

THE ARMY INDUSTRIAL COLLEGE
Washington, D. C.

Course 1935-1936

ORIENTATION TALK

by

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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 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 materiel 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 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.

3

(b) The second mission is not so clearly stated, that is, "the assurance of adequate provision for the mobilization of matériel 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 "matériel 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 could 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 coordinating with each other, they must make their industrial mobilization plans in collaboration. We all realize that in order for 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. That is the fundamental reason why we are so glad to have the 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 the 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.

4

The Secretary of the 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 the 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 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

under which Board is The Joint Planning Committee

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 the 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

under which Board is The Executive Committee -

Consisting of -

Army Representatives

Executive to the Assistant
Secretary of War -
Director, Planning Branch

Navy Representatives

Director, Fleet Maintenance
Division, Office of Naval
Operations -
Chief of Section, Procurement
Planning, Fleet Maintenance
Div., Office of Naval
Operations

These Officers are usually graduates of the Army Industrial College.

To sum up the picture I have tried to present the relative functions of -

The Army War College, and
The Army Industrial College

The Army War College instructs in the "Strategy of Men and Material after the Material has been delivered to Army Control"

The Army Industrial College instructs in the "Strategy of Material through all its phases up to its delivery in suitable condition for use in the Army"

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

5

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 in 1924 with nine student officers. Since then it has become a General Service School with a full-time faculty of five instructors, ten whom there is none better anywhere, and a student body this year of about fifty-three officers carefully selected from the Army, Navy and Marine Corps.

Now for the Course of Instruction -

On the blackboard 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

Economics Section -

A brief study of pertinent principles of economics designed to establish a background for an understanding of the involved economic problems incident to the successful prosecution of a major war.

Finance Section (No.1) - An analysis of important phases of private and governmental finance as an aid to the solution of problems of private and public financial operations generated in a major emergency.

Statistical Section (No.1) - A brief introductory study of statistical method as used in the field of business and finance, designed primarily to provide an understanding of standard method so that the student may use statistical method properly in presenting material and also appraise statistical analysis and presentation as made by others.

Accounting Section (No.1) A brief study of both financial and cost accounting, designed to provide an appreciation of the usefulness of accounting as a tool of management and especially the complexity of a true determination of cost per unit of production.

Industrial Problems Section (No.1) - A brief study of manufacturing and mining industry in the U. S. designed to provide a basic knowledge of productive industry as to its important characteristics and the general problems of management.

Problem No. 2
ANALYSIS OF BASIC INDUSTRIES - Aeronautical
Automotive
Chemical
Coal
Electrical Equipment
Iron & Steel
Machine Tool
Petroleum
Railroad Equipment
Rubber
Shipbuilding
Textiles (Cotton and Wool)

A detailed study of twelve selected important industries to determine for each, its characteristics, as to national organizations and distribution, labor problems, raw and contributory material problems, manufacturing processes, marketing methods, typical cost elements and proportions, competitive position, special characteristics and probable future trend.

Problem No. 3
PROBLEM ANALYSIS & REPORT WRITING

Two days of assigned reading and conference discussion designed to acquaint the student officer with the technique of writing reports. Phases treated are

Determination of the problems
Analysis of Problems
Factoring
Outlining reports
Use of references

Problem No. 4
HISTORICAL STUDY OF WAR PROCUREMENT

A historical study of procurement and industrial mobilization in the U. S. during the World War.

Problem No. 5
WAR AND NAVY DEPARTMENT ORGANIZATION AND PROCUREMENT

An exposition of the organization of the War and Navy Departments and their coordinating agencies, with particular attention to procurement, and of the current procurement organization of the student's own service and, in the case of the Army of his own supply arm or service.

Here follows a block of committee problems.

Problem No. 6
PERSONNEL FOR PROCUREMENT

A study of means of ensuring the availability of suitable key procurement personnel in a major emergency.

Problem No. 7
BASIC PLANS

An informagory study of mobilization plans, regulations and of the procedure used in the preparation of war plans.

Problem No. 8
JOINT AGENCIES

A study of the problems of national defense in which cooperative action by the Army and Navy is necessary or desirable. A review of the scope, organization, methods, accomplishments and necessity for existing joint agencies.

Problem No. 9
THE INDUSTRIAL WAR LOAD

An analysis of the war load and industrial capacity with special attention to the relation between the probable load and industrial capacity and to the problems of geographical distribution of a war load.

Problem No. 10
CORPS AREA PROCUREMENT AND SUPPLY

A study of means of obviating deficiencies occurring in the approach to period M-day to 90-M by the purchase of locally available commercial items.

Problem No. 11
PRODUCTION IN EARLY STAGES OF WAR

A brief historical study of the means employed by the principal belligerents in the World War to stimulate production and analysis of Army and Navy present plans to obtain early production.

Problem No. 12
WAR-TIME CONTRACT PROCEDURE

A study of contract procedure used, or planned for use, during a major war emergency with special attention to the suitability of various alternate methods under war conditions.

Problem No. 13
PROCUREMENT ZONES AND DISTRICTS

A determination of the necessity for Procurement Zones and Districts in the attainment of the procurement objective in a future major emergency. An analysis of the peace-time and proposed war-time management of these agencies.

Problem No. 14
EMERGENCY POWERS OF THE PRESIDENT

A study of the war powers of the President, the procurement and industrial mobilization situations requiring the exercising of such powers or additional powers, and the legislation needed for obtaining such additional powers.

Problem No. 15
CONVERSION & CONSTRUCTION OF PRODUCTION FACILITIES

A study of the problems of conversion and construction of production, storing and housing facilities required to meet a major war emergency.

Problem No. 16
CONTROL & DISTRIBUTION OF STRATEGIC & CRITICAL RAW MATERIALS

An analysis of the problems involved, and the progress achieved, in the assurance of adequate supplies of strategic and critical materials to meet the needs of a major emergency.

Problem No. 17
TEST OF WAR DEPARTMENT MOBILIZATION PLAN

A detailed computation of primary requirements of selected items under the War Department Mobilization Plan and the testing of this plan as to the possibility of procurement and supply.

Problem No. 18
WAR PROCUREMENT

A determination and analysis of the problems involved in obtaining munitions required to meet a major emergency. An analysis of peace-time planning and the proposed war-time management of the War Department procurement program.

7

Problem No. 19
WAR GAME

A war game will follow the above study. This exercise is designed to crystallize the problem and will involve a discussion of selected situations likely to be encountered in procurement planning and in the execution of the war program.

Problem No. 20
UNITED STATES GOVERNMENT

A broad concept of the organization of Federal Government especially the functions and interrelationships of important subdivisions.

Here will follow blocks of committee problems on most vital subjects.

Problem No. 21
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. 22
ECONOMIC READJUSTMENT AFTER WAR

A determination of economic readjustment problems that may follow a future war emergency based on a review of the World War experience, the economic history of the years following the World War and present plans for war procurement and industrial mobilization.

Problem No. 23
WAR FINANCE

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. 24
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 such control as is desirable.

Problem No. 25
SELF-REGULATION OF INDUSTRY

A determination of the factors involved and the practical means and extent of self-regulation of industry permissible in war. A critical analysis of whether self-regulation will facilitate or retard production.

Problem No. 26
LABOR AND AMMUNITION

An analysis of the manpower problems involved in assuring adequate supplies of munitions without depriving the fighting forces of personnel which they require for military operations.

Problem No. 27
GERMAN INDUSTRIAL MOBILIZATION

A study of the measures that have been taken since 1933 to control the economic life of Germany, the inception of such measures, and how these measures will aid in an industrial effort in time of war. Lessons will be reviewed to determine whether the means and methods are applicable in the United States in furthering industrial mobilization.

Problems No. 28 and No. 29
ECONOMIC ANALYSIS

A study of the national economy of certain nations for the purpose of accumulating factual matter useful in planning war measures.

Problem No. 30
EXISTING EMERGENCY AGENCIES

A study of these peace-time emergency agencies and, as a result of this study, a determination of the lessons that may be drawn which will aid in planning for war procurement and industrial mobilization.

Problem No. 31
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. 32
MACHINE TOOL AND SPECIAL MACHINERY

An understanding of the machine tool industry, and a determination of means of ensuring adequate supplies of its products.

in a major war emergency. In addition, a determination of special machinery necessary for the production of supplies for the Ordnance Department and Air Corps during such emergency. 8

Problem No. 33
REQUIREMENTS DIVISION, W.I.A.

A study to determine whether the existing plans for industrial mobilization adequately provide for coordinating and projecting requirements sufficiently into the future to permit the establishment of a sound basis for war-time planning.

Problem No. 34
THE WAR INDUSTRIES BOARD

An exposition of the final organization of the War Industries Board.

Problem No. 35
BRITISH INDUSTRIAL MOBILIZATION

A study of the problems encountered and measures taken by Great Britain in organizing her industrial war effort.

Problem No. 36
POWER AND FUEL

A study of 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 effective handling of the problem in a future emergency.

Problem No. 37
PRIORITY SYSTEM

A study of our final World War priority and a discussion of means of establishing and administering such a system in a future emergency.

Problem No. 38
TRANSITION PLAN OF THE ASSISTANT SECRETARY OF WAR

A study of the means of exercising control of the national economy during the critical period between M-day and the establishment of the superagencies to be charged with such control during a major war.

Problem No. 39
AN ANALYSIS OF THE PROBLEMS OF PRICE AND PROFIT IN A MAJOR WAR

The formulation of a profit and price policy which will insure the most effective utilization of economic resources in a future major emergency.

Problem No. 40
COMMODITY COMMITTEES

An historical research to determine functions and methods of selecting World War Commodity Sections of the War Industries Board. A discussion of the current use of commodity committees in the War and Navy Departments and the planned use of commodity committees in the Industrial Mobilization Plan, 1933.

Problem No. 41
THE UTILIZATION OF ECONOMIC RESOURCES IN WAR

The development of a general plan covering the preparatory steps to be taken and the war-time management to be exercised to assure effective utilization of American industrial and other economic resources in a major war emergency. This study constitutes a review of the entire course.

Problem No. 42
WAR GAME

The War Game scheduled at the end of the course is designed to give the student officers an opportunity to test their own knowledge of the latest plans for procurement and industrial mobilization, and to test the functioning of the organization set up to execute those plans.

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.

Throughout the course lectures on subjects pertinent to the problems being studied are delivered before the students by the instructing staff of the College, and by experienced officers of the War and Navy Departments. Lectures are also delivered from time to time by prominent bankers, economists, educators, and industrialists.

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.

9

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 super-agencies 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 on the personality of the President, the temper of Congress and the psychology of the people at the time. Meantime it is the Army's 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 strategic raw material enter the problem? It does and Problem No. 16 must be considered.
- (b) "Foreign Commerce," Problem No. 21, enters into consideration.
- (c) "Power and Fuel," Problem No. 36.
- (d) "Labor," Problem No. 26
- (e) "Transportation," Problem No. 31
- (f) "Finance," Problem No. 23, and so on.

In our course we finally reach Problem No. 41, 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. But as 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?

"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."

Planning for the mobilization of industry in war is nothing more or 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 yours lives 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. You have requested the detail which is an added reason for our knowing that you are interested in this work. Further, you have proved to your Chief of Arm or Service and to the War Department your adaptability to 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.

10

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 materiel 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 college and a graduate college 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. adherence to the subject; courtesy, constructive interest; 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, eligible officers from among the students outstanding in each preceding class at the Army Industrial College. The selections for these details are made based on character of work done at this institution and the general value of the individuals to the service.

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 tatus there is concerned, he may as well be the senior.

To 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 teach you. My Instructor on the problem in hand or than I did 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 you 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 Beverly C. Dunn, Corps of Engineers.

Colonel Dunn:

Colonel Jordan, Distinguished Guests and Students of the Army Industrial College.

It is indeed a pleasure to be with you today upon the opening of your school course, and to be associated once more with the College, which I very broadmindedly, although somewhat reluctantly, agreed to list my name with the Alumni some seven or eight years past.

From the outline of studies to be followed this year, touched upon by Colonel Jordan in his talk this morning, I note with particular interest that the College course which was thought to have assumed a "permanent set" years ago has under able guidance gone forward by leaps and bounds. Personally, I regard the studies pursued at this College as being the most interesting work which has fallen to my lot while in the Service, and undoubtedly all of you will enjoy equally the discussions and assorted points of view to be presented on this floor during the coming year.

Having returned to Washington recently and assumed the role of Director of Procurement under the Assistant Secretary of War and his Executive Assistant, Colonel Earl McFarland, I am now endeavoring to become acquainted with my new job so that when occasion demands later in the fall our office will be in a position to defend the present set up against pressing student attack. Rest assured that we have no objection to being analyzed critically, and it will be a pleasure to confer with you individually and by committee later in the fall.

All kinds of good luck throughout the interesting year which awaits you.

Colonel Jordan.

Thank you Colonel Dunn.

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 of 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. Commander Heim, representing the Procurement Planning Section, Fleet Maintenance Division is with us this morning. He is a graduate of our College and we are proud of him. Capt. S. F. Heim, USN

Captain Heim.

Colonel Jordan and gentlemen of the Army Industrial College,

I am very glad to be here this morning. I am grateful for the opportunity of expressing the Navy's appreciation of the excellent work that is being done in this institution and of the practical benefits which accrue to the Navy thereby. As Colonel Jordan has told you nearly all of the key positions in the Navy's system of procurement planning are filled by graduates of the Army Industrial College.

As a graduate of the College, I congratulate each of the members of this new class on your assignment to the School. But, particularly I wish to congratulate the Naval Officers and Marine Officers of the Class on the opportunity of making a systematized study of Industrial Mobilization problems and at the same time learning a great deal about the organization and problems of our Sister Service. The personal contacts with the Army both official and social, that you make here will continue through the years.

We of the Navy have always been welcome here in the Army Industrial College, and I reiterate we appreciate it. In fact, the cooperative spirit has been so fine that we have grown to feel that this College is a united Service College. It is our School as much as an Army College.

I wish to say in behalf of the procurement planning branch of the Navy that we are willing and anxious to advise and assist the students of the College, whenever possible, in work on their problems. I pledge you continued support, cooperation and encouragement.

Colonel Jordan.

Thank you Captain Heim.

The cooperation and material aid that are now evident between the services we, who are graduates of the A.I.C., claim as our contribution to national preparedness. Your presence here this morning emphasizes this fact.

I have present this morning a representative of the Planning Section, G-4, War Department General Staff, with whom the Office of The Assistant Secretary of War has perhaps more contact than with any other Section of the General Staff. He knows our problems and also in our work. It is indeed a pleasure to introduce him to the class. Col. Thomas A. Terry, General Staff.

Colonel Terry

The Assistant Chief of Staff, G 4, has instructed me to extend to this Class a cordial welcome. He hopes that you will feel free to visit the Supply Division and acquaint yourselves with the work being done in that Division as well as to discuss the supply features of your problems.

As your work progresses in this course I am sure that you will be impressed by the relationship that exists between requirements and procurement. I am glad to tell you that the requirements for the War Department Mobilization Plan, 1933, are nearing completion so in your course you will have a better picture of the total requirements for the Mobilization Plan than any preceding class has had.

In my opinion you are to be congratulated on being selected to take the course at the Army Industrial College. I am sure that you will find it an interesting and pleasant year.

Colonel Jordan:

Thank you, Colonel Terry.

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 solution 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 of the services 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;

12

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 Chas. T. Harris, Jr.
Ordnance Department.

Colonel Harris:

Colonel Jordan and gentlemen of the Army Industrial College:

The Planning Branch is the agency created by The Assistant Secretary of War to perform for him the duties laid down in Section 5a of the National Defense Act. The Planning Branch has been engaged in this work for approximately thirteen years. In a recent article on the War Department in the magazine "Fortune," rather complimentary references were made to the industrial planning work of The Assistant Secretary. We in the Planning Branch are constantly asking ourselves whether or not the work we are doing will satisfactorily assure success of a war procurement program. After reading the "Fortune" article and discussing this phase of the matter with officers of the Planning Branch, we were able to say to ourselves that our work does enable the War Department to know what is required in war and where the War Department will secure these materials. If a proper answer to these two questions is available, industrial planning, in general, is successful.

In industrial planning the fullest cooperation exists between the various agencies of the Army and Navy engaged in this work. Association of Army and Navy students in this Industrial College is largely responsible for this condition.

I would like to impress upon you that the work you are going to do this year is serious work and that the solutions of the problems will be carefully analyzed in the Planning Branch, and it is hoped to secure much of value from your work.

Colonel Jordan's injunction to you in visiting offices to state your business promptly and get out promptly does not apply to the Planning Branch. We do not desire you to hurry in your discussions with us because much can be gained from a full discussion. You are welcome in any division of the Planning Branch as often as you wish, and for as long a time as you may need.

I extend best wishes to you in your year's work.

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 necessarily is closer to the Assistant Secretary than the rest of us and usually has a message for us from our Chief. Colonel Earl McFarland, Ordnance Department.

Colonel Jordan and Gentlemen.

My mission here today is to extend a welcome in the name of the Assistant Secretary of War. Unfortunately for us he is unable to be present. If he were here he would extend his welcome in a very gracious and pleasing way and would impress you with his sincere pleasure in having you as members of this class of the Army Industrial College. Mr. Woodring is very much interested in this institution and you may be assured that every problem of the school and every problem of the students will have his careful study and sympathetic consideration. If left to his own devices, I believe he would devote more time to the Industrial College than to any other one of his activities. I talked with him on Saturday. He expressed regret that circumstances would not permit him to be here and asked me to say that he hopes to come down from time to time during the course and that he is looking forward to making the acquaintance of each of you.

Last June, Colonel Frank A. Scott delivered the graduation address at this college. Colonel Scott stands at about the top of the list of heroes here and you will hear of him again. When I read his address I was very much impressed by a number of ideas he presented but one in particular I felt was more appropriate to be given on the first day of school than on the last day of school. So I marked it to give to you at the earliest opportunity. Here it is:

"One danger created by our peace-time studies and peace-time plans should quite frankly be recognized by all of us that we may study to avoid it. It is this. All academic work tends toward dogmatism and rigidity. We begin to believe we must follow the rule, to believe we must not depart from accepted principles and preconceived programs. We become victims of a self-imposed inflexibility. That is a serious limitation."

12

In this paragraph Colonel Scott develops the thought that above all things we must retain our power of imagination, and it may be that Colonel Scott as father of the whole idea of freedom of thought and speech in regard to the conduct of conferences here. Certain it is that every encouragement is given to the student to do his own thinking, come to his own conclusion, and express himself fully and freely. You will find that there is no desire for indoctrination at this institution, and you will be encouraged to develop new lines of approach and new methods of solution.

The presence of Colonel Terry on this platform adds much to the occasion. It indicates the close bond and sympathetic attitude between G-4 and the Office of the Assistant Secretary of War, and without such a bond, our office would have great difficulty in its operation. As already expressed, the General Staff sets up requirements and design and the Assistant Secretary's office procures the material. This differentiation of duties has been very clearly and concisely expressed by General Robert A. Callan, recently Assistant Chief of Staff, G-4, as follows.

"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 provides 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."

In spite of the fact that this is all clear and easily understood by everyone, the fact remains that many border line cases have to be decided individually and on their merits, and without the sympathetic attitude on the part of G-4 great difficulties would be sure to ensue.

You have a very happy year ahead of you; I hope you thoroughly enjoy it, I hope you derive great benefit from it, and for the whole year I merely add, "Good Luck!"

Colonel Jordan

Thank you, Colonel McFarland.

END

-24-

AIC 22 (9/10/55) 24