

**ADDRESS BY  
GENERAL MAXWELL D. TAYLOR  
CHIEF OF STAFF, UNITED STATES ARMY  
AT THE 37TH INDUSTRIAL PREPAREDNESS DINNER MEETING  
AMERICAN ORDNANCE ASSOCIATION  
GRAND BALLROOM, WALDORF-ASTORIA HOTEL, NEW YORK, N. Y.  
WEDNESDAY, DECEMBER 7, 1955 -- 7:30 P.M. (EST)**

SECURITY FROM SURPRISE

IT HAS BEEN A NUMBER OF YEARS SINCE I HAD THE PLEASURE OF MEETING WITH THE AMERICAN ORDNANCE ASSOCIATION. IT IS A SOURCE OF REAL PRIDE TO ME THAT I AM AN HONORARY LIFE MEMBER OF THIS ORGANIZATION. IT HAS BEEN PARTICULARLY PLEASANT TO BELONG IN A STATUS WHICH NORMALLY CARRIES NO OBLIGATION OTHER THAN A SHARE IN AN EXCELLENT DINNER IN COMPANY WITH SOME OF THE EMINENT LEADERS OF AMERICAN INDUSTRY. ONLY OCCASIONALLY, AS TONIGHT, HAS THE PRIVILEGE BEEN OFFSET BY THE OBLIGATION OF A SPEECH.

I MUST SAY THAT I UNDERTOOK THIS ASSIGNMENT WITH NONE OF THE RELUCTANCE THAT SOMETIMES GOES WITH THE SPEECH-MAKING REQUIRED OF THE CHIEF OF STAFF. I RECOGNIZE THAT HERE IS A THOUGHTFUL AUDIENCE MOTIVATED

BY SERIOUS PURPOSES.      HERE, IN THE MEMBERSHIP OF THIS  
ASSOCIATION, IS REPRESENTED THE GREAT INDUSTRIAL STRENGTH  
OF THE UNITED STATES, SO VITAL TO OUR NATIONAL SECURITY.  
HENCE, I AM MOST HAPPY INDEED TO MEET WITH YOU TONIGHT  
AND EXPRESS A FEW VIEWS ON SUBJECTS WHICH, I BELIEVE,  
ARE OF COMMON INTEREST TO US ALL.

I DRAW THE THEME OF MY SPEECH FROM THE SOMBER  
FACT THAT TONIGHT IS THE ANNIVERSARY OF PEARL HARBOR.  
THIS DATE WILL ALWAYS BE KNOWN AS A DAY OF MOURNING IN  
THE ANNALS OF THE UNITED STATES.      IT MARKS THE OCCASION  
WHEN WE SUFFERED AN IGNOMINIOUS SURPRISE AT THE HANDS OF  
UNSCRUPULOUS LEADERS OF A MISGUIDED NATION.

I HAVE A VERY VIVID RECOLLECTION OF PEARL HARBOR  
DAY, WHICH OCCURRED AT A TIME WHEN I WAS ON DUTY IN  
GENERAL MARSHALL'S OFFICE IN WASHINGTON.      ON THAT

SUNDAY AFTERNOON LIKE MOST OF OFFICIAL WASHINGTON, I TOO  
HAD BEEN LISTENING TO THE REDSKIN FOOTBALL GAME WHICH WAS  
INTERRUPTED BY THE NEWS OF THE ATTACK ON PEARL HARBOR.  
LIKE MOST OF MY COLLEAGUES OF THE GENERAL STAFF, I  
HURRIED TO THE OLD MUNITIONS BUILDING AND THE OFFICE OF  
THE CHIEF OF STAFF, THERE TO BE PLUNGED INTO THE HURLY-  
BURLY OF EMERGENCY ACTIONS ARISING FROM THIS SHAKING  
EVENT. NO ONE WHO TOOK PART IN THOSE HOURS WILL EVER  
FORGET THAT FEELING OF TRAGEDY WHICH ENVELOPED US ALL  
AS WE GRASPED THE EXTENT OF THE DISASTER. TO THE TRUTH,  
WHICH WAS GRIM ENOUGH, WERE ADDED THE RUMORS, THE  
INACCURACIES, AND THE EXAGGERATIONS WHICH ALWAYS ATTEND  
SUCH TIMES OF CRISIS. EARLY REPORTS MADE THE LOSSES TO  
THE PACIFIC FLEET MUCH GREATER THAN LATER PROVED TO BE  
TRUE. IT SEEMED FOR A MOMENT THAT OUR COUNTRY LAY

COMPLETELY DEFENSELESS IN THE PACIFIC, STRIPPED OF ITS  
NAVAL POWER.

IT WAS A DAY WHEN NOTHING GOOD COULD HAPPEN.

I REMEMBER THAT AFTER MUCH BUSTLING ABOUT, AT THE END  
OF THE DAY WE HAD IMMEDIATELY AVAILABLE ONLY ONE OF THE  
STAFF STENOGRAPHERS IN GENERAL MARSHALL'S SECRETARIAT.

IT HAD BEEN A MATTER OF MILD JOKING AMONG US THAT THIS

PARTICULAR YOUNG LADY WAS ABOUT THE ONLY PRETTY

STENOGRAPHER WE HAD IN THE OFFICE, WHEREAS SHE WAS

ALSO THE ONE WHO ALWAYS SEEMED TO MAKE THE MOST ERRORS.

FATE WOULD HAVE IT THAT, WHEN AT THE END OF PEARL  
HARBOR DAY GENERAL MARSHALL BUZZED FOR A STENOGRAPHER,  
SHE WAS THE ONLY ONE READY TO TAKE HIS DICTATION. IT WAS  
TO HER THAT THE CHIEF OF STAFF DICTATED HIS FIRST WAR  
COMMUNIQUE TO THE PRESIDENT, REPORTING HIS ESTIMATE OF

THE SITUATION FOLLOWING THE EVENTS AT PEARL HARBOR. IN  
DUE COURSE, MISS JONES (I SHALL CALL HER) CAME BACK TO HER  
TYPEWRITER AND BEGAN TO TYPE. AFTER ABOUT 15 MINUTES,  
GENERAL MARSHALL BUZZED AND, WHEN I WENT IN, ASKED FOR  
HIS DICTATION. I RETURNED TO MISS JONES AND ASKED HER HOW  
SHE WAS DOING, AND SHE SAID, "OH, QUITE WELL, MAJOR."  
BUT I WENT BACK TO MY CHAIR KNOWING THAT GEORGE MARSHALL  
WAS IMPATIENT, AND I WATCHED CLOSELY TO SEE HOW MISS JONES  
WAS PROGRESSING. I SOON SENSED THAT ALL WAS NOT WELL.  
SO I RETURNED TO HER AND ASKED, "NOW, MISS JONES, REALLY,  
HOW ARE YOU GETTING ALONG WITH THE CHIEF'S DICTATION?  
YOU KNOW HE'S WAITING FOR IT." SHE LOOKED UP AT ME, HER  
EYES FILLED WITH TEARS, AND SAID, "MAJOR, I DIDN'T GET A WORD  
THAT GENERAL MARSHALL SAID." SO, AT THE END OF PEARL  
HARBOR DAY, I HAD TO GO BACK, FACE THE CHIEF AND SAY,

"GENERAL, YOU HAVE TO DO IT ALL OVER AGAIN." I'M SURE  
THAT WAS TO HIM, ON THAT TERRIBLE DAY, THE FINAL BLOW.

PEARL HARBOR CAME AND WENT, BUT IT LEFT WITH US  
AMERICANS AT LEAST ONE DETERMINATION: NAMELY, THAT WE  
WOULD NEVER LET SUCH A THING HAPPEN AGAIN. OUR  
DETERMINATION REMAINED STRONG THROUGHOUT THE TEST OF  
WORLD WAR II, BUT WITH 1945 AND VJ-DAY, SOMETHING HAPPENED  
TO THIS NATIONAL RESOLUTION. WE OF THE ARMED FORCES  
WERE FORCED TO WITNESS THE DISINTEGRATION OF THE GREAT  
AMERICAN FIGHTING MACHINE WHICH HAD BEEN VICTORIOUS OVER  
FASCISM AND NAZISM ONLY TO FALL THE VICTIM OF OUR OWN  
DOMESTIC DECISIONS.

HENCE IT WAS THAT ONLY A FEW YEARS LATER WE AGAIN  
HAD TO BEAR THE IGNOMINY OF MILITARY SURPRISE. SOUTH  
KOREA WAS OVERRUN BY A COMMUNIST ENEMY IN THE SAME

RUTHLESS AND UNANNOUNCED MANNER IN WHICH OUR SHIPS AND  
PLANES HAD BEEN ATTACKED AT PEARL HARBOR. IN SPITE OF  
OUR FORMER RESOLUTIONS, ONCE AGAIN WE HAD BEEN CAUGHT  
UNAWARE AND UNPREPARED. SO WE MAY WELL ASK OURSELVES  
TODAY, "ARE WE GOING TO LET IT HAPPEN AGAIN? ARE WE  
AGAIN GOING TO LOWER OUR GUARD AND EXPOSE OURSELVES TO  
ANOTHER PEARL HARBOR, TO ANOTHER KOREA? OR HAVE WE  
LEARNED THE LESSON OF HISTORY FOR ALL TIME?"

IT IS NOT EASY FOR A DEMOCRACY SUCH AS OURS TO  
PROTECT ITSELF ABSOLUTELY AGAINST MILITARY SURPRISE.  
AN ALERT AGGRESSOR, BY CAREFULLY PICKING TIME AND PLACE,  
BY CREATING AN ATMOSPHERE CONDUCIVE TO PEACEFUL  
RELAXATION AND WISHFUL THINKING, HAS ALWAYS THE POSSIBILITY  
OF PERPETRATING A SURPRISE ON AN UNWARY, UNAROUSED NATION.  
HOWEVER, IT IS THE CONSTANT DUTY OF OUR LEADERS TO REDUCE

THAT POSSIBILITY BY INSISTING ON STABLE, CONSISTENT POLICIES  
AND PROGRAMS CAPABLE OF ASSURING SECURITY ON A LONG-TERM  
BASIS. FORTUNATELY, WE HAVE RESPONSIBLE LEADERS WHO  
ARE FULLY AWARE OF THIS POINT. SECRETARY OF DEFENSE  
WILSON RECENTLY EMPHASIZED IT BY SAYING, "LACK OF  
REASONABLE STABILITY IS THE MOST WASTEFUL AND EXPENSIVE  
PRACTICE IN MILITARY ACTIVITY. WE CANNOT AFFORD SUCH  
WASTE. WE MUST ORGANIZE OUR MILITARY ESTABLISHMENT . . .  
WITH A STABILITY THAT IS NOT MATERIALLY DISTURBED BY EVERY  
PROPAGANDA EFFORT OF UNFRIENDLY NATIONS." BECAUSE  
THERE IS A NEED FOR A BETTER PUBLIC UNDERSTANDING OF THE  
REQUIREMENTS OF STABILITY IN DEFENSE PLANNING, I HAVE  
MADE THIS SUBJECT MY PRINCIPAL THEME TONIGHT.

LET US TALK ABOUT SOME OF THE ESSENTIAL INGREDIENTS  
OF THE KIND OF STABLE DEFENSE PROGRAM CAPABLE OF PROVIDING

A REASONABLE GUARANTEE AGAINST SURPRISE. TO BEGIN WITH,  
IT SHOULD BE BASED ON GOOD INTELLIGENCE AND ON THOROUGH  
KNOWLEDGE OF OUR POTENTIAL ENEMIES, OF THEIR MOTIVATION  
AND CAPABILITIES. IT MAY PLACE A CERTAIN RELIANCE ON  
INTERNATIONAL AGREEMENTS DESIGNED TO REDUCE THE DANGER  
OF SURPRISE. I HAVE IN MIND SOMETHING LIKE THE RECENT  
PROPOSALS OF OUR GOVERNMENT TO SOVIET RUSSIA FOR A MUTUAL  
INSPECTION OF OUR RESPECTIVE MILITARY CAPABILITIES.

WE SHOULD BY ALL MEANS INCLUDE IN OUR PROGRAM  
EFFECTIVE POLITICAL AND MILITARY PLANS TO DETER FURTHER  
COMMUNIST AGGRESSION AGAINST "SOFT" SPOTS ABOUT THE  
WORLD. IT IS NOT TOO DIFFICULT TO IDENTIFY THOSE AREAS  
WHICH MAY BE POSSIBLE TARGETS FOR AGGRESSION. SINCE  
BECOMING CHIEF OF STAFF, I HAVE FREQUENTLY COMMENTED  
UPON THE INCREASING DANGER OF SO-CALLED SMALL WARS,

WHICH MAY ERODE THE BORDERS OF THE FREE WORLD.

PARTICULARLY, AS OUR AIR-ATOMIC DETERRENT CAPABILITY

INCREASES, IT BECOMES INCREASINGLY UNLIKELY THAT ANY

AGGRESSOR WILL DELIBERATELY EMBARK UPON A COURSE OF

ACTION CALCULATED TO BRING ON GENERAL ATOMIC WAR.

IT IS MORE AND MORE APPARENT THAT SUCH A WAR WOULD BE

A MUTUALLY SUICIDAL ACTION FROM WHICH NO TRUE VICTOR

COULD EMERGE.

ON THE OTHER HAND, THE ATTRACTIVENESS OF

UNDEFENDED ASSETS AND RESOURCES OFFERS AN INDUCEMENT

TO SMALL-SCALE AGGRESSION WHICH POTENTIALLY MAY BE AS

DANGEROUS AS THE BIG WAR ITSELF. THE SMALL WAR WHICH

IS NOT QUICKLY SUPPRESSED MAY EXPAND SLOWLY OR RAPIDLY

INTO THE GENERAL WAR WHICH ALL SANE PEOPLE ARE SO

ANXIOUS TO AVOID.

HAVING DETERMINED THE INGREDIENTS OF A PROGRAM TO PROTECT OUR COUNTRY (AND I HAVE MENTIONED ONLY A FEW), IT IS THEN IMPORTANT TO GIVE THAT PROGRAM PERMANENCE AND STABILITY. IT SHOULD BE DESIGNED FOR THE LONG PULL AND BE UNAFFECTED, IN ITS MAIN LINES, BY SHORT-TERM ADJUSTMENTS IN FOREIGN AND DOMESTIC POLITICS. IT SHOULD MAINTAIN A CONTINUING DETERRENT CAPABILITY IN BEING, CLEARLY VISIBLE TO ANY POTENTIAL AGGRESSOR. THERE CAN BE NO GAPS IN EFFECTIVE DETERRENT POWER. IT MUST EXIST IN THE AIR, ON THE SEA, AND ON THE LAND; AND IT MUST BE CONSTANT OVER AN INDEFINITE PERIOD OF TIME.

I WOULD LIKE TO DISCUSS THE NEEDS OF A STABLE MILITARY PROGRAM, FIRST POINTING OUT THE PRINCIPAL AREAS IN WHICH STABILITY MUST BE MAINTAINED. FOR SIMPLICITY,

I AM GOING TO LIMIT MY COMMENTS TO THE ARMY, FOR WHICH I AM RESPONSIBLE; BUT I BELIEVE THAT MY COMMENTS APPLY PRETTY MUCH ACROSS THE BOARDS OF NATIONAL DEFENSE.

THE NEED FOR STABILITY IN THE ARMY IS CLEARLY APPARENT IN THREE GENERAL AREAS: THOSE OF MISSIONS; MANPOWER; AND MONEY, AND I WOULD LIKE TO EXPAND A LITTLE ON EACH ONE.

THE FIRST AND MOST IMPORTANT AREA IN WHICH THE ARMY NEEDS STABILITY IS IN ITS ROLES AND MISSIONS. WHAT IS THE JOB OF THE ARMY? WHAT IS IT EXPECTED TO DO IN PEACE AND WAR? THE ARMY OBTAINS ITS MISSIONS FROM A VARIETY OF SOURCES: FROM OUR OVER-ALL NATIONAL POLICY; FROM APPROVED DEFENSE PLANS; FROM ACTS OF CONGRESS; AND FROM EXECUTIVE AND ADMINISTRATIVE DECISIONS OF THE PRESIDENT AND THE DEPARTMENT OF DEFENSE. FROM ANY OR

ALL OF THESE SOURCES, AS TIME PASSES, THE ARMY MAY AND DOES RECEIVE NEW OR CHANGED MISSIONS IN CONSIDERABLE NUMBER. FOR EXAMPLE, THE NATIONAL RESERVE ACT, PASSED IN THE MOST RECENT SESSION OF CONGRESS, GAVE THE ARMY A TRAINING JOB WHICH IT HAD NEVER HAD BEFORE -- A NEW MISSION. SIMILARLY, A DECISION TO IMPROVE OUR NORTHERN RADAR SCREEN GAVE NEW JOBS TO THE ARMY TRANSPORTATION CORPS AND ENGINEERS. A NEW POLITICAL COMMITMENT SUCH AS THE ADHERENCE OF OUR GOVERNMENT TO SOME NEW REGIONAL SECURITY PACT MAY EFFECT, BY IMPLICATION AT LEAST, A CHANGE IN THE ARMY'S MISSIONS. SUCH CHANGES ARE NOT IN THEMSELVES INDICATIONS OR CAUSES OF THE KIND OF INSTABILITY IN ARMY PROGRAMS AGAINST WHICH I SPEAK. WE EXPECT SUCH CHANGES TO OCCUR IN ORDER TO KEEP UP WITH NEW WORLD DEVELOPMENTS. WITHIN ITS LIMITATIONS, THE

ARMY DOES EVERYTHING POSSIBLE TO ADJUST TO THESE NEW  
SITUATIONS. BUT THE IMPORTANT THING IS TO BE SURE THAT  
THE ARMY HAS OR WILL BE GIVEN THE RESOURCES TO MEET THESE  
NEW COMMITMENTS. FOR UNDERTAKING ADDITIONAL SMALL  
JOBS, THE ARMY SHOULD HAVE SOME FLEXIBILITY PLANNED INTO  
IT SO AS TO BE CAPABLE OF ABSORBING THESE SMALL UNPROGRAM-  
MED ASSIGNMENTS WITHOUT AFFECTING ITS ABILITY TO DO ITS  
OTHER WORK. MAJOR CHANGES OF MISSION AFFECTING THE  
STRENGTH AND COMPOSITION OF ITS MAJOR UNITS REQUIRE  
SPECIFIC ALLOCATION OF NEW RESOURCES AND SHOULD BE MADE  
GRADUALLY OVER A LONG PERIOD; OTHERWISE, THE ARMY MACHINE  
CAN BE THROWN BADLY OUT OF GEAR.

NEXT IN IMPORTANCE, AFTER THE NEED FOR STABILITY  
OF MISSIONS, IS THE NEED FOR STABILITY OF PERSONNEL -- THAT  
IS, MANPOWER. AN EFFICIENT MILITARY PROGRAM MUST BE

ABLE TO COUNT UPON A RELATIVELY CONSTANT NUMBER OF  
PEOPLE AVAILABLE TO SUPPORT IT. THAT IS TO SAY,  
ASSUMING NO WORSENING OF THE INTERNATIONAL SITUATION,  
THE SOLDIERS AND CIVILIANS MAKING UP THE ARMY SHOULD REMAIN  
ABOUT THE SAME IN NUMBER THROUGHOUT A FISCAL YEAR. THE  
INPUT OF RECRUITS EACH MONTH SHOULD BE ROUGHLY 1/12 OF  
THE TOTAL INPUT FOR THE YEAR; AND THE DISCHARGE RATE  
SHOULD BE ROUGHLY EQUIVALENT TO THAT INPUT RATE. FOR  
REASONS GENERALLY BEYOND THE CONTROL OF THE ARMY, SUCH  
BALANCE OF OUTPUT AND INPUT HAS NEVER BEEN ACHIEVED TO  
MY KNOWLEDGE. YET THE IDEAL CONDITION WOULD CONTRIBUTE  
MORE TO THE EFFICIENCY AND ECONOMY OF THE OPERATION OF  
THE ARMY THAN ANY OTHER CONDITION OF WHICH I CAN CONCEIVE.

CLOSELY RELATED TO STABILITY IN MISSIONS AND MANPOWER  
IS OUR THIRD CONSIDERATION: STABILITY IN THE BUDGET. FEW

RESPONSIBLE PEOPLE WILL ARGUE AGAINST THE NEED FOR A STABLE  
MILITARY POLICY, BUT FEW KNOW WHERE TO LOOK TO VERIFY THAT  
WE HAVE ONE. WE ARE INCLINED TO SEEK OUR MILITARY POLICY  
IN PATRIOTIC SLOGANS LIKE "MILLIONS FOR DEFENSE BUT NOT ONE  
CENT FOR TRIBUTE," OR "WALK SOFTLY BUT CARRY A BIG STICK,"  
WITHOUT GOING TO BASIC SOURCES TO FIND OUT WHAT OUR POLICY  
REALLY IS. AMONG THESE BASIC SOURCES IS A PONDEROUS  
DOCUMENT, DULL READING TO THE AVERAGE CITIZEN, BUT  
TERRIBLY IMPORTANT -- THE MILITARY BUDGET. OUR OVER-ALL  
MILITARY POLICY IS NO MORE STABLE THAN THE CONSISTENCY OF  
THE FINANCIAL SUPPORT REFLECTED IN THESE BUDGETS WHICH  
PROVIDE THE MEANS THAT GIVE REALITY TO OUR MILITARY  
PROGRAM. IN A SENSE, THROUGH THE BUDGET WE REWRITE  
OUR MILITARY POLICY ONCE A YEAR, AND IT IS HIGHLY IMPORTANT  
THAT THERE IS CONTINUITY OF THEME FROM ONE ANNUAL VERSION  
TO THE NEXT.

I THINK PERHAPS THE MOST GRAPHIC WAY TO ILLUSTRATE THE NEED FOR STABILITY IS TO TAKE A HYPOTHETICAL ILLUSTRATION OF WHAT HAPPENS IF WE INTERRUPTED THE ORDERLY EXECUTION OF ARMY PROGRAMS BY THE INJECTION OF AN UNEXPECTED DECISION DRASTICALLY AFFECTING THE ARMY'S STRENGTH OR BUDGET. AS AN IMAGINARY EXAMPLE, LET US ASSUME FOR THE MOMENT THAT THE ARMY WERE INSTRUCTED TODAY TO DROP ITS STRENGTH BY 50 THOUSAND MEN BY THE END OF THE FISCAL YEAR, THAT IS, WITHIN THE NEXT SEVEN MONTHS BEFORE 1 JULY.

AT FIRST GLANCE THIS REDUCTION OF 50 THOUSAND MEN DOES NOT APPEAR TO BE TOO DIFFICULT. WITH AN ARMY OF APPROXIMATELY 1 MILLION MEN, A REDUCTION OF 5 PERCENT, EVEN DURING ONLY SEVEN MONTHS, DOES NOT APPEAR TO POSE TOO MANY PROBLEMS. ONE MIGHT SAY, "WELL, YOU JUST LAY OFF 50 THOUSAND MEN, AND THAT'S ALL THERE IS TO IT." THE PROBLEM IS NOT THAT SIMPLE.

THE FACT IS THAT TO RELEASE ALL OF THESE MEN AT ONE TIME IS AN ADMINISTRATIVE IMPOSSIBILITY. IT TAKES TIME TO PROCESS THE DISCHARGES OF SO MANY MEN. MANY ARE IN OVERSEAS UNITS WHICH THEY CANNOT LEAVE UNTIL REPLACEMENTS ARRIVE. THERE WOULD BE A SHUFFLE OF PERSONNEL IN UNITS ALL OVER THE WORLD TO COMPENSATE FOR THE DEPARTURE OF THE INDIVIDUALS RETURNING FOR DISCHARGE. SO WE'LL FIND, I THINK, THAT IT WILL TAKE SEVERAL MONTHS TO GET THESE 50 THOUSAND MEN OUT OF THE ARMY IN A REASONABLY ORDERLY FASHION.

ALTHOUGH THIS REDUCTION OF THE PAYROLL WILL EVENTUALLY SAVE MONEY, THERE ARE MANY OFFSETTING FACTORS TO BE CONSIDERED. IT COSTS THE ARMY ON AN AVERAGE OF 460 DOLLARS TO DISCHARGE A SOLDIER -- THIS SUM INCLUDES HIS MUSTERING-OUT PAY, HIS TERMINAL-LEAVE PAY, AND TRAVEL PAY

BACK HOME. IF WE MULTIPLY 460 DOLLARS BY 50 THOUSAND MEN,  
WE FIND THAT IT WOULD COST 23 MILLION DOLLARS JUST TO RELEASE  
THESE MEN. FURTHER, THEY CARRY OUT WITH THEM  
IMPORTANT SKILLS OF A HIGH-DOLLAR VALUE ACQUIRED IN THEIR  
ARMY TRAINING. THE ARMY WILL EITHER LOSE THESE SKILLS  
OR BE OBLIGED TO INCULCATE THEM IN NEW RECRUITS.

ALSO, AS ITS STRENGTH DECLINES, THE ARMY WILL HAVE  
TO CLOSE SOME OF ITS POSTS, CAMPS, AND STATIONS; AND THIS,  
TOO, COSTS MONEY. IN FACT, IT COSTS ON AN AVERAGE OF  
250 THOUSAND DOLLARS TO CLOSE A MAJOR ARMY INSTALLATION.  
THIS AMOUNT COVERS ONLY THE COSTS OF CLOSING UP THE  
BUILDINGS; IT DOES NOT INCLUDE THE ADDITIONAL EXPENDITURES  
NEEDED TO MOVE THE PERSONNEL AND EQUIPMENT TO OTHER  
INSTALLATIONS OR THE COST OF MAINTAINING IT INACTIVE.  
IF SUBSEQUENTLY WE HAVE TO REOPEN THIS CLOSED INSTALLATION,

IT WILL COST US ABOUT 600 THOUSAND DOLLARS JUST TO TAKE  
DOWN THE BOARDS, REHABILITATE THE INTERIOR, AND PUT THE  
EQUIPMENT INTO RUNNING ORDER.

FROM THIS PERSONNEL REDUCTION, THERE WILL BE A  
LOSS IN OVER-ALL EFFICIENCY IN THE ARMY DIFFICULT TO  
ASSESS IN DOLLARS. THE MANY TRANSFERS OF PEOPLE TO  
NEW JOBS AT HOME AND ABROAD WILL CREATE A TURBULENCE  
IN THE PERSONNEL SYSTEM INJURIOUS TO MORALE AND TO THE  
EFFICIENT PERFORMANCE OF DUTIES. FAMILIES BECOME  
SEPARATED FROM THEIR HUSBANDS AND FATHERS OR FOLLOW THEM  
TO NEW STATIONS WHERE THERE IS NO HOUSING, OR AT BEST SUB-  
STANDARD LIVING CONDITIONS. THE INSTABILITY OF ASSIGNMENTS  
BREAKS UP THE TEAM PLAY OF UNITS WHICH IS SO ESSENTIAL TO  
SUSTAINED COMBAT EFFECTIVENESS. THE ARMY'S READINESS  
FOR ACTION GOES INTO A SERIOUS DECLINE.

SO MUCH FOR SOME OF THE EFFECTS OF INSTABILITY  
ON MANPOWER. NOW LET ME SAY A FEW WORDS ABOUT A  
CLOSELY RELATED SUBJECT -- BUDGET INSTABILITY.

WHAT WOULD HAPPEN, AGAIN HYPOTHETICALLY, IF WE  
HAD TO EFFECT A SUDDEN, UNPLANNED REDUCTION IN THE ARMY'S  
EXPENDITURES BY THE END OF THIS FISCAL YEAR, BY JULY 1,  
1956? WE WOULD FIRST HAVE TO LOOK FOR POSSIBLE  
ECONOMIES IN THE BIG ACCOUNTS OF THE ARMY BUDGET:  
MAINTENANCE AND OPERATION, MILITARY CONSTRUCTION,  
PRODUCTION AND PROCUREMENT, AND RESEARCH AND  
DEVELOPMENT. I OMIT A CONSIDERATION OF A PAYROLL  
CUT BECAUSE OF OUR PREVIOUS DISCUSSION. FIRST, LET US  
TAKE A LOOK AT MAINTENANCE AND OPERATION, FOR EXAMPLE.  
THIS ITEM COVERS A GREAT MANY ACTIVITIES INVOLVED IN THE  
REPAIR AND MAINTENANCE OF THE ARMY'S PHYSICAL PLANT,

WORTH ABOUT 44 BILLION DOLLARS, AND INCLUDES THE MAINTENANCE OF THE ARMY'S SUPPLIES, WORTH ABOUT 25 BILLION DOLLARS.

LET US CONSIDER WHAT WOULD BE THE RESULT IF WE SUDDENLY REDUCE THE MONEY AVAILABLE FOR REPAIRS TO REAL PROPERTY, EITHER IN TERMS OF THE PEOPLE MAKING THESE REPAIRS OR IN THE NECESSARY REPAIR MATERIALS, OR BOTH. IN GENERAL, SUCH AN ACTION WOULD CAUSE THE UNREPAIRED PROPERTY OF THE ARMY TO DEPRECIATE AS THE DEFERRED MAINTENANCE ACCUMULATES. THE ARMY WILL THUS STORE UP FOR ITSELF HEAVY REPAIR BILLS IN SUBSEQUENT YEARS.

A CONSIDERABLE PART OF THE MONEY APPROPRIATED FOR MAINTENANCE AND OPERATION GOES TO EXPENDITURES RELATED TO THE REPAIR AND REBUILDING OF EQUIPMENT, SUCH AS TRUCKS, TRACTORS, BULLDOZERS, AND CRANES. THIS REHABILITATION MONEY IS AN EXCELLENT INVESTMENT.

FOR EXAMPLE, THE ARMY SPENT APPROXIMATELY 270 MILLION DOLLARS ON REHABILITATION OF EQUIPMENT LAST YEAR AND GOT IN RETURN ABOUT 2 BILLION DOLLARS IN SERVICEABLE EQUIPMENT. FOR EVERY ONE DOLLAR IN REPAIRS WE GET ABOUT 7-1/2 DOLLARS IN USABLE EQUIPMENT. THUS WE WILL BE PROPERLY RELUCTANT TO CUT BACK MUCH OF THE MONEY PRESENTLY PLANNED FOR THIS PURPOSE.

WE MIGHT TAKE A LOOK AT THE MILITARY CONSTRUCTION PROGRAM AND SEE WHAT COULD BE TAKEN FROM IT ON SHORT NOTICE. CONTINUING OUR HYPOTHETICAL EXAMPLE, HAD WE KNOWN LAST YEAR OF THE INTENDED CHANGE, WE COULD HAVE LINED OUT CERTAIN PROJECTS BEFORE COMMITTING FUNDS TO THEM. IF WE TRY TO REDUCE CONSTRUCTION IN MID-YEAR, HOWEVER, WE ARE SOON FACED WITH THE PROBLEM OF ABANDONING INVESTMENTS REPRESENTED BY WORK PARTIALLY DONE UNDER

CONTRACTS ALREADY LET. IF WE WANT TO INTERRUPT THESE INITIATED PROJECTS, WE SHALL HAVE TO PAY A PRICE FOR CONTRACT CANCELLATIONS. IN TERMINATING CONSTRUCTION CONTRACTS BEFORE THE JOBS ARE COMPLETED, WE HAVE TO PAY A PERCENTAGE OF THE TOTAL CONTRACT PRICE AS A PENALTY. ON A 100 MILLION DOLLAR CONTRACT, TERMINATION MIGHT COST US AS MUCH AS 40 MILLION DOLLARS FOR ONLY 20 MILLION DOLLARS WORTH OF COMPLETED WORK.

ANOTHER IMPORTANT AREA OF THE ARMY BUDGET IN WHICH STABILITY IS PARTICULARLY IMPORTANT IS PROCUREMENT AND PRODUCTION. THIS PROGRAM COVERS THE PURCHASE OF NEW GUNS, TANKS, AMMUNITION, ROCKETS, MISSILES, AND ALL OF THE OTHER ELEMENTS OF THE COMPLEX ARSENAL OF ARMY WEAPONS. THIS IS THE AREA IN WHICH SO MANY OF YOU GENTLEMEN HAVE AN IMPORTANT INTEREST.

THE USE OF OUR PROCUREMENT AND PRODUCTION FUNDS IS NOT SOLELY FOR THE ACQUISITION OF END ITEMS. IT IS VERY INTIMATELY RELATED TO THE MAINTENANCE OF PRODUCTION CAPACITY NEEDED TO MEET OUR ESTIMATED REQUIREMENTS FOR GENERAL OR PARTIAL MOBILIZATION. WE ARE CONCERNED NOT WITH MERELY GETTING END ITEMS TO MEET CURRENT NEEDS, BUT ALSO WITH ASSURING THAT WE HAVE PRODUCTION LINES IN BEING, OPERATING AT A SLOW BUT ECONOMICAL RATE, CAPABLE OF EXPANSION IF WE SUDDENLY HAVE NEED OF THEM IN WAR. TO MEET THE REQUIREMENTS OF A PRODUCTION BASE WHICH CAN BE QUICKLY EXPANDED, WE LAY AWAY CERTAIN PLANTS ENTIRELY, KEEP OTHERS IN SEMI-READINESS, AND MAINTAIN OTHERS CONTINUALLY OPERATING TO MEET PRESENT NEEDS AND TO HELP US DEVELOP RESERVE STOCKS.

THE RELATIONSHIP OF PRODUCTION TO CURRENT NEEDS AND FOR MOBILIZATION IS OBVIOUSLY COMPLEX AND DELICATELY BALANCED. IF WE UNDERTOOK TO ALTER THIS PROGRAM QUICKLY, WE WOULD SOON CREATE NEW AND UNEXPECTED DIFFICULTIES FOR OURSELVES. WHILE IT IS POSSIBLE OVER AN EXTENDED PERIOD OF TIME TO MAKE DOWNWARD GRADUATIONS SMOOTHLY, A SUDDEN CHANGE WOULD THROW OUT OF GEAR THE ENTIRE MECHANISM OF MILITARY PRODUCTION.

THERE WOULD BE TWO IMPORTANT CONSEQUENCES OF THIS HYPOTHETICAL MID-YEAR REDUCTION IN CURRENT PRODUCTION. CERTAIN CONTRACTS WOULD HAVE TO BE TERMINATED AND OTHERS WOULD HAVE TO BE RENEGOTIATED. FOR CONTRACTS DRAWN THIS YEAR, THE PROBLEM WOULD NOT BE TOO DIFFICULT; BUT SOME MILITARY ITEMS LIKE GUIDED MISSILES, FIRE-CONTROL SYSTEMS, AND ELECTRONIC DEVICES

HAVE SUCH A LONG LEAD TIME THAT CONTRACTS MUST BE  
SIGNED WITH A MULTIPLICITY OF SUBCONTRACTORS ONE, TWO,  
OR EVEN THREE YEARS IN ADVANCE OF DELIVERY. CONSEQUENTLY,  
WE WOULD HAVE TO ADJUST NOT ONLY THE CONTRACTS WE SIGNED  
LAST YEAR BUT ALSO THOSE SIGNED YEAR BEFORE LAST, AS WELL  
AS SOME WHICH WE ARE CURRENTLY NEGOTIATING. THE  
AVERAGE COST OF CANCELLING PRICE-FIXED PRODUCTION  
CONTRACTS AMOUNTS TO ABOUT 10 PERCENT OF THE FULL VALUE  
OF THE ORDER. THEREFORE, IF WE TERMINATED 100 MILLION  
DOLLARS IN CONTRACTS, IT WOULD COST US 10 MILLION DOLLARS  
FOR THE PRIVILEGE.

THE SECOND IMPACT ON PRESENT PRODUCTION WOULD BE  
THE LOSS OR CURTAILMENT OF SPECIFIC ITEMS AND PRODUCTION  
LINES. LET US TAKE TANKS, FOR EXAMPLE. ASSUMING THAT  
OUR PRODUCTION IN TANKS IS SCHEDULED AT THE MINIMUM

SUSTAINING RATE OF A PRODUCTION LINE, ANY REDUCTION OF FUNDS WOULD NECESSITATE CLOSING THE TANK PRODUCTION LINE. AS THE PRODUCTION OF MOST HEAVY ITEMS COMES FROM LINES WORKING AT MINIMUM ECONOMICAL RATES, ANY REDUCTION IN OUR ORDERS WILL INEVITABLY ELIMINATE CERTAIN PRODUCTION LINES FROM THOSE SUPPORTING CURRENT NEEDS. A REDUCTION IN PRODUCTION IS MORE THAN THE LOSS OF END ITEMS THIS YEAR; IT IS THE REDUCTION OR ELIMINATION OF PRODUCTION POTENTIAL WHICH WOULD BE VITALLY NECESSARY BUT NOT IMMEDIATELY AVAILABLE IN CASE OF WAR.

RESEARCH AND DEVELOPMENT IS A SEPARATE ITEM IN THE ARMY BUDGET -- ONE WHICH ALWAYS NEEDS SPECIAL ATTENTION AND PROTECTION. RESEARCH AND DEVELOPMENT DOLLARS REPRESENT EFFORT EXPENDED ON THE ARMY OF THE

FUTURE. THEY REPRESENT PROGRESS WITHOUT WHICH AN  
ARMY WILL SOON LOSE ITS VITALITY AND CAPACITY FOR GROWTH.  
WE WHO ARE RESPONSIBLE FOR THE ARMY ARE CONSTANTLY  
IMPRESSED WITH THE NEED FOR FORWARD, CREATIVE THINKING  
IN THE FIELD OF RESEARCH AND DEVELOPMENT, ESPECIALLY IN  
THIS PERIOD IN WHICH THE TACTICS AND TECHNIQUES OF WARFARE  
ARE CHANGING FASTER THAN AT ANY TIME IN HISTORY.

THE RESEARCH AND DEVELOPMENT PROGRAM SHOULD  
BE CURTAILED ONLY WITH THE GREATEST PRUDENCE, AND WITH  
THE DEEPEST FEELING OF RESPONSIBILITY. CONSIDER WHAT  
WOULD HAVE HAPPENED IF, IN SEARCH OF ECONOMY A FEW YEARS  
AGO, WE HAD CUT BACK THE "NIKE" MISSILE PROGRAM. THIS  
ANTI-AIRCRAFT MISSILE RESULTED FROM TEN YEARS OF STUDY AND  
EXPERIMENTATION. IT REQUIRED A LONG AND PATIENT INVEST-  
MENT OF TIME AND FUNDS BEFORE ATTAINING ITS PRESENT

OPERATIONAL CAPABILITY. WE HAVE A WHOLE FAMILY OF  
MISSILES GROWING OUT OF "NIKE", OR RELATED TO "NIKE",  
DESIGNED TO GIVE US A COMMENSURATE MISSILE CAPABILITY  
GROUND-TO-GROUND AS WE NOW HAVE GROUND-TO-AIR.  
THESE PROJECTS ARE VERY EXPENSIVE, AND SOME ARE PRESENTLY  
OVERLAPPING. YET IT WOULD BE A BOLD, INDEED A FOOLHARDY,  
CHIEF OF STAFF WHO WOULD RECOMMEND ANY SIGNIFICANT  
REDUCTION IN THESE VITAL DEVELOPMENTS.

IN THIS BRIEF EXAMINATION OF ARMY OPERATIONS, I  
HAVE TRIED TO GIVE YOU SOME IDEA -- EVEN THOUGH BASED ON  
HYPOTHESIS ONLY -- OF THE EFFECT OF PRECIPITATE CHANGES  
IN THE THREE M'S: MISSIONS, MEN, AND MONEY. I HOPE THAT  
MY ILLUSTRATIONS HAVE CONVINCED YOU THAT IT IS VERY DIFFICULT  
TO MAKE SUDDEN CHANGES IN MILITARY PROGRAMS WITHOUT PAYING  
A PROHIBITIVE PRICE IN MONEY AND COMBAT READINESS. THE

RESULTANT WHIP-SAWING WOULD ENTAIL CONFUSION, INEFFICIENCY,  
AND WASTE, AND PROVIDE AN EXAMPLE OF "HOW NOT TO RUN A  
GOOD RAILROAD." THE ARMY HAS, INDEED, MUCH IN COMMON  
WITH A RAILROAD. IT CAN CHANGE DIRECTION, BUT ONLY ON  
LONG, GRADUAL, PREPLANNED CURVES AND NOT BY ABRUPT  
COMMANDS OF "COLUMN RIGHT," "COLUMN LEFT," OR "BACKWARD  
MARCH." THE DECISION TO CHANGE SPEED OR DIRECTION MUST  
BE MADE IN AMPLE TIME TO ALLOW THE ENGINEER GRADUALLY  
TO REDUCE MOMENTUM.

I SHOULD END ON THE ENCOURAGING NOTE, WHICH I  
HAVE MENTIONED EARLIER, THAT THESE FACTS -- THE LONG LEAD  
TIME IMPLICIT IN DEFENSE PROGRAMS AND THE DANGER OF SUDDEN  
CHANGE THEREIN -- ARE MORE AND MORE APPRECIATED BY THE  
AUTHORITIES IN OUR GOVERNMENT RESPONSIBLE FOR MILITARY  
DECISIONS. IT IS RECOGNIZED THAT THE MONEY THE ARMY

RECEIVES THIS YEAR FOR CONSTRUCTION, FOR EQUIPMENT, AND  
FOR MOST OF HIGH-DOLLAR-VALUE ITEMS, WILL REQUIRE TWO  
YEARS TO BE TRANSMUTED INTO THINGS WE CAN USE. DOLLARS  
APPROPRIATED IN ANY ONE YEAR WILL BRING US FEW TANGIBLE  
ASSETS UNTIL TWO YEARS LATER.

IN CLOSING, LET ME THANK YOU FOR YOUR WILLINGNESS  
TO LISTEN TO THIS PRESENTATION OF SOME OF OUR PROBLEMS  
OF RUNNING THE ARMY AND THEIR RELATION TO STABLE DEFENSE.  
THE ARMY WILL NEVER BE ABLE TO FULFILL ITS ESSENTIAL ROLE  
UNLESS IT ALWAYS HAS CLEARLY EXPRESSED MISSIONS AND FIRM,  
TIMELY ASSURANCE OF THE MEN, MONEY, AND MATERIALS NECES-  
SARY FOR THEIR DISCHARGE. THE ARMY NEEDS THE ENLIGHTENED  
SUPPORT OF OFFICIALS AND CITIZENS WHO UNDERSTAND THE NEED  
FOR A STEADY MILITARY POLICY UNINFLUENCED BY SHORT-TERM  
CONSIDERATIONS OF THE MOMENT. ONLY BY THE MAINTENANCE

OF SUCH STABILITY AS I HAVE DESCRIBED CAN THE ARMED FORCES  
DEVELOP THE DETERRENT STRENGTH WHICH IS NECESSARY TO  
DISCOURAGE ANY POTENTIAL AGGRESSOR. ONLY SUCH STEADY  
EFFORT CAN PRODUCE THE TANGIBLE, VISIBLE EVIDENCE OF  
MILITARY PREPAREDNESS WHICH WILL CONVINCING AN AGGRESSOR  
THAT WE ARE THROUGH WITH SURPRISES LIKE PEARL HARBOR --  
YES, THROUGH WITH THE KOREAN TYPE OF SURPRISE, TOO.

-END-