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INFLUENCE OF INDUSTRIAL MOBILIZATION PLANNING  
IN WORLD WAR II

18 January 1946

240

Dr. Yeshpe in his lecture gave attention chiefly to the procurement aspects of planning for industrial mobilization. Attention in my lecture this morning will be fixed rather on the broader aspects of mobilizing the American economy for war. These are the aspects highlighted in the Industrial Mobilization Plan proper and relate especially to over-all governmental organization for mobilizing and running the national economy in wartime. The public heard very little and knew less of the difficult problems involved in planning for wartime procurement. They heard a great deal in the years immediately preceding the outbreak of the war about the IMP. What they heard and the impression made upon them was of great importance, for, in the last analysis, it was the public which decided the fate of the IMP. It is important to stress one other point at the outset. The account which I shall present today is in no sense final and definitive. It is necessarily tentative and suggestive, especially as it relates to the action of the President and his immediate advisors, for essential bodies of records are not yet available for examination. The data is far from complete, yet in many respects the main outlines of the picture are fairly clear and not likely to be changed materially.

The problem has been stated in the outline in the form of three questions.

1. Why was the IMP not put into operation when war came?
2. What influence did the planning activities of the Armed Services have upon industrial mobilization as it was actually carried out in 1939-1945?
3. What weaknesses in the planning program and in the approach planning explain the limited influence of the IMP?

The discussion of these questions involves one in subjects that are highly controversial, not so much because of the nature of the IMP itself but rather because of the many controversial issues with which the IMP became entangled, both political and economic in character. To discuss and to appraise the IMP necessarily involves us in these controversies and since hardly one of us has kept clear of these controversies, the element of prejudice and bias of course enters into it. It is important to recognize the element of bias and so far as possible to allow for it. For that reason I want at the outset to call your attention to the bias which necessarily colors my own thinking on these problems. I belong among the so-called "liberals" in regard to the economic and social issues which have been the center of controversy in recent years. I have been an active supporter of the New Deal and I have shared the tradi-

RESTRICTED

RESTRICTED

tional American prejudice against the military which the past two years in the War Department has altered without eliminating. To be aware of one's own bias offers a certain protection against it. I would invite your attention to your own bias, whatever it may be, as well as to my own in the interest of as objective a consideration as possible of the problem. I might add that there is a certain advantage in approaching the planning story with a "liberal" bias since the chief opposition to the IMP came from the New Dealers. It is important that you become aware of their viewpoint in case you do not share it.

We start out with certain facts. For nearly twenty years certain officials and agencies in the War and Navy Departments devoted a large part of their energies to the problems of mobilizing and managing a war economy. This long continued work culminated in a series of Industrial Mobilization Plans, elaborated in extensive annexes and supplemented by the procurement studies and plans of the supply arms and services. Then at last came the emergency in preparation for which all this planning had been carried on. To the great disappointment of the planners, the IMP as such was never put into operation. Indeed, for all practical purposes the Plan was thrown into the waste basket although it and the planning activities leading up to it were by no means without influence.

The first point to be made is the rather obvious one that at no time did the IMP or any version of it obtain anything approaching wide support from either the general public or from the Congress. It was designed to be a national industrial mobilization plan but from beginning to end it was never more than to use the accepted term, an army IMP. If we are to understand the public reception of the IMP it must be recognized that any plan of this kind would have had tough going in the years preceding the recent war. The period of the twenties and thirties was of course a period of mounting anti-war and isolationist sentiment. This was in part owing to the reaction that follows every period of war but it was greatly increased by some of the revelations of the postwar years especially by the revision, as a result of historical research, of the "official" wartime explanation of the causes and goals of World War I. We discovered that the Allied powers fought less for democratic ideals than they did for territory spheres of influence and the other objectives of power politics. The American public learned too that the blame for the outbreak of the war rested on the Allies as well as on Germany.

One phase of this reaction against war was the persistent campaign against war profits in the twenties by the American Legion and other veterans' organizations. In their protest against the manner in which industry was mobilized in the first World War, they demanded that in the next war industry and wealth be conscripted as well as men. This agitation culminated in the inquiries of the War Policies Commission of 1930-1931, headed by the Secretary of War, which in its final report opposed both the conscription of wealth and the elimination of profit in wartime. It was in the course of this investigation that the Industrial Mobilization Plan was first made public.

RESTRICTED

63

RESTRICTED

Public disillusionment with war reached its peak with the disclosures of the munitions investigation of the Nye Committee several years later. This pictured the United States as getting into the first World War through the influence of Wall Street, the "international bankers," and Big Business generally. Regardless of where the truth lay, the public in the midst of a great depression was in a mood to believe the worst of Big Business and the bankers. This investigation too gave publicity to the IMP but it was bad publicity. The Nye Committee was highly critical of certain features of the Plan. It criticized particularly the methods proposed for controlling labor. It was feared that employers would abuse the machinery for settling labor disputes and that conscription would be used as a club against striking or dissatisfied workers. The failure to adopt specific measures for the limitation of war profits was criticized and the price control measures of the Plan were held inadequate.

Public determination to avoid entanglement in another war culminated in the neutrality legislation of 1935 and 1937, designed to keep us out of war by providing for arms embargoes against belligerents. If we are to understand the anti-war sentiment of the thirties, it is important to remember that behind it lay the traditional American distrust of and antagonism toward everything military. This distrust has roots going deeply into our colonial and British past. It has been kept alive by the dislike of a democratic and individualistic people for military rank, organization, order and discipline.

Against this background of anti-war, anti-military and isolationist sentiment we must place the sensational publicity given the IMP as the international crisis developed in the late thirties. With the growing prospect of another large scale war, the IMP acquired something more than academic importance. Journalists found that it made excellent copy. In the numerous articles appearing on the Plan emphasis was placed on the Plan as a "blue-print for dictatorship," on the push-button completeness of the plan and its readiness for immediate operation, and on the alleged secrecy of certain portions of the Plan and the preparations under it. A few quotations will illustrate the kind of publicity given the IMP. An article in the American Magazine (Donald Keyhoe, "If war comes -- Uncle Sam's Plan for You!" December 1937) declared: "A colossal war plan has been drawn up to control at the outset virtually every phase of American life .... no matter what your sex, your occupation, if you are over sixteen, your place on the blue-print for war is already marked." Again in the Christian Century (H. E. Fay, "H-Day Marches On," January 12, 1938): "The succession of disconcerting surprises which marked the Senate munitions investigation produced nothing half so startling to the nation as the IMP..... Here for the first time this country is confronted with the fact that totalitarian organization for war means for us also a dictatorship of the type we see in Germany.....Its basic purpose is still to fasten a military dictatorship upon the country." Another writer in the American Mercury (Gordon Carroll, "When America Marches to War," July 1938) declared: "If the recent moves to enlarge the Supreme Court and to reorganize the Federal Government were sufficient to awaken the

RESTRICTED

RESTRICTED

public from its amiable lethargy, the truth about America's official mobilization plans for war should arouse the country to a state of super-charged alarm.....there exists in Washington today an authoritative government blue-print to create a dictatorship in the United States immediately war is declared." Again in Forbes (October 1, 1939): "The Administration's mobilization plans contemplate an instant centralization of military control over the entire economic life of the nation..... (the IMP is) about twenty NEAs rolled into one."

Obviously publicity of this kind was hardly calculated to create a public welcome for the IMP. Opposition of a more fundamental character than that created by such articles came from liberals and leftwingers and centered in the New Dealers. Among this group the distrust of the military was particularly strong. They were accustomed to associate the military not only with war but with conservatism and the maintenance of the status quo -- political, economic and social. Throughout history, as they read it, the military were commonly found giving support to the classes who were in power and opposed to "reform." They saw no material change in this alliance between the military and conservatism today, recalling the frequent use of the military in connection with strikes in a manner unfavorable to the workers. They noted, too, the close association of the armed services with business and industry as a result of the mounting requirements for munitions and materiel.

The New Dealers had, however, a more direct reason for disliking the IMP. It was exclusively a product of the armed services. It was true, of course, that the statutory authority and responsibility for industrial mobilization planning belonged to the services. Nonetheless, the services made little effort to obtain the advice and assistance of other interested agencies and groups. For the fate of the IMP, it was particularly unfortunate that the civilian agencies of the Federal Government were not brought into the planning program. These agencies, after all, had a vested interest in matters falling within their jurisdiction. They naturally had no desire to be pushed aside in time of war by a group of super-agencies. They foresaw their action programs reduced in scope and greatly weakened by war agencies unfamiliar and possibly unsympathetic with these programs. The terms of the IMP reflected a distrust by the military of bureaucracy and big government which was naturally not shared by the key men in the administration. Moreover, the civilian agencies were generally staffed at the top level by New Dealers in contrast with the War and Navy Departments which were not. These civilians believed that if the IMP were put into operation the social objectives for which they had been fighting for years would be threatened. They remembered the effect of the first World War in weakening the reforms of the Roosevelt-Wilson administrations and believed that the New Deal's social objectives were at stake especially the status and gains of organized labor. Any lingering doubts they may have had regarding the IMP were wiped out by the blunt statement in the 1939 edition that the personnel to man the key super-agency, the War Resources Administration, "should be obtained from the patriotic business leaders of the nation." The New Dealers were here presented with the prospect of having the most important of the war agencies, one exercising extraordinary control over the

RESTRICTED

whole life of the nation, in the hands of men who had bitterly fought the New Deal program of reform.

Not only did industrial mobilization planners fail to seek the cooperation of the civilian agencies but they showed little awareness of the assistance which might have been obtained from professional associations and experts in the fields of public administration and government, economics, population studies, psychology, sociology and other related social sciences. If they consulted other organizations than business schools and such conservative institutions as Brookings, it made little impression on the record. It is significant, too, that there appears to have been little if any contact of importance between the military planners and what was the key planning agency of the Roosevelt Administration, 1935-1941, the National Resources Planning Board, charged with the preparation of plans and programs for the development, conservation and use of our natural resources and both directed and largely staffed by social scientists. It is worth noting that during the defense period considerable numbers of economists, political scientists and other social scientists were called to Washington and played a very influential role in shaping the wartime system of administration, that is, in actually mobilizing the economy for war. Is it surprising that such men showed little acquaintance with or interest in the paper plan of the services? The gulf between social scientists and the military was scarcely less wide though hardly so deep as that which separated the military and the New Dealers. And of course many social scientists were infected with New Dealism.

The only quarters where the IMP had anything like a favorable reception was in business and industry. This was due in part, of course, to the fact that these groups were already on good terms with the military. Business men and the military generally understood each other, they shared some of the same preconceptions and their relations in procurement were mutually satisfactory. The trust of the military in business was reflected in the IMP itself, as noted earlier. It was reflected in the frequent consultation with leading business men and industrialists in the study of planning problems. This is illustrated by the roster of civilian lecturers invited to speak before the Army Industrial College during the thirties. Business leaders, especially the heads of the nation's largest corporations and executives of trade associations, made up by far the largest single group lecturing before the College. Social Scientists other than economists (who were preeminently business school economists) were almost entirely missing from the list of lecturers and out of some 450 lectures only a handful were given by men who might be labelled New Dealers.

Consultation of business and industry in planning was supplemented by an extensive public relations program to acquaint business men with the IMP and the manner of its operation. Much of this work was done by the Assistant Secretary of War personally and his activities were supplemented by that of numerous district procurement officers. The work of making plant surveys and inventories was of course of great importance in

RESTRICTED

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making the Plan known and the prospect of orders to come naturally did not provoke antagonism toward the Plan. There was also the important public relations work of such influential organizations as the Army Ordnance Association and the Navy Industrial Association.

The attitude of Congress toward industrial mobilization planning was something else again. The subject of industrial mobilization was under consideration pretty continuously during the thirties. A great many bills were introduced on the subject but without favorable action. In 1938 at least thirteen different bills were before Congress. Senator Taft (R., Ohio) in December, 1940, introduced a bill which in effect proposed to implement the IMP in important respects. It would have set up the equivalent of a War Resources Administration as a super-agency. It was not adopted.

Such then were the attitudes of the general public and of various influential groups toward the IMP when in the late summer of 1939 the first step in putting the Plan into operation was taken with the appointment of the War Resources Board. Its formation was announced on 9 August 1939, by Assistant Secretary of War Johnson and Assistant Secretary of the Navy Edison. By their action the IMP got off to what seemed like an early and therefore suspicious start. The war situation in Europe was nearing a climax; munitions production in this country was growing under foreign orders; our own defense program was getting under slow way; and the 1939 revision of the IMP was virtually completed. The War Resources Board was set up as a kind of civilian advisory committee to assist the Army and Navy Munitions Board with its plans for industrial mobilization. More specifically, it was requested to review and perfect the Plan prepared under the direction of the ANMB as a basis for placing the United States on a war footing. Assistant Secretary Johnson informed the Board that in the event of an emergency, it was expected that it would become an executive agency with broad powers similar to those of the War Industries Board of World War I. Furthermore, on the outbreak of hostilities it would be converted into the key super-agency called for in the IMP, the War Resources Administration.

The personnel of the WRB included some of the leading big names in business and industry. Edward Stettinius, Jr., Chairman of the Board of U. S. Steel, was made chairman. Then there was John Lee Pratt of General Motors with its Dupont affiliations, Robert E. Wood of Sears, Roebuck & Company, Walter S. Gifford of A. T. & T., John Hancock of Lehman Brothers bankers, and two men who were not in business but who because of their conservative and generally pro-business views were regarded by liberals of the New Deal type as allies of business: Harold G. Moulton, President of the Brookings Institution and Karl T. Compton, President of Massachusetts Institute of Technology. Mr. Compton was committee chairman of the National Association of Manufacturers and a member of numerous other business and scientific associations. The Brookings Institution, it should be noted, tended to be regarded by New Dealers as one of the principal intellectual props of the economic status quo.

The public reaction to the appointment of the Board was divided along conservative, leftwing lines. The New York Times, 11 August 1939, declared that the appointment of Stettinius and his associates "should reassure the public against the fear that it might be made the instrument for oppression" and the Wall Street Journal, 28 September 1939, a few weeks later declared that the Board was "generally recognized as an unusually well integrated body containing as it did men thoroughly representative of all departments of economic effort." Critics from the left, joined by some from the right, however, were quick to point out that the Board contained representatives of neither agriculture nor labor. The reaction from the New Dealers as one might expect was particularly sharp. It was one thing for the armed services to build their paper plans in peacetime when there was little likelihood of anything coming of them. It was quite another thing to move to implement these plans in a developing international crisis. One of the first of the columnists to react was the team of Pearson and Allen in "Washington Merry-Go-Round" (Washington Times-Herald, 11 September 1939): "Under this plan, Roosevelt's hard fought New Deal reforms will be pretty much scrapped. Instead all powerful controls are to be established which virtually constitute a dictatorial form of government. Industry will welcome with hallelujahs the end of the National Labor Relations Board and the finish of the Wage-Hour Act...."

Harold Ickes in a public Town Hall debate with Hugh Johnson spoke in even stronger terms (New York Times, 6 October 1939): declaring that the WRB was: "A potential nucleus for an extra-legal autocracy, which in case of war....would destroy both American democracy and the Roosevelt administration's social reforms. (Such a board would be an oligarchy formed by) a hand-picked group holding no mandate from the people and therefore not responsible to the people."

The unfavorable comment was not confined to New Dealers. Owen L. Scott, writing in the Washington Star (8 October 1939), referred to the "remarkable ineptitude of the War Department" in picking "big name" industrialists for the WRB and failing to appoint a single representative of labor, "the Nation's primary resource." One of the first to speak out was General Hugh Johnson, strong supporter of the IMP. He declared that it was out of the question to have men with the business affiliations of this group on the WRB. The Board, with its Morgan-Dupont connections, could get no popular support. The War Department was "dumb" to appoint such men and the men were "dumb" to accept. Its appointment was, he declared, "An incredible political blunder." It was absolutely essential to have a labor member (Washington Daily News, 22 August 1939).

Within six weeks of the appointment of the WRB, Mr. Roosevelt announced that on the completion of its report the activities of the Board would come to an end. In this manner, the promising first step in putting the IMP into operation proved a complete wash-out. Other factors than the personnel of the Board were of course involved. War had in the meantime broken out in Europe. The President had declared a limited national emergency and the repeal of the arms embargo feature of the neutrality

RESTRICTED

legislation was the first "must" on the Administration's legislative program. This action had been proposed first in the hope of deterring the Nazis in their program of aggression. With Europe at war, it was held essential that American industrial capacity be made available to the Allies. The President called a special session of Congress, September 13, to consider the revision of the neutrality legislation. He was quite evidently anxious to prevent isolationist Congressmen from making capital of the IMP, WRB, and the personnel of the WRB. He sought to play down anything suggesting that the United States might become involved in the war.

A departmental situation also had some part in the dismissal of the WRB. A personal feud was said to rage between Secretary of War Woodring and Assistant Secretary of War Johnson. According to Washington gossip in the summer of 1939, the men had not been on speaking terms for some time. The language of the Defense Act of 1920 seemed to give a certain independence of status to the Assistant Secretary as regards planning for industrial mobilization. At any rate the appointment of the WRB was made without consultation of the Secretary and the public announcement of its appointment was made while he was away in Panama.

The situation was still further aggravated by the publication in the spring of 1939 of Leo Cherne's Adjusting Your Business to War. In this, the eighteen page mobilization plan was expanded into a book. What was a skeleton plan was given flesh. Cherne described in considerable detail just how the organization under the Plan would operate and in what ways business would be effected. He was careful to assure business men that while this was a plan, it was not a New Deal plan, and that business had nothing to fear from it. The book appeared to have the approval of the War Department and a kind of quasi-official authority since a six-hundred word preface was written by Assistant Secretary Johnson. Cherne acknowledged assistance from within the War Department and no one can read the book without realizing that much of the material must have been obtained from this source. It was not until late September that the President learned of the book as a result, it was reported, of Mr. Woodring's calling it to his attention. A special cabinet meeting was held on September 26 primarily to consider the issue raised by the Cherne Book. At a press conference after the meeting, both the President and Mr. Woodring disclaimed in strong terms any official approval of the book. Mr. Woodring went farther, telling the press that the War Department was not setting up any war boards and that he hoped it never would. It was at this conference that the President announced that the WRB would make its report and disband within a short time. The significance of these statements is suggested by the fact that Congress had just convened in special session (September 21) to revise the neutrality legislation.

Actually the WRB did not make its final report until November 24 when it was dismissed with thanks. Its report was never made public despite repeated demands that this be done. The reasons for this are probably not to be found in the nature of the report which was quite unsensational. Evidently the President wanted to prevent the opponents of his program

from obtaining any new source of ammunition. As pointed out by Mr. John Hancock in his recent talk before the Army Industrial College, the proposals of the WRB report did not differ materially from those outlined in the IMP. The report made numerous suggestions regarding details of the Plan and the operation of the organization proposed by it but only one major change was proposed. The IMP provided for the centralization of virtually all economic authority in what has been described as a super-super-agency, the War Resources Administration. The WRB disagreed with this and proposed rather to place the major super-agencies on the same level of authority. The Board took a strong stand for the principle of coordination as against that of centralization as provided for in the Plan.

It is clear that what at first seemed a favorable early start developed into a very poor beginning indeed for the IMP. Everything seemed loaded against its success -- the domestic political situation, conditions within the War Department and above all the international crisis. Some elements in the picture of course changed with the advance of the emergency but the basic split in interest and outlook revealed at the beginning was to continue throughout the defense period. This was the split between New Dealism as represented by the President, his advisors and the heads of the major civilian agencies and conservatism as reflected in the armed services, especially the War Department, and in the IMP with its program for close cooperation between the military and business in the mobilization and management of a war economy.

The second phase in the mobilization of the American economy for the second World War is highlighted by the career of the Advisory Commission to the Council on National Defense (NDAC). In the six months which intervened between the disbanding of WRB and the establishment of NDAC events moved rapidly. Early in November the isolationists went down to defeat with the revision of the neutrality legislation law which permitted belligerents to buy munitions on a cash and carry basis. By enabling the Allied Powers to buy munitions here, this law helped American industry gear up for war. The national defense program gathered headway under the direction of the War and Navy Departments with the Army and Navy Munitions Board playing the leading role in the planning and coordinating of defense production. The work on educational orders and production studies was speeded up and a beginning was made in the stockpiling of strategic materials and in the purchase of reserves of machinery.

There was during this period some hopes within the War Department that the WRB might be revived but these were disappointed. In April 1940 came the German blitzkrieg. The invasion of Norway followed by the rapid advance through the Low Countries and on into France. Then came the disaster of Dunkerque with the loss of the bulk of British mechanized equipment. America's sense of security in the military resources of Britain and France collapsed with the Allies' defense. President Roosevelt responded with a series of measures. On May 16 he asked Congress for the appropriation of more than a billion dollars for national defense. On May 25, the Office of Emergency Management was set up to assist the President in the coordination of national defense measures. Four days later the Advisory Commission to the Council of National Defense was established.

RESTRICTED

This action was in substance a revival of the organization of the same name set up as one of the first steps in industrial mobilization in World War I under the Defense Act of 1916. It was done under the authority of this act which was still on the statute books. Seven members were appointed to the Commission, only three of whom were expected to serve full time at first. They were:

Edward Stettinius	Industrial Materials
William H. Knudsen	Industrial Production
Sidney Hillman	Labor
Leon Henderson	Price Stabilization
Chester Davis	Agriculture
Ralph Budd	Transportation
Harriet Elliott	Consumer Protection

The membership of this board contrasts rather sharply with that of the WRI with respect to the representation given both to different elements in the economy and to different shades of opinion. Whatever else may be said of the wisdom of these appointments, politically they represented a master stroke. It must be conceded, too, that the political elements in the situation were not such as could be ignored.

In organization the Commission was an anomaly for it had no chairman and its executive secretary was responsible not to it but to the President. It was a collection of single advisors each of whom was responsible individually to the President and reported directly to him. At the first meeting, Mr. Knudsen asked who was to be the boss. The reply of the President was, "I am." In practice the Commission tended increasingly to act as a unit and to move from an advisory to an operating role. The President designated the Commission as the primary agency for the management and coordination of the program for expanding production. It was intended especially to serve as a clearing house between the armed service and industry, labor and the civilian population. In effect, it became the civilian agency which bridged the gap between peace and war in industrial mobilization. It is very clear, however, that the NDAC was in no sense the key super-agency called for in the IMP, "the pivot around which industrial mobilization would turn, . . . charged with responsibility and clothed with adequate authority to make and enforce decisions." In substance, the appointment of the Commission meant the shelving of the IMP. In the records at present available there is no evidence that the civilian administrators of war production from this time on ever gave serious attention to the possibility of bringing the evolving war organization into conformity with the scheme outlined in the IMP.

The favorable public reaction to the appointment of NDAC contrasts sharply with the reception given the WRI. For example, the conservative Arthur Krock of the liberal-conservative New York Times (29 May 1940): declared that the President followed very sensible and disinterested advice in reviving the NDAC. The Times (30 May 1940) remarked editorially that this was a step in the right direction. It was wise to take

RESTRICTED

72

advantage of the 1916 act; the next step should be the establishment of the War Resources Administration of the IMP. Business Week (1 June 1940) headlined the news: "Industry Gets Voice in Defense," and thereby was relieved of the "worry that it might have to go about the job of armament making under the capricious direction of the New Deal's left wing . . . ." Conservatives generally and business in particular were gratified to have representatives of their own group in the two key positions at the top. Such disappointment as liberals may have felt was softened by the presence of Henderson, Hillman, Davis and Elliott. Labor and Agriculture both had representatives on the Commission.

Although approval was general, there were acid comments from some of the elder statesmen. General Hugh Johnson made a strong attack on NDAC and on the President for reviving it. The valuable experience of World War I was being ignored. The mistakes of that emergency were to be repeated. The IMP likewise was ignored. Much fumbling and blundering were inevitable. Mr. Bernard Baruch expressed himself in milder terms but to the same effect, declaring that it was "regrettable that we have to re-travel any of the road" followed through painful trial and error in 1917-1918. How is the revival of this weak, advisory, head-less agency for the important job of coordinating production for national defense to be explained? Was World War I experience with a weak and ineffective NDAC ignored as Johnson charged and Baruch implied? A study of the Office of Production Management prepared in the Budget Bureau and based on their records in effect denies this. It points out that the decision to revive NDAC was based on its known weaknesses. As early as the Munich crisis in 1938, the President called in Mr. Louis Brownlow, expert in the administration and under him the Budget Bureau made an investigation of World War I experience. The Budget Bureau, it should be remembered served as an administrative planning agency for the executive office. A memorandum drawn up by the Director of the Budget Bureau laid down a number of principles which were to govern during the defense period. These stressed, among other things, the personal responsibility of the President for the entire defense effort; the use of existing legislative authority; the use of existing agencies to the fullest extent and the setting up of new agencies only when absolutely necessary; and the preservation of democratic government under presidential leadership.

Even if we assume that the President desired to put into effect the over-all organization called for in the IMP (which is very doubtful), this required Congressional action. But isolationist and anti-war sentiment was still strong in Congress and in the country at large. After all, public sentiment lagged much behind the conviction of the President and others that the nation must prepare for an all-out war. Moreover, the party conventions were less than two months away. The President no less than his New Deal followers was anxious not to endanger the social reforms of his administration and he made a strong statement to the effect. There was a very genuine fear that these reforms would be pushed into the back-ground, if not thrown overboard, by super-agencies manned by business men. As the emergency developed strong pressure came from business groups for the modification of some of these reforms, especially the Wagner Act,

RESTRICTED

the Wage-Hour Act and other labor laws. In view of the President's personality, too, it was not likely that at this stage of the war emergency he would willingly play second fiddle to the head of a powerful War Resources Administration set up to run the economy. Much of this is of course speculation for we do not know the full story and will not know it until such records as those of the Executive Office are opened to research.

It must be emphasized that we are not concerned here with either justifying or criticizing the course followed by the Administration in mobilizing the national economy for war. Our interest, as I see it, at this point is simply in trying to discover what course was followed and why. We do not get very far by taking the position that the IMP ought to have been put into operation. The fact that it was not put into operation suggests at least a partial failure of the Plan and weaknesses in the planning. At any rate, the available evidence indicates that from May 1940 if not earlier, the actual planning for economic mobilization and the active direction of this mobilization was centered in the Executive Office and not in the War and Navy Departments. In dealing with the early planning period, 1938-1940, in his article on "War Organization of the Federal Government," Dr. Gulick's only reference to the IMP is in a footnote in which he declares that such plans "had little or no effect upon the course of events."

The most common explanation of the failure to adopt the IMP is the gradual manner in which the United States became involved in the war. The economy was mobilized for war gradually during a defense period which lasted for more than two years. When war actually came, mobilization of the economy was already well advanced. It was impossible to retrace our steps, to throw overboard everything that had been done and get a fresh start according to plan. The IMP was based on the assumption of an M-Day, generally accepted as the day war was declared or at best a few days in advance of such declaration. But we could not wait for M-Day to act. Hindsight is of course always better than foresight. Yet it is not very profitable to blame the international situation for taking a course not anticipated by the planners. It would be more profitable to question the validity of the basic assumption of an M-Day. Had not the events of the thirties shown that it was as obsolete as much of the equipment of World War I? Declarations of war were going out of fashion in this period. The China Incident, the Spanish Civil War, the Italo-Ethiopian War and the preliminary phases of the Nazi conquest of the continent all began without benefit of a formal declaration of war. Is there any doubt, except on purely legalistic grounds, that we were not fully committed to the war months before Pearl Harbor?

Because the IMP was not adopted as a whole, it does not of necessity follow that the planning activities of the armed services were without substantial influence upon the actual course of economic mobilization. It may be true that the civilians outside the War and Navy Departments who by stages devised the system of over-all war administration were little influenced by the IMP. Nonetheless the armed services exercised a great influence upon the final result as well as upon the intermediate stages,

The record shows plainly that the war administration was not the result alone of the plans made and the measures taken within the Executive Office and the civilian war agencies. It was hammered out in a continuing and often acrimonious struggle within the Federal Government, a struggle in which the War and Navy Departments were so strategically placed that their wishes could never be ignored and in fact were often the predominant influence. It can indeed be argued that down to the Fall of 1941, the effective power in mobilizing the economy for war was exercised not so much by NDAC or OPM as by the armed services through the exercise of their authority in procurement. When the funds available for procurement are measured in billions, the authority to place contracts gives a power not only to mobilize industry but to shape and mold the entire civilian economy, a fact that was better appreciated often by civilians than by those who actually placed the contracts. In the exercise of this power the services were influenced to a significant degree by the ideas held by those directing procurement regarding their goals and the methods of attaining them. Were these ideas shaped in an important degree by the pre-war planning activities within the armed services of the Army and Navy Munitions Board, the Planning Branch and the Army Industrial College?

At present only a partial answer of this question can be attempted. In some respects at least the influence of planning was substantial. For one thing, after twenty years consideration of these problems, the services knew to a far greater degree than in 1917-1918 what they wanted. It seems clear, too, that their direct influence in getting what they wanted was much greater in procurement than in the broader aspects of industrial mobilization. The industrial surveys and production studies, the educational order program and the allocation of facilities as between Army and Navy and the various procurement services and bureaus had an important educational value both for the armed services and industry, even though the use made of these preparatory measures was not always or even as a rule according to plan. The same is true of other phases of planning and training for wartime procurement. Dr. Yospe in his lecture discussed at some length the value and limitations of procurement planning. His studies and those of others have revealed serious weaknesses both in the planning and in the manner in which the plans were implemented, particularly with reference to the vital matter of the allocation of facilities. Even when authority to negotiate contracts was given under the Act of 2 July 1940, there was considerable resistance to its use. Not only were the supply services slow to take advantage of negotiated contracts but the Office of the Assistant Secretary, as Dr. Yospe points out, threw its support to competitive bidding as the usual method. With the failure to adopt the principle of contract negotiation with allocated facilities, "the basic structure of war planning fell apart."

In concluding this analysis of the results of planning for industrial mobilization I would like to indicate what appear to me as some of the underlying weaknesses in the planning program. These I offer not in any sense as final conclusions but simply as tentative opinions based on a careful but necessarily limited consideration of the problem over a period

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of some months. They are opinions of an "outsider looking in." Despite the many positive benefits resulting from the planning activities all seem to be in agreement that the results were disappointing in view of the time and energy invested and the hopes that were held. In the broader aspects of industrial mobilization the failure to secure the adoption of the IMP is generally regarded as evidence of a failure on the planning program.

The first of the underlying weaknesses of the planning program was a certain lack of imagination on the part of the planners. This was reflected in part in the failure to diagnose correctly the state and temper of public opinion as regards not only war and planning for war but as regards the political implications of the IMP. A certain lack of imagination is suggested, too, by the failure to appraise adequately international trends and developments as these bore upon the Plan. Then, too, when one compares planning in this field with that involved, say, in the development in new types of materiel, it does seem as though there was a poverty of ideas among the planners. The IMP early assumed a form, largely copied from our war organization at the end of World War I, from which there was comparatively little change. It looks very much as though planning got into a groove - the army term seems to be doctrine - from which it never escaped.

So far as the broader problems of planning are concerned, that is, those concerned with the mobilization and direction of the national economy for war, including plans for over-all war administration, there appears to have been a lack of competence to do the job in hand. This suggestion is made without any reflection upon the abilities of those who carried on the planning. What would you think of turning over to a group of civilians, largely without professional military training and experience, the tactical and strategical aspects of military planning? Any such suggestion would be ridiculed and properly so. Yet under the Defense Act of 1920 the responsibility for planning industrial mobilization was given to the military. And despite the fact that civilians headed up the War and Navy Departments the actual planning work was carried on by officers, by men whose training did not qualify them for dealing with the larger aspects of mobilizing the economy for war, whatever may be said about procurement in the narrow sense of the term. Planning in any field is clearly a job for experts, for professionals, not for amateurs. Here was a job calling for experts of many kinds -- experts in administration, public and private, in business management, in economic and in government, sociology and population. If the planners in the armed services failed to see and understand adequately all that was involved in mobilizing and running, not only industry but the whole economy, they can hardly be blamed. They simply were not trained and equipped for that kind of a job.

Finally, the planners lacked what social scientists call objectivity. That is, they lacked the ability to exclude personal emotions and prejudices in their analysis and appraisal of the problems with which they dealt. Even the most careful scholars never attain complete objectivity, of course, but by recognizing the problem of bias, it is possible to counteract its influence. It is possible to discover and recognize in

RESTRICTED

74

some degree at least our own prejudices and to take constant care to prevent them from distorting judgments. To be aware of our prejudices is to be armed in some measure against them. The study of our planning for industrial mobilization makes it clear that the planners were not so armed. To put it bluntly, they looked at the economy but they saw only business. In outlook and sympathies they were lined up squarely with only one group, one class of American society. This was only human and is understandable enough. But war today obviously calls for more than the armed services-industry team. It is total war and requires the full cooperation of all classes, all elements in our society.

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