued?

Numerous other questions may arise in your minds; but if I can answer those above to your satisfaction I shall be content.

Some historical background is necessary to a complete understanding of our College and its mission. At the outbreak of the World War and continuing throughout its duration, great difficulties arose in the

(a) Procurement of Munitions

- in quality,
- in quantity and
- in deliveries in time for their urgent use

(b) Assurance of provision of ample necessities of life for civilian population.

The following facts relative to the war are incontrovertible:

- (1) The Army sailed overseas largely in Allies' ships and to a great extent fought the war with certain vital items of arms and equipment purchased from the Allies.

(2) Confusion and sky-rocketing of prices occurred due to shortages actual or alleged; and 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 actually took place.

(3) The President called in men prominent in the economic life of the country and, in an effort to bring order out of confusion and to accelerate the industrial effort in support of the military, organized the War Industries Board with practically dictatorial powers.

(4) One result of failure to plan for World War Procurement 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.

(5) Another result was that the Government has been involved since the war in litigation running into vast sums of money.

War procurement in the Army during the World War was carried on under General Staff supervision which was largely inexperienced in that function. Congress, whether justly or unjustly, was dissatisfied with this system and soon after the war, it began investigating and legislating along procurement lines, with the result 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 on which this action was based was that the matters to be handled concern big business and therefore should be handled by a man prominent in the business world. The pertinent congressional legislation on this subject reads as follows:

Section 5a of the National Defense Act,

"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 matériel and industrial organizations essential to war-time needs."

Under the law the Assistant Secretary of War is assigned two distinct, but closely related missions.

The first mission is plainly stated

- (a) "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 peace-time 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.
- (b) The second mission is not so clearly stated, that is, "the assurance of adequate provision for the mobilization of materiel and industrial organizations essential to war-time needs."

Three questions immediately arise concerning this second mission:

(1) What is meant by "the assurance of adequate provision"? Making plans in advance and testing them as well as we can under peace-time conditions.

(2) What are those "materiel and industrial organizations essential to war-time needs"? The answer is, all industrial organizations directly or indirectly. It is even broader and should be correctly stated as all elements in the economic sphere including service industries, agriculture, financial institutions, commercial institutions participating in domestic and international trade and labor. Action in one part of the economic field produces reactions in all others. The operation of one industry requires the support of other industries, of labor, of finance, etc. The economic structure of the country must be considered as a closely knit, integrated whole.

(3) "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 civilian population, yet he is charged with an economic mobilization which will permit satisfying their needs. 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 the Congress unless it were acceptable to other Government departments, to industry and to labor-- in other words, to the American people. Both the Army and Navy have come to realize this and, in consequence, while each is making its own specific procurement plans cooperating with each other, they must make their industrial mobilization plans in collaboration. We all realize that in order that those 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. That is the fundamental reason why we are so glad to have Navy and Marine officers here with us.

The Assistant Secretary of War then is charged with supervising procurement and procurement planning and with economic mobilization planning. It should be clearly understood that we mobilize economically, so that the economic life of the country can make its full contribution to the prosecution of war, one element of that contribution being Army and Navy procurement. But war-time procurement must be based on war plans for military operations; therefore we must have some knowledge of the whole war planning picture.

In the War Department, the General Staff is charged with the formulation of war plans for military operations, the Assistant Secretary of War with the supervision of war-time procurement plans. In the Navy Department, the Office of Naval Operations is charged with both of these functions. There are various joint agencies to effect coordination in the plans.

Thus the Secretary of War has -

(a) On the Command and Military Side

The War Department General Staff Officers are prepared for serving thereon by graduating from the Army War College where studies in strategy and tactics involving high command and staff are pursued. A chosen few go from there to the War Department General Staff.

(b) On the Procurement and Industrial or Economic side

The Planning Branch, Office, Assistant Secretary of War. Officers are prepared for serving thereon by graduation from the Army Industrial College. A chosen few go from there to the Planning Branch.

The Secretary of Navy has -

(a) On the Command and Military Side

The War Plans Division, Office of Naval Operations. Officers are prepared for serving thereon by graduation from the Naval War College which studies problems of strategy and tactics involving high command and staff. A chosen few are selected for war planning in Office of Naval Operations.

(b) On the Procurement and Industrial (Economic) Side

Fleet Maintenance Division, Office of Naval Operations. Officers thereof charged with procurement planning are prepared for such service by graduation from the Army Industrial College.

The Secretaries of War and of Navy have for coordinating all Army and Navy action:

(a) On the Command and Military Side

The Joint Planning Committee, an agency of the Joint Board.

The Joint Board Consists of:

Army Representatives

Chief of Staff  
Deputy Chief of Staff  
Assistant Chief of Staff, W.P.D.

Navy Representatives

Chief of Naval Operations  
Assistant Chief of Naval  
Operations  
Director, War Plans Division,  
Office Chief of Naval  
Operations

Selected officers from the War Plans Division of the General Staff and from War Plans Division, Office of Naval Operations form the Joint Planning Committee. In the Army, Officer personnel of War Plans Division are graduates of both the Army and Naval War Colleges.

(b) On the Procurement and Industrial (Economic) Side

The Army and Navy Munitions Board consists of:

The Assistant Secretary of War  
The Assistant Secretary of Navy

The Executive Committee Consists of -

Army Representatives

Executive to the Assistant  
Secretary of War  
Director, Planning Branch

Navy Representatives

Director, Fleet Maintenance Div.,  
O.N.O.  
Chief of Section, Procurement  
Planning, Fleet Maintenance Div.,  
O.N.O.

These Officers are usually graduates of the Army Industrial College.

Returning to the Army

As the Planning Branch, Office of The Assistant Secretary of War, on the industrial and economic 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 set forth in the General Orders creating it, as follows:

" \* \* - training Army officers in the useful knowledge pertaining to the supervision of procurement of all military supplies in time of war and to the assurance

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

The statement of the mission is almost an exact extract from the law setting forth the procurement and industrial functions of the Office of the Assistant Secretary of War.

The College started with nine student officers. Since then it has become a General Service School with a full-time faculty of instructors, than whom there is none better anywhere, and a student body of about sixty officers carefully selected from the Army, Navy and Marine Corps.

Now for the course of instruction. On the board are the titles of the forty-odd problems of the ensuing course in the order in which we intend to take them up. It must be distinctly understood that the course here outlined is tentative. Some of these problems may be changed, others may be eliminated or new ones added. The reason for this I think is apparent. We must keep abreast of current affairs; be ever watchful of the changing economic conditions, especially during this war on depression which is second only to the kind of war that is our chief concern. We know that the Government is now taking many important steps in the national economic field, the nature and consequences of which we will have to take cognizance of since, manifestly, they have a vital bearing on our own plans.

Problem No. 1 - Fundamentals of Business. Brief study of the principal subjects underlying business activities; economics; finance; banking; accounting; statistics; industrial management, marketing; contract law; analysis of business problems, etc. This is a six weeks individual problem and it is made the first problem of the course because, if our plans are to be sound they must be in accord with sound economics and the fundamental principles and practices of American business.

Problem No. 2 - Problem Analysis and Report Writing. Basis for methods of analysis of problems and the characteristics of a good written report.

Problem No. 3 - Historical Study. A broad picture of the organization of the Federal Government, past and present, especially with reference to its war powers and emphasis upon the Purchase, Storage and Traffic Division of the General Staff during the World War.

Problem No. 4 - War and Navy Department Organization and Procurement.

Organization of both War and Navy Departments including joint agencies emphasizing particularly the procurement elements.

Then follows a block of connected problems:

Problem No. 5 - Procurement Personnel. Methods to ensure sufficient suitable personnel for procurement of munitions in a major national emergency.

Problem No. 6 - Production in Early Stages. Methods by which production of essential (critical) items can be expedited in early stages of a major war.

Problem No. 7 - Industrial War Load. The degree to which industrial production of the U. S. might be affected by war procurement.

Problem No. 8 - Procurement Zones and Districts. 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 - Army Procurement, France and Great Britain.

A critical analysis of any elements of French and British procurement organizations that would be of value in the solutions of our war procurement problem.

Problem No. 10 - Construction and Conversion of Facilities in War.

An understanding of the control methods required and provided for conversion of existing facilities and construction of new facilities in war.

Problem No. 11 - War-time Contract Procedure. A study of the plans and procedure of The Assistant Secretary of War relative to contracts in war together with an analysis of the several contract forms recommended by the Board on War-time Contracts.

Problem No. 12 - Distribution of Commodities. Determination wherein and how the government may act in the distribution of commodities to industry in war particularly strategic materials.

Problem No. 13 - Procurement by Corps Area Commanders.

Methods which should be followed by Corps Area Commanders in their procurement upon the occurrence of an emergency.

Problem No. 14 - Relation between Procurement and Distribution

Ascertainment of the relationship existing between Procurement and Distribution with the influence of one on the other.

Problem No. 15 - Centralized or Joint Procurement between War Department and Navy Department.

Development of the extent centralized or joint procurement is now being accomplished; and what improvements, if any, should be made in present laws. Policies and organization to effect that practical and economical procurement best suited to the national defense.

Problem No. 16 - Power of Eminent Domain and Related War-time powers.

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. 17 - War Department 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. A short course to familiarize the student with the organization and plans of his arm or service for the business of war procurement.

Problem No. 18 - Government. Organization of the Federal Government of the U. S. with functions and duties of departments and independent establishments.

Problem No. 19 - Italy. A study of those phases of the economic, political and social structures of Italy which will be of assistance to us in planning our industrial mobilization.

Problem No. 20 - Communications Control. 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. 21 - Price Policies and Control. 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. 22 - Iron and Steel Industry. An analysis of this industry, including statistics of the leading companies.

Problem No. 23 - Statistics. A study of statistics with particular bearing on controls exercised by Planning Branch, O.A.S.W.

Problem No. 24 - Machine Tool Industry. An analysis of this industry including statistics of the leading companies.

Problem No. 25 - Allocations. Study on purpose, routine and adequacy of existing methods followed in allocating facilities to the services for their war-time procurement.

Problem No. 26 - Traffic Management. Influence of such management on industrial mobilization.

Problem No. 27 - Public Relations. The problem of public relations as it pertains to industrial mobilization.

Problem No. 28 - Shipping. A study of our ocean transportation problems in the World War, the agencies and methods of handling them and results obtained; methods to be followed in a future emergency.

Problem No. 29 - Existing Emergency Agencies. Study of existing emergency agencies and a determination of their effect upon War Procurement and Industrial Mobilization.

Problem No. 30 - 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. 31 - 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.

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Problem No. 32 - Transportation. An understanding of the transportation situation in the U. S. as related to planning for National Defense.

Problem No. 33 - Industrial Mobilization, Great Britain and France.

The ascertainment of those elements of British and French Industrial Mobilization that would be of value in the solution of that problem in the U.S.

Problem No. 34 - War Finance. Financial management in a war emergency. A 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. 35 - Power and Fuel. The power and fuel 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 the effective handling of the problem in a future emergency.

Problem No. 36 - Management of Armed Services for National Defense

Inquiry into desirability and practicability of combining or further separating our armed services emphasizing procurement of material and industrial mobilization.

Problem No. 37 - Economic Pressure. Determination of those external economic measures that will be most effective in a major emergency.

Problem No. 38 - Economic Readjustment. Determination of the means by which economic difficulties incident to readjustment after a war can be minimized.

Problem No. 39 - Transition of the O.A.S.W. 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. 40 - Self-Regulation of Industry. A determination of practical means and extent of self-regulation of industry to facilitate action in war procurement and industrial mobilization.

Problem No. 41 - Priorities. Determination of ways and means of exercising the priority function so that Army and Navy procurement as well as other objectives of an industrial mobilization may be successfully achieved.

Problem No. 42 - An analysis of War Department Mobilization Plan with Respect to Procurement.

In this problem, requirements in certain essential items arising under War Department Mobilization Plans 1933 are compared with resources as furnished by existing war reserves and procurement plans.

Problem No. 43 - Utilization of Economic Resources. An opportunity of presenting individual ideas on planned war economy and the development, by committees, of general plans for the effective control and coordination of economic resources in a major war emergency.

Following all the foregoing which, in general, are problems requiring written reports, a week is utilized in the inspection of industrial plants. By the courtesy of the Navy Department this includes the Navy Yard here in Washington. It is planned during the week to spend three days in Pittsburgh inspecting some of the largest production facilities in the country. A WAR GAME is included in the closing days of the course which is somewhat analogous to a Map Maneuver on the military side; that is to say, members of the class are assumed to be assigned to some office or activity in the war-making machine; then certain situations regarding procurement or industrial mobilization and endeavor are assumed; as a matter of practical application, and a solution of the situation required.

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 by the Department of Commerce or other sources.

Returning to fundamentals, remember that in the order establishing the College, there were assigned two essential studies in war planning - first, that for procurement, and second, that for industrial mobilization, "Procurement Plans" and "Industrial Mobilization Plans" are not the same at all, although the soundness and workability of the former are absolutely dependent upon the soundness and workability of the latter. It must be borne in mind that although these two problems are not the same they are most intimately related.

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Remember that the procurement plans are made by the Supply Arms and Services under the supervision of The Assistant Secretary of War. In war those same agencies carry out their own plans.

In contradistinction the industrial mobilization plans are prepared in the Planning Branch, Office of The Assistant Secretary of War, in collaboration with the Navy, through the Army and Navy Munitions Board. In war those agencies do not carry out their own plans. It is contemplated that this will be done by civilian superagencies to be set up by the President under the war powers inherent in his office, or, granted him by the Constitution, or, pursuant to special acts of Congress. No man can say in advance what the plans will be or who will execute them. That will depend upon the personality of the President, the temper of Congress and the psychology of the people at the time. Meantime it is the Army and Navy's job to keep those plans up to date and ready to submit to the consideration of Congress and the President at any moment.

Planning for Industrial Mobilization by The A.S.W. will never be completed. If steel enters the plan (and it generally does) we have the following problems in our course that touch upon it, i.e.

(a) Does an existing emergency agency require consideration?

If so, Problem No. 29 enters

(b) Does strategic raw material enter the problem?

It does and Problem No. 12 must be considered.

(c) "Control of Foreign Commerce", Problem No. 30 enters into consideration

(d) "Power and Fuel", Problem No. 35

(e) "Labor", Problem No. 31

(f) "Transportation", Problem No. 32

(g) "Finance", Problem No. 34, and so on.

In our course we finally reach Problem No. 43, which will afford opportunity for each student officer to submit a plan with functions and set-up of an organization for the control or regulation of economic resources in war.

"Procurement Planning" is relatively simple of understanding. That is in its conception; the mechanics and the final carrying-out of the plans are enormous tasks.

On the other hand even the conception of "Planning for the Mobilization of Industry" is hazy, especially in the beginning. What is it, anyhow?

ARMY REGULATIONS )  
No. 120-10 )

WAR DEPARTMENT,  
Washington, July 6, 1934.

"3. Mobilization of industry and material resources for military purposes.--

a. Mobilization of industry for military purposes during a national emergency is the operation of adjusting peace-time energy and industry to meet the essential requirements of national life and the maximum requirements of military effort, with a minimum disturbance of normal conditions.

b. It involves --

- (1) Readjusting and perfecting industrial organization,
- (2) Stimulating production,
- (3) Eliminating unessential activities, and
- (4) Diverting essential resources and activities from commercial to military purposes."

The five year plan in Russia was said to be a planned peace economy. What the President is trying to effect now is a planned peace economy. Planning for the mobilization of industry in war is nothing more nor less than a planned war economy. Since our economic structure is from its very nature composed of innumerable interdependent elements, in planning this structure for industrial mobilization in war we seem, especially at first, to have entered a vast cave with endless radiating caverns. There is no end to such planning.

National Defense demands that you gentlemen do considerable research and original thinking in your planning. We know that you have the intelligence, the background, and the will to apply yourselves to the task. That is a simple statement of fact. How the Navy makes its selections for detail to this College is not stated but judging by the general average of past years we expect some splendid results from the Navy and Marine officers in this class. I do know how the Army officers are selected. Your efficiency ratings are excellent or superior or you wouldn't be here. Further, you have proven to your Chief of Arm or Service and to the War Department your adaptability to

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this work, that you have some imagination, a keen sense of individual responsibility and a desire to advance in your profession.

Higher authorities in both War and Navy Departments, therefore feel justified in looking for great things from this class, and we of the faculty are honored in helping such a body of men accomplish them. The time has passed when officers of the Army and Navy can sit around the conference table on a question common to both and vital to the National Defense and suspect ulterior motives. We trust that, in our approach to the problems, we will, for the time being, forget that we belong to the Quartermaster Corps, to the Ordnance Department, or any other Arm or Service, or, even to the Army or Navy.

Let anything savoring of personal or professional advantage be disregarded and think primarily in terms of the National Defense: let your work be on a high plane.

From time immemorial military men have been planning military strategy and tactics but this is the first school on earth to concentrate on planning the ways and means of making the material plans meet the military plans and supporting both with national economic plans.

In general, instruction here is self-instruction. There are no approved solutions or approved textbooks. You will do your own thinking and arrive at your own conclusions. When we are engaged upon some specific assignments in the service we all know that we must carry out loyally and cheerfully the policies of higher authority regardless of whether we agree with those policies or not. But this is a school and a graduate school at that, and if any officer has something on his mind that he thinks is good for the National Defense he can present it "without fear, partiality, favor or affection." There are no restrictions on this whatever, except those manifest in any assemblage of gentlemen, viz.: adhere to the subject; courtesy; constructive intent; and, in our conferences, parliamentary decorum.

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, the Chief of Staff concurring on the command side, to select on the recommendation of the Director of the Army Industrial College, these officers from among the students outstanding in each preceding class at the Army Industrial College. In other words, the Army officers at the Army Industrial College have an opportunity to seek these details for the school year 1934-1935 provided, of course, there is proper eligibility 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. All we have in this life is our rank which is attained by growing gray in years and years of hard lines in the Service; 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.

We make no company in the College of the Navy and Marine Officers. We want you to feel absolutely at home. It is your school as much as ours.

Personally, I shall be glad to talk over our work with any of you at any time. The Executive Officer is here to help you rather than to watch you. Any Instructor on the problem in hand is more than glad to discuss it with you with perfect freedom, but for obvious reasons, he will never tell you in advance what, in his opinion, the solution may be.

Bulletin No. 1 covering certain minimum requirements both administrative and academic, has been issued to each of you.

It will be appreciated if you will study that bulletin carefully and comply uniformly with its provisions.

Now, gentlemen, the heads of the activities with which we are going to be in close contact, have been asked to come down here this morning; that is, those activities which help us here in our work and with which we tie in very closely. In the first place, you will notice in our course that we have several problems directly involving current procurement, others indirectly. So I have asked the Chief of The Assistant Secretary's Current Procurement Branch to say a word. Colonel Earl North, Corps of Engineers

Colonel North:

Colonel Jordan, Gentlemen: Colonel Jordan has already explained to you the various divisions of the Office of The Assistant Secretary of War, and our office - the Current Procurement Branch - has supervision over the procurement of all military supplies in peace-time.

One of your problems here - Problem No. 39 I think, "Transition of the O.A.S.W. from peace to war" will require you to gain some knowledge of our current procurement set-up. We think that the peace-time procurement is very important. We supervise the expenditure of something like one hundred million dollars a year for the procurement of military supplies. We would like you

to learn about our set-up and our methods of supervision. We have an office in the State, War and Navy Building and a branch office down here in the Munitions Building on the same floor, in the same hall as the College. You will all be welcome at any time to come in and see us and we will give you all the information we have on current procurement.

Colonel Jordan:

Thank you, Colonel North.

The Current Procurement force has been of great assistance in our work; we appreciate their help.

I have mentioned the Army and Navy Munitions Board; the Procurement Planning Section, Fleet Maintenance Division, Office, Naval Operations parallels the Planning Branch of the O.A.S.W. and both furnish the personnel for the Executive Committee of the Army and Navy Munitions Board. Officers of that Division have been most considerate in our school work and I know they are going to continue to be helpful. The present Chief of the Section who occupies ex-officio one of the key positions on the Army and Navy Munitions Board is here. He is a graduate of our College and we are proud of him. Captain William S. Farber, U.S.N.

Captain Farber:

Colonel Jordan, Gentlemen: I am very glad to be here this morning. I come to this platform a little easier than I did some two years ago for in making a committee presentation you are more or less "on the spot". As Colonel Jordan has explained to you, practically all the key procurement positions in the Navy are now filled by Army Industrial College graduates. During the year I was here in attendance and during the past year when I attended some of the conferences my feeling has been that this is not an Army College - it is a Service College. We feel it is our school as much as an Army school. We found plenty of hard work, and pleasant associations, and we feel that the College is fulfilling all of its mission and a little more. We find every day that we use some of the principles we learned while here in attendance. We find that our contacts, especially with Colonel Harris, have been very close. I think you are going to enjoy your course, you are going to get a lot out of it, and you will have a lot of fun doing it.

Colonel Jordan:

Thank you, Captain Farber.

With the present Army maneuvers in progress, it was too much to expect either the Chief of Staff, the Deputy Chief of Staff or one of the G's to come down and address the Class; but I have asked a representative of the Planning Section, G-4, with whom the Office of the Assistant Secretary of War has perhaps more contact than with any other Section of the General Staff to say a few words. He knows our problems and aids in our work. Colonel Lloyd Magruder, General Staff.

Colonel Magruder:

Colonel Jordan and gentlemen of the Army Industrial College:

There is no division of the War Department General Staff whose duties and responsibilities are more closely interwoven with procurement, your absorbing interest now, than the Supply Division (G-4). Its present Chief is Major General Callan, now absent at the Command Post Exercises in New Jersey. As his representative, at the request of your Director, Colonel Jordan, I have come to bid you welcome and to let you know that the officers and the facilities of the Supply Division are at your disposal for advice and assistance whenever you need them. It consists of four (4) Branches; Finance, Construction, Supply and Transportation, and Planning and Equipment. All of these are now located on the sixth floor of the Barr Building, 910 17th Street, N.W. Visit us whenever it will profit you.

Successful National Defense depends upon placing in the hands of properly organized and trained men, the requisite items of supply and equipment at the time needed. The military or command side of the War Department is responsible for the determination of these requirements. It is concerned with the storage, issue and use of these munitions. The industrial or procurement side of the War Department is charged with the provision of these requirements according to the priorities stated by the command side. If these clearly marked spheres of responsibility are observed, friction and misunderstandings simply cannot come up. Today, the War Department with its experienced and understanding personnel is operating harmoniously and as efficiently as its proscribed organization will permit.

In closing, let me congratulate you upon your good fortune in being able to pursue your course of instruction under so competent and versatile a Director as Colonel Jordan. He was first an officer of the Line, than of an old service experienced in manufacturing and procuring. He had an enviable World War record. This he has rounded out with courses at the Coast Artillery School, the Command and General Staff School, this College and the Army War College. This has been interspersed with troop duty and service on the War Department General Staff, all necessary to obtaining and retaining a proper viewpoint.

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You are also particularly fortunate in being so closely associated in the Office of the Assistant Secretary of War with such experienced and capable officers at Lt. Col. McFarland, Executive, Lt. Col. Harris, Director of Planning, and Lt. Col. North, Director of Current Procurement.

In conclusion, I extend to you best wishes for a happy and successful year at an institution which has proven already its great worth.

Colonel Jordan:

Thank you, Colonel Magruder.

You will find during the course that you will frequently be going to and asking aid of the officers of the General Staff, especially in G-3, G-4 and War Plans. They cooperate with us and their aid in the solutions of our problems has been much appreciated.

Our closest contact, however, is with the Planning Branch, O.A.S.W. Why? Because, as I have said, its officers review the procurement plans and prepare the industrial mobilization plans. Whereas both the Planning Branch and this College are working to the same end, their work is actual while ours is academic; they work on a plan, we will say, for price control, the year round while we have time only to examine it and theorize about it for a few weeks. I will now ask The Director of the Planning Branch to say a word to you. Colonel Harris Ord. Dept.

Colonel Harris:

Colonel Jordan, Gentlemen: Colonel Jordan has said that the Planning Branch is your neighbor in this corridor. Its personnel are engaged in planning for procurement and industrial mobilization in war. No officer of the Planning Branch will ever be too busy to advise you and discuss with you any problem in which you are interested.

Colonel Jordan has pointed out the difficulties of mobilization planning which sort of worries me, because that is my responsibility. You must not expect that this vast undertaking can ever be completed. We have some fourteen officers on duty, four or five of whom are on detached service at the moment, but we have made some real progress.

You need not wear gloves in handling the Planning Branch. Say what you please and do as you like, but have your comments constructive.

Our contracts with the Navy have been most encouraging and satisfactory. We talk things over, lay our cards on the table and hold nothing back, and we think it is one of the nicest associations in the College.

Your presence here has a stimulating influence on the work of the Planning Branch. In other words, the exchange of ideas with you sharpens our own ideas, and we seem to work better when the College is in session.

Colonel Jordan:

Thank you, Colonel Harris.

I know from experience that Colonel Harris means what he says. You will get cooperation from the Planning Branch. But because they are so accommodating, let me ask that when you go to that Office for help get the information you want and then get out. Then they will be glad to see you next time. Don't take up their time unnecessarily.

The Executive of The Assistant Secretary of War is here. He is close to the Assistant Secretary and usually has a message for us from our Chief. Colonel McFarland, Ordnance Department.

Colonel McFarland:

Colonel Jordan, Gentlemen: As I have been sitting here waiting for my turn I thought of a remark Mr. Woodring made a few days ago. He said that while he was Governor of the State of Kansas he had a man in the penitentiary at Lansing who was about to be hung. One morning as he was opening the mail he came across a letter from this prisoner. It read: "Dear Mr. Governor: I am to be executed on Thursday and here it is Tuesday already". I have just felt somewhat the same way awaiting my turn to be called upon.

You have just heard a very splendid orientation talk covering the work of the Army Industrial College. You have heard talks on the work being done in Current Procurement, Procurement Planning, G-4 and the Navy. I rather feel that the mission of this speaker should be to make his remarks just as brief as possible, and I propose carrying out that mission.

The Assistant Secretary of War asked me to express his very deep regret that he was unable to be here this morning. He had an engagement of long standing to address an American Legion convention in Kansas. He did not give me any other message to

transmit to you other than his regrets, and the reason he did not is because he is coming down himself to talk to you. He will be here on more than one occasion, sometimes to deliver an address, other times to take part in the discussion.

Mr. Woodring is very much interested in the Army Industrial College as was Mr. Payne, his predecessor. Mr. Payne was always interested in everything that pertained to the Army Industrial College and it has been my observation that Mr. Woodring is also. Anything that affects you or the College will be called to Mr. Woodring's attention and you may be assured of sympathetic consideration.

Just before Mr. Woodring left on Saturday he had a very warm invitation from General MacArthur to fly to Raritan and spend two days at the Command Post Exercises, I urged him to go as I think it a very fine contact.

A few days ago I ran across a statement General Callan had made with reference to planning activities of The Assistant Secretary's office and I want to read it to you. It seemed to me that it explained a part of G-4's interest which Colonel Magruder just mentioned.

General Callan says:

"The Act of June 4, 1920 marked a great change in supply matters for it assigned the whole question of procurement to The Assistant Secretary of War and the supply services. This is thoroughly sound, for procurement of both men and supplies is purely a civil function. Congress can set up any method it chooses for obtaining military supplies; it can turn the whole matter over to another department of the government, as in the days of Washington; it can establish a great purchasing bureau for all departments if it sees fit; what it has done is to set up a separate agency in the War Department, which in itself is a great civil bureau, to procure all the supplies for the Army. This does not in any way infringe on the constitutional functions of the President, for he commands the Army composed of the men and materials which Congress provides in amounts and manner of its own choosing.

"In the above-mentioned act, Congress provided other functions concerning supplies. Their effect is that the War Department General Staff shall say what the Army needs; that is, it shall express the military demand for supplies in kind and numbers; after their procurement it shall control their distribution, storage, issue and the use to be made of them. This is all clear cut and understood by everybody."

Or, putting it in Leavenworth language, the General Staff says why, what, where, and The Assistant Secretary says how.

Every year the question comes up as to whether this particular activity of the War Department should be under a civilian head or should be a function of the General Staff. That question was decided once and for all when the National Defense Act was passed but nevertheless it is continually before us and you will find plenty of studies on the subject. When you come in contact with it, approach it with an open mind. The mere fact that it is settled does not mean it must stay that way for ever. I am firmly convinced that the present set-up is correct and I think that is the generally accepted position of most officers of the Army.

As has been pointed out to you, this is a graduate institution where there is great freedom of speech and thought. The sky is the limit as far as your thoughts are concerned and perhaps as far as your instruction is concerned. You will have an interesting and profitable year. I hope also that it may be very happy for all of you.

Colonel Jordan. Thank you, Colonel McFarland.