

THE ARMY INDUSTRIAL COLLEGE
Washington, D. C.

Course 1939-1940

ORIENTATION TALK

by

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Gentlemen

It is my privilege to welcome you to The Army Industrial College on behalf of the staff and faculty 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, on the year's work ahead of you.

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

Procurement of munitions

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

and lesser difficulties arose in connection with

The assurance of ample necessities for the
civilian population.

The following facts relative to the war may be reviewed

(1) There was an almost total lack of coordination of supply agency procurement at the outset of the emergency. There were no plans for this coordination.

(2) Confusion and sky-rocketing of prices occurred due to shortages, actual or alleged, and to bidding against one another by the Army, the Navy, and the Shipping Board and, still worse, by the supply services of the Army among themselves.

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

(4) The failure to plan for world war procurement caused the spending by the Government, not of millions but of billions of dollars more than would have been necessary and the Government, since the war, has been involved in litigation involving vast sums of money.

(5) The Army sailed overseas largely in allies' ships and to a great extent fought the war with arms and equipment purchased from the Allies.

correctly stated as all elements in the economic sphere including service industries, agriculture, labor, financial institutions, and commercial institutions participating in domestic and international trade. Action in one part of the economic field produces reactions in all other parts. 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, other Governmental Departments, and the 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.

Besides, back of the procurement of every finished item of 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 were 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. The Industrial Mobilization Plan, Revision of 1939, bearing the joint approval of the Secretaries of War and Navy is the present basic plan. We all realize that in order that these latter plans, national in scope as they are, shall be sound and that they can be put into effect

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. On the Procurement and Industrial (Economic) Side

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

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

a. On the Command and Military Side

The Joint Board. This Board consists of

Army Representatives

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

Navy Representatives

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

Under the Joint Board is the Joint Planning Committee composed of selected officers from the War Plans Division of the General Staff and from the War Plans Division, Office of Naval Operations. In the Army, officer personnel of the War Plans Division are usually graduates of both the Army and Naval War Colleges. In addition, in cases involving procurement and the allocation of industry, one officer of the O. S. and one officer of C.I.O. become members of this committee.

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 the Navy

Under the Army and Navy Munitions Board is the Executive Committee consisting of

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The College started in 1924 with nine student officers. Since then it has become a General Service School with a full-time faculty of ten officers.

8 Army
1 Navy
1 Marine Corps

and a student body this year of fifty-seven officers carefully selected from the Army, Navy, and Marine Corps.

Recently the President has implemented to some extent that part of the Industrial Mobilization Plan which visualizes a War Resources Administration. Instead of an operating administration, a War Resources Board has been set up to advise the Army and Navy Munitions Board and to pass upon the practicability of the Industrial Mobilization and other procurement plans. The personnel of the Board is

Mr. Edward R. Stettinius, Jr.
Dr. Karl T. Compton
Mr. Walter S. Clifford
Dr. Harold G. Moulton
Mr. John Lee Pratt
General Robert L. Hood
Mr. John Hancock

Now for the Course of Instruction. -

The titles of forty-four problems of the ensuing course in the order in which we intend to take them up are given on the photostat copy of the 1939-1940 course. It must be distinctly understood that the course here outlined is tentative. Some of the 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 national and international affairs, and be ever watchful of the changing economic conditions. We know that the Government has taken many important steps in the national economic field, the nature and consequence of which we will have to take cognizance since, manifestly, they have a vital bearing on our own plans.

Part I

Problem No. 1 - Historical Study. This covers the historical aspects of Industrial Mobilization and is designed to present the background of the subject and the compelling reason for this important activity.

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American industry. There are ten industries studied in this problem, which are

Aeronautical
Automotive
Chemical
Iron & Steel
Machine Tools
Non Ferrous Metals
Petroleum
Rubber
Shipbuilding
Textiles

In this problem the class will be divided into ten committees, and one industry will be assigned to each committee for study.

Part III - Government Organization

As the title indicates this is a study of our ever changing governmental setup and is given as it is a prerequisite background to a study of procurement planning, industrial mobilization and the utilization of economic resources.

Problem No. 19 - Government

Problem No. 19, "Government", is designed to furnish background and knowledge of the functions, purposes, and organization of the National Government. This is a committee problem.

Part IV

Problem No. 4 - War Procurement and Procurement Planning.

Problem No. 4 - War and Navy Departments Organization and Procurement is an exposition of the organization of the War and Navy Departments and their coordinating agencies, with particular attention to their methods of procurement. It is partly an individual study and partly a committee study.

The remainder of Part IV on procurement and procurement planning consists of the study of planning in time of peace for procurement in war, and the operation of the system in war as far as it pertains to the War and Navy Departments. This field is covered generally by the block of problems Nos. 5 to 16 and Problems 17, 17-A and 18.

Part V - Utilization of Economic Resources in War

Economic elements requiring wartime coordination

The following economic elements are believed to require wartime coordination

- Public opinion
- Labor
- Raw materials
- Facilities
- Capital
- Contributory items such as parts, assemblies, and sub-assemblies.
- Contributory services such as power, transportation, communications, and the like.
- Foreign trade
- Fuel
- Food

While not all may require coordination initially, plans and preparation for timely action concerning all is indicated.

The first block of problems in this Part numbered 20 to 29 consists of economic analyses by committees of our own and foreign areas of current importance.

The second group of committee problems, under Part V are Nos. 31 to 42, inclusive.

- 31. Public Relations
- 32. Control of Iron and Steel
- 33. War Labor
- 34. Power and Fuel
- 35. Transportation in War
- 36. War Finance
- 37. Priorities
- 38. Price, Profit Control in War
- 39. War Trade
- 40. Transition from Peace to War
- 41. U. S. Industrial Mobilization Plans
- 42. Post War Readjustment

These problems cover special studies in coordinate fields related to industrial and economic mobilization. All of these problems are preparatory to Problem No. 43, in which each student is given a final opportunity to present his personal views as to the method that should be adopted for the most effective use of the nation's economic resources in war.

"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 peacetime 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."

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 at first to have entered a vast cave with endless radiating caverns. There seems no end to such planning, however there can be had a comprehensive understanding of it. It is the province of this college to understand the plans already made and to assist in every practicable way in the development and modification of these plans

PERSONNEL CONSIDERATIONS

How the Army makes its selections for detail to this College is not stated but judging by the general average of past years we expect some excellent results from the Army and Marine officers in this class. You know how 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, and that you have some imagination, a keen sense of individual responsibility and a desire to advance in your profession.

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Personally I shall be glad to talk over our work with any of you at any time. The Assistant Commandant or any instructor will gladly attempt to answer any question to which you cannot find the solution. The Executive Officer is here to help you in all administrative matters. Any instructor on the particular 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.

As to academic standing, we do attempt to arrange you in order of merit. We must have some way of differentiating between students. Obviously, the school has to make recommendations for assignment to duty of its graduates and some measure of ability, as demonstrated here, is the only fair way in which distinction may be made among you. Similarly, there are certain minimum standards which must be met by you before this College will graduate you and consider you eligible for the important duties for which it prepares. Since no one failure should put the stamp of failure upon a student, a comprehensive system is the only fair way to rate an individual, both as an individual and in comparison with his fellows. We shall hesitate, of course to put the stamp of disapproval on any of you, but we can and will do so if the protection of the high standard which has been set here by former students is in jeopardy.

If two weeks after the completion of a problem you have not been informed that your work on that problem is unsatisfactory, you may assume that it was satisfactory. On the individual problems -- Problems 1-1, 18, 30 and 44 a longer time for the decision may be taken.

Only in rare cases will the faculty indicate its especial approval of a result, and its failure to do so should convey no sense of disapproval.

While we tell you that we do attempt to classify you, we very much desire that you don't engage in an academic contest with each other. In the first place, we consider many angles of your work here, so it is far better to maintain a broad approach to the course than to engage in competition for marks. In the past those men who have kept the broad relationship of the factors of a problem in mind and who have not gotten lost in the minute of details of individual factors have done the best, and will continue to do so, I believe in the future. My advice is to forget petty competition and put the ball cooperatively.

As a considerable portion of the instruction of the College is mutual instruction, either by formal student presentation or informal discussion, students are urged to participate in conferences to the maximum permitted by the time available. In order to avoid the loss of time experienced in the past, students are urged to ask only questions and offer only comments which are worthy of the time consumed.

You are urged to become familiar with the items which constitute your desk set in order that you may effectively use this reference library

In order to permit instructors and the other students to familiarize themselves with the name and branch of assignment to each student during the first two weeks of conferences, each student asking a question or making a statement on his own account will initiate his remarks by stating his rank, name, and branch, e.g. Major Logan, C. C.

In view of the present increased activity in all the branches of the Office of The Assistant Secretary of War, students will refrain from seeking information in these offices except in the manner to be stipulated by the instructor in charge of the specific problem.

As an example of the advisability of not becoming involved in detail, but viewing the larger aspects of the problem, it is desired to mention the example of Mr. Leo C. Cherne, who in 45 days in the spring of 1939 made an outstanding analysis of the Industrial Mobilization Plan when initially he had never seen it. This was accomplished by keeping his eyes on the forest and not on the trees and underbrush.

Recreation and Exercise.

In view of the strenuous mental effort required of the class and of the difficulties of obtaining the necessary amount of recreation and exercise, especially during the bad weather of the winter months, every student is urged to make a consistent effort to get outdoors and get some exercise every day. It not only is a means of conserving his health but of conserving his morale.

Unfortunately it is too late in life and time is not available to give a course in public speaking or in writing reports, texts or presentations. Hence we are forced to improvise methods of improving your oral and written discourse. To this end it is suggested that you make a habit of reading some of the current writers, who are masters of English, for example, Walter Lippman, Mark Sullivan, General Hugh Johnson, "Uncle Dudley" of the Boston Globe, Aldrop of the Washington Times-Herald, John Gunther, Father Walsh of Georgetown University, Louis Johnson, The Assistant Secretary of War and a few others.