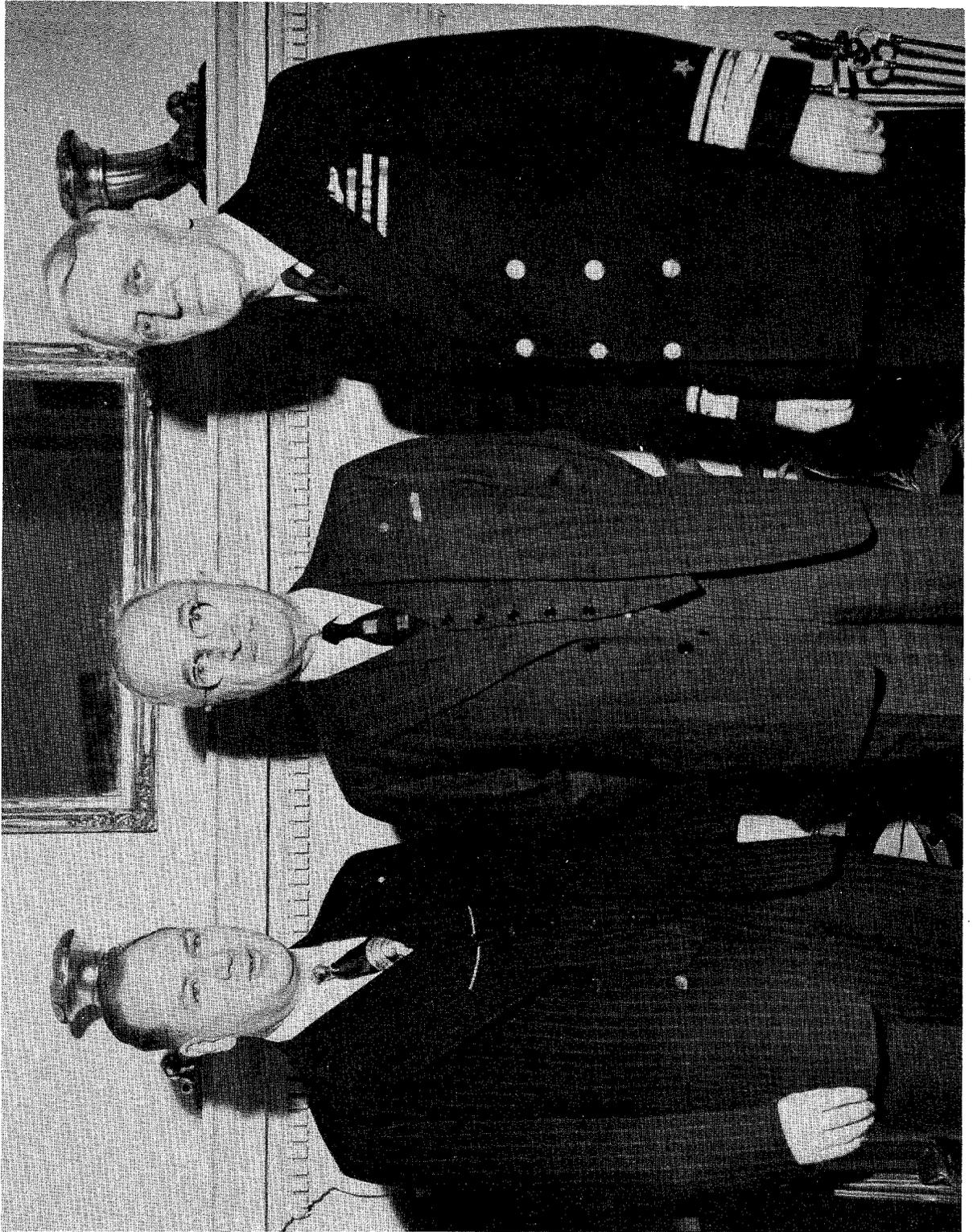


ADDRESS
OF
THE PRESIDENT OF THE UNITED STATES
TO THE
ALUMNI ASSOCIATION
OF THE
INDUSTRIAL COLLEGE OF THE ARMED FORCES
AND
PROCEEDINGS OF MEETING

Washington, D. C.
16 December 1952



THE PRESIDENT OF THE UNITED STATES

WITH

MR. KENNEDY WATKINS, PRESIDENT, ALUMNI ASSOCIATION,

INDUSTRIAL COLLEGE OF THE ARMED FORCES

AND

REAR ADMIRAL WESLEY McLAREN HAGUE, USN, COMMANDANT,

INDUSTRIAL COLLEGE OF THE ARMED FORCES

AT THE

16 DECEMBER 1952 MEETING OF THE ASSOCIATION

ADDRESS
BY
THE PRESIDENT OF THE UNITED STATES

2034

I am very pleased to be able to meet with you here today.

The faculty and students of the Industrial College of the Armed Forces are doing a most important job--one that is altogether too little known and too little appreciated. They are studying the relationship between a strong national defense and a healthy economy. Few subjects are more important. In the painful and long-drawn-out struggle for peace, we must constantly have powerful military defenses, backed by steadily growing economic strength.

You who are graduates of the Industrial College have learned a great deal about what it takes to accomplish this purpose. I was very glad to find that the graduates of the Industrial College have joined together in an Alumni Association, to help you keep in touch with one another and to help you keep up with new ideas in the field of economic mobilization.

It is most important for the sake of our country that each one of you, after you leave the Industrial College, keep abreast of what is going on in this field. There are too few people in this country who understand what is involved in mobilizing the Nation's resources to produce defense equipment on a limited scale, as at present, and to be prepared at any time to swing into full-scale war production.

Our country is going to be engaged for many years in the dangerous and difficult task of achieving a workable peace. All through that time, we are going to have to be in a state of partial mobilization, of greater or less degree, depending on the particular circumstances at any given time. In this situation, we will need to depend heavily on people like yourselves who have been privileged to study the problem of economic mobilization thoroughly.

We will also need the help of the thousands of students throughout the country who have taken the short courses on economic mobilization given by the faculty of the Industrial College. I understand that over 17,000 students have taken these courses. I understand also that over 1500 students have completed the correspondence course, and another 2300 are now enrolled. All this educational work needs to go ahead very rapidly if our country is to make the proper economic and military decisions and adjustments that will be needed to carry forward our work for peace.

2035 We have just gone through a period of economic mobilization that has demonstrated some of the things that can be done in our amazingly productive and dynamic economy.

In the first months after the communist invasion of Korea, when nobody could be sure how close we might be to a new world war, we launched what we called the defense mobilization program.

We laid out a program of rearmament on a scale beyond that which any free nation had ever accomplished in any period short of all-out war. We decided to add 2 million men and women to our Armed Forces, and to buy something like 150 billion dollars worth of military supplies and equipment, over a period of 3 or 4 years.

We decided to carry out, in addition to the military production effort, a vast program of expansion of our basic industries, all across the economy.

And we wanted to do all this with as little interruption as possible in the normal and healthy growth of the standard of living of the country.

In recent years, we have become used to the fact that our economy is enormously productive. Yet, even so, this was a challenging program. We planned to build up our expenditures for security purposes until they took 15 to 20 percent of the entire output of the country. We wanted to increase our total national production as rapidly as we could, so that the greater part of the security program could be taken care of by additional production, rather than by diverting production from civilian to military purposes. This meant new sources of materials, new plants, additional workers, more skills.

To appreciate the full scope of this undertaking, you have to remember that a great part of the military production program was made up of new items--models of planes and tanks and electronic equipment which had not yet been proven to be feasible for production. Some of the things that were scheduled for production, you can honestly say, had not quite been invented yet.

By now, we are well along on our defense mobilization program. Our production of military hard goods has risen to seven times what it was at the time of the Korean invasion. Even so, the expansion has not been quite as rapid as we had hoped. The procurement officers and their contractors turned out to be over-optimistic in predicting how fast they could bring the new models of equipment into production.

While falling behind our schedules may sometimes prove embarrassing, I believe it is always wise to set high targets. They act as a spur to everyone concerned, and I think you accomplish more that way in the long run than if you never set out to do anything more than is clearly feasible. It is more important to get the job done than to worry about who is going to be embarrassed if we fall short of our targets.

Because military production has not been as rapid as expected, we have done even better than we had expected on the civilian side. Cuts in production of consumer hard goods have been reasonably mild and not of long duration. There have been almost no actual shortages of consumer goods. I would hazard a guess that none of you here found at any time since the emergency that there was anything you couldn't buy on the market.

During this period, we have expanded our basic industrial capacity at a rate greater than at any time in history--a rate of 27 billion dollars a year. The gross national product, after adjusting for price changes, has gone up by 45 billion dollars, or 15 percent.

Over a period of three or four years, beginning with 1950, we will have increased our aluminum capacity by 100 percent, our electric power capacity by 50 percent, and even our steel industry by 20 percent. We have twice as many aircraft plants in production as at the time of Korea, and twice as many engine plants.

In other words, we are much stronger--much more nearly ready for anything we may have to face--than we were just two short years ago.

I do not mean to imply that the defense mobilization program is over--far from it. We have just about completed the build-up of our munitions industries, but there is still over 100 billion dollars in actual production to turn out. A lot of our newest models of equipment--guided missiles, for example, and supersonic aircraft--are still to be perfected for volume production.

One aspect of the program of special interest to you in this audience is just well underway. That is the program of figuring out all the requirements for industrial capacity that we would need in an all-out war, and preparing fully in advance to meet those requirements. What we call the mobilization base has got to be complete next time if and when a war starts, because we simply won't have time to build it after a war begins.

If we had to hold up production for two or three years while we built ~~long~~ long-lead-time machine tools, for example, that might very well be fatal. The specialized military production plants, and the stockpiles of materials, have to be ready. And once ready, they have to be kept ready.

This mobilization base job--its planning, its provision, and its maintenance--will be one of the big jobs facing the new Administration. It will be up to you graduates of the Industrial College to supply a great deal of the leadership and assistance the new President will need in this immensely complex task--just as you have supplied leadership and assistance in the defense mobilization program thus far.

We have been able to accomplish this tremendous defense buildup because of the dynamic nature of the American economy. We have an expanding economy--one that has grown steadily stronger year by year. No one can say what the limits are--if, in fact, there are any limits--to our growth and to our productive capacity.

This may sound surprising to you because, a little while back, there was so much talk about the sad state of our economy. Some of you may recall how often it was said that this defense program of ours was just too big for the Nation to carry. You heard phrases like "national bankruptcy", "economic collapse", "the crushing tax burden", and so on.

I have never been able to figure out what measuring rod these doleful people use when they conclude we are on the road to ruin. It can't be the national income, because that was never higher. It can't be the national debt, because our national income has been growing faster than our debt. It can't be the level of investment, because investment is at a record rate. It can't be the number of people out of work, because unemployment is almost as low as it can get.

I say to you very seriously that our present defense mobilization program does not even approach the limit of what our country could do if we had to.

Nevertheless, there has been a great deal of talk about the country's so-called inability to continue a defense program of the magnitude of this one. That is very dangerous talk, because it could conceivably lead this country to a decision to cut back the defense program to a point below the minimum needs of our national security. This would happen at a time when--as everybody in this audience knows--we are confronted by a potential enemy that is very hostile and very powerful. And that potential enemy, you can be sure, is putting a far greater proportion of his national product into the building of military strength, year after year, than we are.

It is one of the facts of life, which every President has to face, that the right course of action is not always the popular course. Americans in the past few years have accomplished great things--great because ~~8038~~ were right and necessary, and because they made a tremendous difference to the prospects for peace and freedom. The diversion of our resources to building up our military strength, the assistance in the recovery and protection of other free nations, our firm stand in Korea--these were all necessary. But they meant heavy expenditures and higher taxes, which are unpleasant. And they meant loss of life.

The danger is always that the American people will be too conscious of the sacrifices and the unpleasantness, but not conscious enough of the necessity, and the greatness, of their course of action. Life cannot be safe or pleasant when a large part of the world is controlled by the communist tyranny. Life cannot be comfortable or without risk when those powerful forces have vowed an unending hostility to everything that makes up the tradition of human freedom.

As I end my more than seven years as President, I do so with pride that the Nation during those years did not shrink back from facing hard realities. The Nation chose a course of strength, and not of weakness. It chose a course of leadership in the world-wide struggle against communism, not a course of withdrawal. It chose to bear all the financial burden that had to be borne, not to cut corners for the sake of slightly lower taxes and a little more comfort in our daily living.

And as a result, there are hundreds of millions of people in the world today who are living in freedom instead of in slavery--there are ready military forces sufficient to give pause to any potential aggressor--there are governments, and associations of governments, throughout the free world, working hard for security and progress and freedom--and there is a functioning world organization which, with all its deficiencies, is the greatest hope man has ever known for a world of international law and order.

I think our people know these things, and want to continue the basic course we have been following. I think they are wise enough to know the difference between true economy and false economy. They are wise enough to know that anything that may be spent to prevent a new world war is bound to be far less than would be spent to fight one. This is true in money and in lives alike.

2039

And the people are also wise enough to know that we can afford to pay the cost of whatever is necessary to prevent a new world war. We can afford to complete our defense build-up. We can afford the cost of maintaining our mobilization base in readiness for any emergency. We can afford the cost of aiding our allies.

We can afford these things as long as we maintain our productive, fully-employed, expanding economy. Our resources, though we measure them in dollars, are not really dollars. They are our farms and our factories, our great producing organizations, and the skills of our people. These resources can be used in whatever way the great emergency of our time demands. We have the resources to do whatever is necessary to protect and preserve our democracy and our freedom. And we have shown, over the past years, that we also have the courage and the will.

OBSERVATIONS
BY
MR. KENNEDY WATKINS

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Those of you who are members of this association have been privileged to attend the College, and are, therefore, familiar with this document, which is the Catalog of the Industrial College of the Armed Forces. Our honored and distinguished guests have not, however, been so fortunate. For their further information, therefore, concerning the College, I call the attention of each of them to this Catalog, a copy of which has been placed before them, and suggest that it be read for a fuller comprehension of the mission and objectives of the institution.

A luncheon of the Alumni Association of the Industrial College of the Armed Forces is always a pleasant occasion. This affair is particularly so, and it would be incomplete if you did not have the opportunity of meeting our distinguished and honored guests at the head table.

In the interest of economy of time, and because each of you has pressing duties to perform, it has been suggested, that you withhold your applause until all of the guests have been introduced.

It is my privilege to present to you:

The Honorable Charles F. Brannan, Secretary of Agriculture
Major General F. M. Brannon, USA, The Judge Advocate
General

Lieutenant General Charles P. Cabell, USAF, Director of
Joint Staff, representing the Chairman, Joint Chiefs of
Staff

Mr. John Cline, Associate Editor, The Evening Star
Lieutenant General Orval R. Cook, USAF, representing the
Chief of Staff, United States Air Force

Lieutenant General H. A. Craig, USAF, Commandant,
National War College

Dr. James Creese, President, Drexel Institute of Technology
and Member, Board of Advisers, ICAF

Admiral D. B. Duncan, USN, Vice Chief of Naval Operations,
representing the Chief of Naval Operations

Mr. Robert Estabrook, The Washington Post

Dr. Edward Fitzpatrick, President, Mount Mary College and
Member, Board of Advisers, ICAF

The Honorable William C. Foster, Deputy Secretary of Defense, representing the Secretary of Defense

Mr. Henry H. Fowler, Director, Office of Defense Mobilization

Mr. R. E. Gillmor, Vice-President, The Sperry Corporation and Member, Board of Advisers, ICAF

The Honorable Jack Gorrie, Chairman, National Security Resources Board

The Honorable John S. Graham, Assistant Secretary of the Treasury, representing the Secretary of the Treasury

Brigadier General L. J. Greeley, USA, Deputy Commandant, ICAF

Vice Admiral Joseph Greenspun, USCG, representing the Commandant of the United States Coast Guard

Brigadier General Kester L. Hastings, USA, representing the Chief of Staff, United States Army

Brigadier General B. M. Hovey, USAF, Deputy Commandant, ICAF

Colonel H. R. Jackson, USA, Commanding Officer, Fort Lesley J. McNair

The Honorable Fred Korth, Assistant Secretary of the Army, representing the Secretary of the Army

The Honorable Harold F. Linder, Assistant Secretary of State for Economic Affairs, representing the Secretary of State

The Honorable Vernon Northrop, Under Secretary of the Interior, representing the Secretary of the Interior

The Honorable Edmund E. Pendleton, representing the Honorable W. S. Culbertson, Member, Board of Advisers, ICAF

Brigadier General Louis W. Prentiss, USA, Engineer Commissioner, District of Columbia

General Lemuel C. Shepherd, Jr., Commandant, United States Marine Corps

The Honorable John D. Small, Chairman, Munitions Board

Major General Franklin P. Shaw, USA, The Assistant Judge Advocate General

The Honorable Maurice J. Tobin, Secretary of Labor

It is always appropriate at one of our luncheon meetings to call upon the Commandant for a few words. Since he has only recently been appointed; and those of you who have graduated may not have had the opportunity of knowing him, it is my pleasure to present Rear Admiral Wesley McLaren Hague, the Commandant of the Industrial College of the Armed Forces.

REMARKS
BY
REAR ADMIRAL WESLEY McLAREN HAGUE

Mr. Watkins, Distinguished Guests, Members of the Alumni Association of the Industrial College of the Armed Forces:

On behalf of the College, I extend to the Alumni Association sincere congratulations on the program presented here today. I would like also to add the thanks of the College for that program.

There has, of course, been an increased realization of the importance of the college curriculum since the outbreak of hostilities in Korea. The importance ascribed to the college curriculum by the Joint Chiefs of Staff is implicit in the Charter they issue for the College's activities. There are many Cabinet Members here today, and they, too, have shown that they recognize the importance of the College's work by giving up the services of key, hard-to-get-along-without Civil Service employees for the ten months necessary to take the course.

We, of course, recognizing the complexity of the problem of providing the necessary sinews for defense, and at the same time maintaining a sound economy, are fully aware of our responsibilities.

The importance of the work of the College has elicited recognition today at the highest level.

I would just like to add one thought, which I feel I may do with grace, since I assumed command of the College only last summer. I am very much impressed with what I consider the unusual energy and enthusiasm of the College's Alumni Association. Certainly what the College has given its students must be worthwhile if it results in such spirit.

Again, on behalf of the College, I would like to express our appreciation for the honor paid to the College today through its Alumni Association.

