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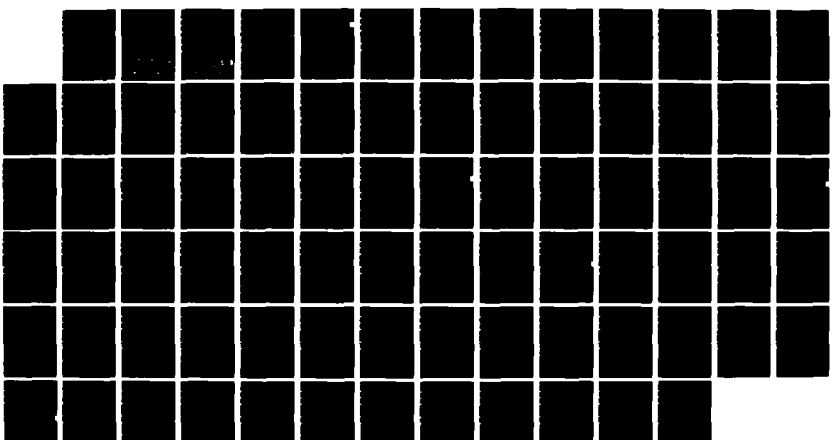

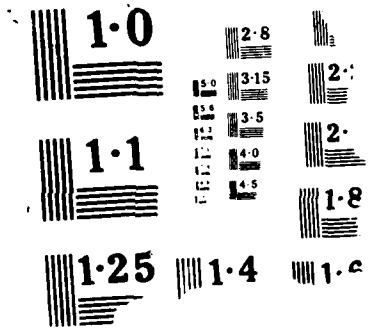
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Industrial College of the Armed Forces and Mobilization Concepts Development Center

6TH ANNUAL MOBILIZATION CONFERENCE

Marshaling Resources for Conflict Short of Declared War; Do We Have a Process?

16-17 April 1987

PROCEEDINGS

The National Defense University
Industrial College of the Armed Forces

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OPENING REMARKS:

DR. LAWRENCE W. KORB
Dean, Graduate School of Public and International Affairs, University of Pittsburgh

CHAIRMAN: I was asked to introduce a man who, as they say, really needs no introduction. Lawrence Korb is certainly no stranger to this campus, to the issue of this Conference or, indeed I suspect, to most of this audience.

I need, therefore, note only two things. First, Dr. Korb's distinguished biography is to be found in the back of the Conference Program Book; and, second, as you will note, the resume of his accomplishments occupies almost as much space as the history of the Industrial College, which follows it. And the ICAT, as you know, is a much older institution.

Ladies and gentlemen, it's a great pleasure for me to welcome the Conference's distinguished speaker, Dr. Lawrence W. Korb, who, as you know, served as Assistant Secretary of Defense from 1980 to 1985 and who is currently Dean of the Graduate School of Public and International Affairs of the University of Pittsburgh.

Dr. Korb.

DR. KORB: Thank you very much. It's indeed a pleasure to be here.

I've done a lot of things in my life, some of which I wish I hadn't done or really didn't intend to do. But one of the things that I feel the proudest of is that I am an honorary member of the faculty of this distinguished institution because I think that the work that it does, educating students and holding conferences like this, certainly is very, very, very important and critical.

I do a lot of speaking; and, of course, when you speak you have a stable of jokes that you can use. You have to be very careful about the jokes that you use because it's easy to offend people; but I have three or four that I've tried and nobody gets too upset about them.

But what happens is after a while they get around and other people begin to use them. In reading The Washington Post this week, I saw that the President had used a joke that I intended to use here and it was reported in Lou Cannon's column.

Maybe you didn't see it so let me start off with

that because I think it -- deals with the thing I'm trying to do. In fact, about six years ago I stole it from General Scowcroft so I guess it's kind of made the rounds, and it has to do with the preacher who saved up all his life to go out and visit the Grand Canyon.

As he was going down on his donkey, the donkey lost his footing and the preacher fell head over heels down toward the abyss. He reached out and fortunately grabbed onto a very slender tree trunk and it broke his fall. As he was hanging there, of course, he began to pray.

After a while a voice from on high said, "Son, do you have faith?" He said, "Oh, I certainly do." The voice said, "Well, let go of the branch." He thought for a second and he said, "Is there anybody else up there I can talk to?"

Now, of course, when the President told it, he added another line that the voice came back and said, "Yes. Call Howard Baker."

Now, in terms of mobilization and issues on how to deal with it, we know the answers. You have discussed them. This is the 6th Conference. We know what the shortages are. We have models and I've learned from reading the abstracts of all of the papers here.

You've dealt with all of the issues, and we're much like the preacher: we know what we should do, but we don't want to do it.

What I'd like to do this morning is spend a few minutes in telling you why I believe we haven't done what we need to do to deal with this problem.

The first is that we really don't think -- and when I say "we," I mean the people in the Department of Defense -- we're ever going to fight a war. Now, one of my former predecessors in office, a distinguished man by the name of John Ahearn, put it very well in a column in The Washington Post. He called it the WWNH philosophy: War Will Never Happen.

Stop and think of this. It's hard enough to get funds for readiness. One of my great frustrations when I

was in DOD was trying to get the funds or what I thought were the proper amount of funds. If you can't get enough for readiness or if, conversely when money becomes tight, readiness funds get cut, how successful can you be in getting funds for mobilization?

We know, for example, that at DSARC 1, certainly, or DSARC 2 it would be relatively inexpensive to put money into a program for surge capacity; but we also know that at that time of the decision making process people are so much more concerned with other things:

Can we get this thing for the money we've been allocated? Is it going to work? Is it going to live up to its technical specifications? Thus, when somebody sitting in the back of the room is saying, "Hey, what about surge capacity?" it just really doesn't capture people's attention.

I used to get asked a lot when I was in office and traveled around the country about our famous spare parts horror stories. The coffee pot was one that people were quite interested in. I would explain to people, yes, in fact, *we did over specify* the coffee pot and we bought 15 of them before the error was caught. People say, "How did that happen?"

I'd say, "Well, you have to remember that the program manager for the C5 was worried about the wings falling off at the time; he was not really focusing on a coffee pot"; and similarly when you get into a meeting, in a DSARC meeting, and people are worried about whether it's going to live up to its technical specifications and costs, and all these things, and you say, "Hey, what about surge capacity." The response normally was, "Yeah, it's very nice. We all agree with that, but let's get on with the real problems."

Take a look, for example, at this year's budget, the FY 1988 budget. We know that resources in it are being more and more constrained. Look, for example, at the situation with the Navy.

It's very difficult for them to buy enough planes to support the carriers that they have. The number of people that the Department of Defense asked for this year

is down from last year; and yet we go in and we spend an awful lot on R&D, and we go in and we ask for two new carriers.

If you analyze Secretary Weinberger's speech on the use of military force you should conclude that those conditions will never be fulfilled or if we have to fulfill them, in fact, war will never happen. It'll be very, very, very difficult for people to use military force if all of those conditions must be met.

When I was in the Pentagon, I used to say, "I think we're too busy to go to war around here. People are too busy to even think about it"; and that used to come home to be exemplified whenever we had these exercises or war games.

The people that should have been playing were never playing. They just seemed never to have the time to be involved. "Well, we have to get the press in; we have to go out and speak to this group or that group. We have to go here or there. The mentality was that this will never happen. So why bother?"

If you stop and think about it, for an appointed official, someone in a position of responsibility in the Department of Defense, the most critical thing you could ever do would be to get involved in a war situation. But you can count on the fingers of one hand the number of high-level officials, whoever took part, in the mobilization exercises or the war games.

I used to chair two groups within the Pentagon. I was a co-chair with Fred Ikle of our mobilization working group and I was also the chairman of the military manpower mobilization group under the EMPB, which was the Government-wide group dealing with mobilization.

We could not even get the principals to come to those meetings. My counterparts in the services, the assistant secretaries for Manpower and Logistics hardly ever came to those meetings.

Now, I don't think that those are exactly the busiest jobs in the world. In fact, as the Congress look at it this year they basically said, "You don't need them.

Let's have one staff." But, nonetheless, they did not even come to those meetings.

We used to have them regularly. I'd look around and they would send substitutes for substitutes. After a while, the representation kept getting lower and lower.

This is the point I'm trying to make: Why doesn't anybody do anything about mobilization? They don't think about it. It's not high on the agendas. I have given some of the examples that I think illustrate that point.

If we are going to use military force, most people think, "Well, it'll be kind of a quick in and out, sort of like we did with Libya" -- we get all geared up, we go bomb, we get out and it's over -- "and if it does become prolonged, well, we'll improvise" like we did in Korea or Vietnam.

"We'll go with what we have and, of course, we'll have time to build up." There really is no sense of urgency; and, in many ways, if you look at the period since World War II, that's essentially what has happened.

We used them because we had them. People said, "Well, we'll kind of make do again if we can and get the budget through this particular year."

A third reason which is very, very critical: mobilization issues are difficult. To resolve them in advance of when they actually will come to pass involves the expenditure of political capital for what may be very, very little return.

Many of the issues you've been grappling with this year have been grappled with in these Conferences over the years. Lots of the issues that we used to deal with involved taking on some very, very strong bureaucracies: the Environmental Protection Agency, HHS, Commerce, the Department of Transportation.

You're going to have to sit down ahead of time and say, "Okay, we want you to waive these particular environmental restrictions if we have to go to war."

Now, those folks look at that and say, "Ah, this is

just kind of an end run," or "We're getting beat up enough because the Reagan Administration is supposedly not good on the environment."

Then a story comes out in the newspapers, that says, "Defense is interested in waiving the environmental regulations," and, of course, nobody reads the part that says, "if, in fact, there's a mobilization." The administrators at the non-DOD agencies say, "Look, we can't have that. What does Weinberger think about this?" Weinberger hadn't been thinking about it at all and then he gets blind-sided at a Cabinet meeting and he too gets half the story.

HHS: you're dealing with the Social Security Administration; you're dealing with people who would have to take care of the people we evacuate from Europe.

Commerce: of course, you have the problems already in terms of exporting technology and you say, "Hey, look, in case of mobilization we're kind of worried. We'd like to keep this capacity here. We don't want to see some foreign company buying it and it going overseas."

Then, of course, that's played out in the context of the current ongoing situations. Given the size of lots of those agencies, people can walk in to the Secretary and say, "Hey, look, we can't lose to Defense on this"; and then, of course, when it gets to the top, the bosses simply do not want to spend the political capital.

Similarly, you have to take on unions. "What about all these civilians overseas? What are we going to do if war starts?" Well, we're going to make them sign a statement that they won't leave.

Then, of course, the unions say, "Well, you can't do that"; and then, the political people say, "My God, we got enough trouble with the unions. Why are you trying to start trouble over something that may not happen?" because the probability is very, very, very small.

You have to deal with the Reserve associations. You can sit there and say, "Hey, look, these Reserves are very good, but we're starting to defend an awful lot on the Reserves. We have round out battalions. Can we use those?

What's going to happen in wart time? Let's check on the jobs of these folks.

"Are they working for the Government? Are they working for the defense industry? Can we really get them? How quickly can we get them?"

You raise those questions and then you run headlong into the Reserve lobbies with their Minute Man statues and say, "We've always done well"; and "How can you impugn our integrity?"; and "A Reserve is just as good as an active."

Of course, they go to their people in the Congress, and the next thing you know you're being called on the carpet by your boss who says, "Look, Korb, we have enough problems. Why are you trying to do this over something that may not happen?"

I can remember when Judge Clarke was the NSC advisor and he invigorated the EMPB. One of the things they wanted was for the Department of Defense to prepare a mobilization budget; and the Department of Defense refused to prepare a mobilization budget.

Why did the Department of Defense refuse to prepare it? Because they would have had to answer difficult questions about roles and missions and allocation of resources that could affect what's happening today and they have enough trouble with today. So they wouldn't put it in the budget.

So they sent me over to see Judge Clarke and say, "No, we will not prepare the budget." I said to Judge Clarke, "No, we will not prepare the budget."

He says, "Yes, you will prepare the budget"; and I said, "Well, let me tell you something, Judge Clarke." I said, "I'll be happy to deal with it. I just want you to remember one thing." He said, "What's that?"

I said, "If, in fact, we show how bad things actually are, Secretary Weinberger may be over here asking for more money." He sort of thought for a second and he said, "Oh, my God, I can hear him now. Maybe we can just kind of finesse this issue for a while."

I sat next to Fred Ikle who, for five years, has tried to get the JCS to develop a couple of limited war scenarios, again in terms of what you're talking about here, short of general war.

Fred really looked at the Korean War as a model and he said, "What happens if we have these things and we get two, three, four or more percent of the GNP? How are we going to spend it?"

General Crist used to come in every week and say, "No, we can't do it. THe Chiefs don't want to do it"; and they stalled, and back and forth. After five years -- and John Tilson's in the audience, maybe he can correct me if I'm wrong --I don't think we ever got anything.

We used to talk a lot about it, but nobody wanted to put it down. Again, I think it's because the Chiefs would have had to open up a lot of very, very difficult questions.

The next reason why I think we have problems -- and it's kind of a converse of the last -- is mobilization gets abused. Whenever somebody loses a contract whether it's to another firm in the United States or whether it's overseas, they come running in and they scream, "You're hurting our mobilization capacity. How can you let that go to the Japanese? What happens if we go to war," or "If we don't get this contract we'll be out of business," and "What about the surge capacity?" In fact, it becomes a cover in many cases -- not for all cases, but for just sloppy performance on the part of a particular industry.

Then what happens is people begin to hear that; and when you go in then with a legitimate case, they begin to view it as kind of a protection of special interest. WE often have many people screaming "The Jones Act" and similar things when, in fact, you knew that that was not the right reason.

It always reminds me of people who say, "It's really not the money, it's the principle." What they mean is it's the money, but they don't really want to say it that way.

People would come in and you knew they did not give two figs about mobilization. What they're concerned about

is this particular company and what's happening to it.

Next problem you have? Mobilization is not a glamorous issue. It's a very, very mundane type of issue. It's not something, for example, that Phil Donahue would devote an hour to on his show.

Don't laugh because I went on Donahue's shows twice to deal with manpower questions. That is a glamorous issue. Defense spending is a glamorous issue.

Those are issues that people are interested in. Mobilization is not something in that category.

Thus many times you get people coming into office and it's not on their agenda. I'll tell you one thing: God bless Fred Ikle because this man is concerned with mobilization and he talks about it all the time. Were it not for him, I don't know what this Administration would have done.

But I remember the first time I talked to Ikle when he was going in for his interview with Weinberger. He brought up the subject of mobilization. HE said, "In your area, you have responsibilities; I have; and I think we can work together."

Heaven knows, he tried. I mean, he had those meetings every month to try to get people to do something. I don't think we got a great deal, but at least he's focused attention on the issues.

Without that top-level interest, it's very hard to get to a bureaucracy which is busy or to deal with other agencies which have their own agendas. After all, most of the other agencies in town are really not concerned about war. That's not their mission.

It's the Department of Defense's mission.

When you go to DOT or you go to HHS, those people have many other things to worry about. It's not really in their interest to help you unless you can get the attention of the top-level people; but their top-level people in the Department of Defense are much more interesting in discussing things like light divisions or 600 ships.

It always reminded me, when I dealt with mobilization, about my days in the Navy when I was in a patrol squadron and I had responsibility for mine warfare. Nobody cared about mine airfare.

In fact, I used to try and get people just to run their reports about what was happening in this area because we supposedly had this auxiliary capability. Then I went back and looked in the files.

Nobody had turned in reports on this for years. There is a report due to CINC PAC. They just weren't going in. Nobody cared about it because it was not a top priority for a group concerned about anti-submarine warfare.

The final thing is that this is a subject that's generally misunderstood among the public and is one that you have to deal with very carefully because, in many ways, people view it as kind of a self-fulfilling prophesy.

I'm always amazed, when these spy scandals come to light, when people say, "My God, we're spying on the Russians," or "Aren't the Israelis our friend?" Every now and then somebody will discover we have contingency plans to go to war with Britain or France, or something and they say, "Well, why are you doing things like that?"

Well, the world can change. You go back and look at history, and things can change. We have to be thinking about those things.

When that comes out, people begin to shoot the messenger, and mobilization is a lot like that. "My God, down in the Pentagon, do you hear what they're doing? They getting read to go to war."

People think because you are planning it, it will be a self-fulfilling prophesy.

Everybody knows we have a great shortage in medical personnel. I remember the issues that came up of whether we're going to register, in peace time, medical professionals lots of whom are women.

You look at it and logically you say, "This would be a good thing to do because if we go to war we really ought to know who the medical people are. We ought to be able to get our hands on them very, very quickly; and, if we don't, lots of folks are going to die."

Yet when you begin to deal with this, the story comes out, "Pentagon getting ready to draft women." We don't even register women. We have a President who feels about the draft the way he does about taxes.

I mean, this man is adamantly opposed to conscription. We had to spend every political chip we had to kept draft registration. It was really, really difficult to get him to do because philosophically he is opposed to any type of compulsion.

Now, we started discussing this idea about registering women medical professionals because lots of women are medical professionals, very good ones. The next thing you know, the White House political advisor is on the phone to me.

He's say, "Korb, what are you doing?" I said, "I'm not even doing it. It's the Health Affairs people." But, nonetheless, "How can you do this? Put a stop to it." Okay?

So there you go. Again you're simply trying to do the things in peace time to get yourself ready for war.

Remember when we talked about getting the hospitals ready to take casualties? My God, then we dealt with the American Medical Association. We had the nurses' association upset with us for registering the women professionals.

Then we had the medical association and they said, "Well, we're not going to have our hospitals take care of war damage and nuclear patients," and all of that type of thing; and you had to deal with groups like the Physicians for Social Responsibility.

Here you're trying to take care of young American men and women who could die in a war, if we got involved, and yet you're having to deal with those issues. When it

comes up to political change, people kind of look at and they say, "What are you, crazy?" then you try to explain it to them.

They say, "It'll never happen. What are you worried about? We have more immediate things on our agenda."

When you have an exercise, like the famous Nifty Nuggets, you expose your weaknesses. What happens with those exercises is very much like when the IG comes around and they say, "I'm here from the IG's office. I'm here to help you," okay? You say, "Yes, I know."

Then, of course, they come in, they write a report and it gets out, and it doesn't help you all that much.

Similarly, when you do those exercises and you find out where your problems are, then people say, "We spent $2 trillion and look at all the problems they still have."

If you think you can keep it secret, you're mistaken. I wasn't in the Pentagon when Nifty Nugget happened and I remember John Fialka wrote every day about those things in The Washington Star. He just did series after series after series on Nifty Nugget.

It just got out, and people use them for lots of reasons.

People used to talk about, "Let's have a call up of the IRR. We really need it." That's true; but what would happen if you call up the IRR and you find out that lots of them won't come, which you knew ahead of time.

Then people will say, "Ah, you got to go back to a draft." Then you get backed up to the wall and you say, "Who's idea was this to call up the IRR?" and people will use it for the wrong reasons.

You have a mobilization exercise; you give ammunition to your critics, and they can take a sentence or two out of there and make you look silly when you're trying to say, "Yes, we spent a couple trillion dollars and we still have all of these particular problems."

Let me conclude by saying everybody believes in mobilization in the abstract; but when you start talking about it, particularly to those who have lots of other responsibilities, they will say, "Yes, it's a good idea; but not now. We have lots of other things to do about it."

I commend you for focusing on it. I think it's important that you keep these issues alive and make some impact on the policy, on the policy process.

What I used to quote back to those folks in the Reagan Administration who used to argue with me against doing something about mobilization it was a line that the President uses: "If not now, when? and if not us, who?"

Thank you very much.

CHAIRMAN: Thank you very much, Dr. Korb.

We'll just take one minute to stretch and maybe formulate some questions, and continue. Thank you.

[A brief recess was taken.]

CHAIRMAN: Yes, sir.

QUESTION: Dr. Korb, that's a most interesting talk. You sort of went along with what's been talked about here six times, for six years in a row.

My question is: From your extensive experience -- it doesn't seem to be enough to get together every year and talk about it -- from your vantage point, what would you recommend to be done to try to do something about this?

DR. KORB: Well, I think what you need is you need a Secretary of Defense, a Chairman of the Joint Chiefs of Staff that puts that at the top of his agenda.

When you come into those offices, there is only a certain amount of things that you can focus on. The wise manager or leader knows that, and that has to be one of them. That would be one thing.

Then the other is that we have some sort of event that shows how bad things are that develops the political consensus.

Now, unfortunately that event would have to be some sort of catastrophe. Let's say we had some sort of limited military action in which people died because we didn't have the right medical facilities or something.

Then everybody would scream, "Why haven't we done anything?" The same folks that were slowing you down would now be on your back to say, "Why haven't you done it?"

But unfortunately, I think that's what it's going to take. It's just like it took the Soviet invasion of Afghanistan and the seizure of our hostages in Iran to walk up the American people from the post-Vietnam doldrums: that military force didn't have a useful role in the world, and the United States was going to be able to opt out of its international responsibilities.

Once you had those events occur, then the support for increased defense spending went up to 61 percent and we threw the people out of office who had argued against the strong defense.

Unfortunately, I think that's what's going to have to happen. If that doesn't, we will do like we do with most things: we'll just muddle along.

The all-volunteer force people didn't get serious about dealing with military pay and benefits and quality of life until folks started voting with their feet and people started reading stories of ships being tied up for lack of people, and they said, "What's going on here?"

Then you could go and get 11 percent pay raise and a 14 percent pay raise [fingers snapped] like that or a 25 percent pay raise in a little over a year because you have had some people's attention.

QUESTION: I don't know how to phrase this as nicely as I'd like to, but --

DR. KORB: Go ahead, please.

QUESTION: -- this Administration has constantly, since '83, even when the spare parts horror stories broke, continued to program at 3 percent real growth when, in

fact, you were under Gramm-Rudman-Hollings. We continue to program at 3 percent. We continue to add new programs each and every year. We continue to buy everything uneconomically.

We throw it over to Congress, and then the guys in the Services have to tear away at their budgets and reduce everything in a period of months. Industry can't respond to that.

Why does this Administration continue to do that? Because I feel that affects, also, mobilization because I don't think you can get enough commodities, quantities out in the field where if you would be realistic, to begin with, you would probably then get the required quantities that you want.

DR. KORB: You touched on one of my favorite subjects: a subject which I tried to raised both within the Pentagon and without the Pentagon; and my reward for it was a one-way ticket to Pittsburgh. It's an interesting thing. It's worse than that because your publicly-stated five-year Defense program has 3 percent a year growth. We know that the POMs have 10 over the last three years.

You have a situation this year in which you're going ahead with the next generation of weapon systems -- ATA, ATF, STEALTH and all that -- and you're buying this generation in uneconomical quantities.

Last year you bought 800 M1 tanks for $2.3 million, this year, you're buying 600 for $2.6 million; last year you bought 12 EA6Cs for about $34 million, this year you're buying 6 at a price of $58 million; and it goes on and on.

There are two reasons. Number one is a feeling on the part of this leadership that if you begin to show you can do with less, it will become a self-fulfilling prophesy. that's what they used to tell me all the time. I'd say, "Hey, this isn't going to last."

It was clear by '82, if you watched the opinion polls, that in effect we would not get those large increases for the effort.

The second reason is that you have a group of

people who, by and large, have been there too long. We used to say people came and went too frequently; and I think that was a valid criticism; but you now have a Secretary of Defense who's going on into his seventh year.

John Lehman let after six; Pete Aldridge was Under Secretary before being promoted; John Marsh has been there since the beginning; Jim Ambrose, also. They still think it's 1981. They've lost touch with what's happening out in the country.

I want to say this very carefully because I don't mean it to sound kind of like sour grapes; but what would happen is those who would be honest would be tarnished as part of the enemy, those who would tell the Emperor that he really did have clothes got promoted.

I thought it was relatively innocuous, what I said last year when I went up and testified. I basically said, "With Gramm-Rudman-Hollings, we know the budget is not going to go up so we have to plan."

You would think that I was Pollard or Walker, in effect, the way that it was handled. I think that's kind of this whole mentality.

What I really worry about -- and certainly it does deal with mobilization and lots of things -- is at the end of eight years we will have had an average of five percent a year real growth, even if we get no more real growth. That's what Reagan campaigned on, but it's going to be a heck of a mess.

I thought that Harold Brown put it well in last week's Washington Post in the story on John Lehman's departure. He said, "Somebody is going to inherit a mess," and it's going to be difficult.

Let me give you kind of an analogy. I was raised as a Catholic. My dad was a very, very devout Catholic. I remember talking with him on one occasion, he said, "You know, it's a good thing Al Smith didn't get elected President." I said, "Why?"

He said, "Because the Catholics would have been blamed for the Depression."

What is going to happen is somebody is going to walk into that building in 1989 and they are going to be blamed for the things that you have talked about, and then the American people are going to get upset.

I asked a Service Secretary, who shall remain nameless, "How are we going to support all this stuff that we're buying?" He said, "Don't worry. We won't be here."

That is an attitude that unfortunately permeates and, you're right, it's going to cause us lots of problems. When you start dealing with mobilization, it's going to be very, very, very difficult.

QUESTION: As you look down to, say, 1995, 1997 -- 8, 10 years in the future -- and you look at the world trade has been going and the world economics with many countries interdependent, co-production flowing, things like that, how will that, in your view, change how we mobilize for major conflict?

I don't mean necessarily low-intensity: somewhere between very low-intensity, say like in Honduras or El Salvador, as opposed to a World War III or in between. To give you an example, do you, for instance, see getting diesel engines from Spain to be given to the battle front, things like that?

DR. KORB: That's an excellent question.

There's no doubt about the fact that in the future we are more at risk than we used to be. I don't think, given the world economic situation and our own willingness to pay taxes, that we can have all of this capacity ourselves. It's going to have to depend on other countries.

It's going to require doing some things in peace time that maybe we wouldn't normally do: doing a little more stockpiling on the most critical items. It's going to require some very skillful diplomacy because you're going to have to recognize that you're going to have to deal with those other countries upon whom you're dependent -- whether it's the Koreans, the Taiwanese, the Japanese -- to get those items.

It's going to require a certain amount of prudence in peace time to kind of set those things aside; but we have no choice.

People say, "Well, we can talk forever about the all-volunteer force versus the draft"; but the fact of the matter is that you don't have a political consensus for it. So you had better plan on doing without it.

Similarly because of lots of situations, not the least of which is this massive federal deficit that we've run up, we are going to be dependent on those countries and we better begin to think about now and to deal with it because if we don't it'll be too late when trouble comes, whether it's a low-intensity type of situation or, certainly, when we get up to the large scenarios.

QUESTION: Given that you have made it as a realistic figure -- and I certainly couldn't argue with it, it sounds awfully realistic to me -- and given that the political situation is what it is, are there some important high priority areas to which you would invite us to give our attention?

DR. KORB: Good question. I think what you need to do is in the early parts of what used to be called DSARC, now called DAB -- you know, they keep changing all the acronyms -- you need to begin to build in that surge capacity.

There are people in the Pentagon that are up to speed on that. Maybe with this new Under Secretary for Acquisitions that would be something you could get that individual to do He will have some clout.

The problem you had in the acquisition process before was it wasn't quite clear if the service in charge or OSD was in charge of what was going on. I think that there are things that you can do in that particular are: for example, the rotating inventories.

There are lots of things you can do, but it requires time and effort.

I think, too, with a more powerful Chairman of the

Joint Chiefs of Staff, more responsive to the CINCs and more influential CINCs, there may be a consensus for doing this whereas, previously, it was very hard for the service chiefs to put effort into that area given all the other things that they had to do.

I remember one time dealing with General Meyer, who I think was just a terrific Army Chief of Staff -- I mean, this man wa a man of vision, a bright man -- trying to put some money into the IRR. He said, "I agree with you in the abstract, but I have more important things to do with my money; and if you put it in there I can't put it someplace self, and I'm concerned I want to modernize the Army."

One time he came in and tried to show us there was no problem with the IRR; and I said, "Have you told General Rogers that?" He said, "No, because he wouldn't believe me." I said, "You're damn right he wouldn't believe you because, in fact, there is a great problem with it."

In other words, for him to do something about that IRR -- training, bonus -- it comes out of other things. His feeling was, "Hey, we need to modernize the Army. We have been on the short end of the short end of the stick here for too long."

If you have a powerful Chairman, that individual comes in with a different perspective. He is concerned about fighting the war.

I think, in 1989, you're going to see a completely different Defense Department. I think the whole question of defense management will be an issue in the 1989 election because it's going to be clear that we are going to stay at this level of expenditures in Defense unless we have a massive tax increase or things change dramatically in the international situation.

You are going to have somebody come in there in 1989 who is going to read the Reorganization Act of 1986 and he is going to say, "Well, I can run this place. There are things that I can do if I want to do."

I think that is the way to do some of these things. I think you need to pick the few things, the more critical things, and slowly but surely, I think, you can make some

progress in that area.

But that has to be something directed really from the centralizing institutions, whether it's JCS or OSD. They're in a better position than they were previously.

QUESTION: Your comments have been very refreshing, but I would like you to comment on another question that always has bothered me.

All of our Chiefs of our Services feel that we ought to keep warm bases no our major weapons systems, yet there are many of us here in this College who feel that that's just flat too expensive: that it's more important that we get the systems into production, buy them economically, get them out and start working on the next set of items.

Will you comment on that, please?

DR. KORB: Well, again, I think that you have a different philosophy. One cannot argue in the abstract against keeping the warm bases because if you have them, there is this particular surge capacity that you might have.

Keeping a warmer base, right now, of course, also enhances competition in this thing. That is the big buzz word now.

I think you can kind of do both. I think the production problem right now or the uneconomical buys is the result of trying to go ahead with the next generation of systems. Right now I do not think you can do that.

I think that I would slow down the next generation and buy more economically what I am already producing. With the Army, I would buy more Apaches and push the LHXs out for a while. Similarly, I'd buy more F-15s and -16s or buy them on an economical rate, buy more F14s -- you're paying $67 million for one F14D in this year's budget -- and push ATA and ATF out.

If we take a look at what we did in Libya with the F111s, that's an example of how you can be creative and get a lot of things done. You had a 1960s air frame, avionics

from the '70s, with 1980s weapons.

I think there are things that you can do; but one of the things we've done and people haven't paid a great deal of attention to, this Administration has really compressed the modernization cycle. I mean, it was gone from almost 20 years to about 10 years.

I think that that probably, as much as keeping the warm bases, is responsible for the low production rates.

QUESTION: We have, in some of our discussions been discussing competition in the industry. Our feedback states that maybe we shouldn't be so readily apt to compete everything that was decided to compete.

For example, some of the aircraft industries and some of the track wheel industries are now required to put their own money into research; and they are saying that this is having a detrimental impact on our ability to continue to compete.

Would you please give us your comments on this situation?

DR. KORB: Well, you had in this whole competitive industry a kind of over-reaction to a perceived problem. In many ways, the defense industry brought it on themselves. Some of it was their responsibility; some of it was not.

What you had was this publicity given to, first, the spare parts, and then ridiculous charges for things like dog kenneling. One thing led to another, and now competition has become an end to itself.

The most difficult thing for a person in political office, whether it's elected or appointed, is not to let themselves get rolled over by a popular movement. Competition became a buzz word.

So what people, then, made that as an end in itself and those who would said, "Now, wait a second." Just like you've said, "You can have some down sides on it, and you have to be very careful," and "Yes, defense industry has made some mistakes, but by and large, there are lots of

things out there that they do good and it's a needed industry, and it's a national asset."

That is like Senator Taft, after World War II during the Nuremberg trials, saying, "Is this really the correct process? Let's be careful." That man was kept from being President of the United States for making that statement.

I don't mean to equate the two, but it's like a hurricane going on in favor of competition.

Then I think that the Defense Department made a terrible mistake. It commissioned the profit studies, the DFAIR studies to find out, "What's really going on?" It came in and it said one thing.

The Navy didn't like that so they hired somebody else to do a study that said that these people were ripping off the Government and, therefore, we could make them pay for their own tooling.

Well, what happened? All your critics seized on the Navy study rather than the DFAIR study. Now, I've seen both of them and I though the DFAIR study was pretty objection. You had Touche, Ross certify the data. But nobody stood up.

Somebody in the Defense Department should have said, "Wait a second. This is our study." If I'm running a n organization or you're running an organization and it's our organization, and we do one thing and then one of our own people goes out and does something else, you say, "Hey, wait a second. Either you're on the team or you're not."

That led to charging for tooling and then there was political justification for doing it. It became very fashionable to beat up on defense contractors.

I think a lot of these fixed-price contracts are going to come home to roost someday and people are going to say, "What happened here?"

There was nobody in the Pentagon during the crisis time to do anything about it. Dick DeLauer was the only guy who had ever worked in industry. He left while all of

this stuff was going on; people were doing all of these things; and nobody could really say, "Well, now, wait a second."

Nobody had defense industry experience. That's part of the problem. If you get a Secretary of Defense who doesn't have it, you better get a Deputy who has it. I'm convinced of that.

I mean, you need to have somebody up there who has been there. All of this stuff happened and people would make outrageous claims.

So you're quite right: that it became a buzz word. I remember talking to the Navy's competition advocate. I said, "Don't you think you ought to slow down?" He said, "Sure. I'm going to get promoted if I get 50 percent here." He was honest about it.

That's what was happening; and we will pay a price for that in a couple of years. That's why I say: it requires real leadership to stand up and say, "Wait a second," because it's not a popular thing to do to defend the defense industry.

It is not a popular thing in a country which is very suspicious of the military industrial complex: very, very suspicious. You have to remember that between World War I and World War II we had these hearings that blamed World War I on the "merchants of death."

This is a very strong undercurrent in American political culture. If you ignore it or you stand up, you're not going to be very popular; but that's basically what happened here.

You're quite right, it will cause lots of problems in the future.

QUESTION: Can I have your thoughts on the withdrawal of missiles from Europe and its impact on deterrence.

DR. KORB: That's a little bit different subject, but I think with the withdrawal of the missiles you're dealing with a subject that has bedeviled policy makers

that deal with Europe for the longest time. You sort of can't win.

When McNamara came in and said, "Look, we can't just rely on this nuclear deterrent. We need flexible response. We have to build up conventional forces," the Europeans said, "Well, maybe they won't use the nuclear weapons." They took that in the wrong way, whereas you were not downgrading your nuclear capacity: you were trying to strengthen the conventional.

Similarly, it was the Europeans that first came to PResident Carter and said, "We have to do something about the Soviet INF," and, therefore, NATO developed a two-track approach: negotiating while putting in the Pershings and the Cruise. Then, of course, when wanted to put them in, we were confronted with all the demonstrations.

We're saying to ourselves, "They wanted it; we're doing it; and now we have to fight to get them in." Then the U.S. became the people pushing it.

In the beginning, one of our proposals then, of course, was the zero option. We hadn't put them in and the Soviet SS-20s were in. This was a very good proposal both strategically and politically.

Nobody thought at the time it was going to be accepted. Nobody is ever going to trade something that's not there for something that's there, especially when there is doubt about whether you can get it in given all of the demonstrations that were going on in Europe.

Now you have them in; now, of course, the Russians call your bluff and say, "Okay, let's do it." Then the Europeans say, "Now, wait a second. Are we better off or are we worse off? We went through all of this trauma." NATO is not the consistency you might think.

Now, my personal view on this is that if you go back to '78 before they put theirs in and before we put ours in, and you take them out, you're going to be better off than you were in '78.

However, you won't be better off than you are now because basically when you put in the Pershings -- not so

much the Cruise, the Pershings -- that gave you a really, really strong deterrent.

I think it's useful to go ahead with the agreement because hopefully it will lead, then, to strategic reductions according to the Reykjavik formula. I would do it for that particular purpose, particularly since the Russians are willing to take out their short-range missiles.

The whole arms control area is very interesting. People always think arms control leads to budget reductions and it doesn't because, in fact, arms reductions may lead to a safer world in the sense of diminishing the threat of the nuclear holocaust; but since conventional defenses are so much more expensive, it's going to cost you more money if you cannot rely on nuclear weapons.

That's very difficult because people think, "Well, let's get rid of nuclear weapons and we'll put the money into fighting AIDS." Then they find out if they get rid of them it's going to cost more money. That becomes a very, very rude awakening.

The fact of the matter is, yes, you're going to have to do something more about your conventional forces. If you get rid of those nuclear weapons, you better be willing to do it.

Would I do that? Yes, because I think without them the risk of ultimate tragedy is lower; but I hope that people recognize you have to do something about the conventional balance.

QUESTION: You talked about Mr. Lehman and the mess that he's leaving right now. If you were Secretary of the Navy, what would you be doing now so that your successor would have a nice clean shop when he or she walked in?

DR. KORB: Well, I think the Department of Defense needs to do a couple of things.

First of all, you have to give priority to supporting the weapons systems that are coming into the force. I mean, they're coming. We bought them: they're coming.

I think you have to slow down the next generation's development to buy out at an efficient rate what you have now; and you have to eliminate the marginal programs, and I'll mention two here.

One, is strategic home-porting. You would be much better off buying ammunition than dispersing the fleet. The other is that I'd take a very hard look at that light division the Army's going to put up in Fairbanks. Before I'd spend a lot of money constructing facilities up there, I would buy some combat service support for the forces in Europe.

If you take a look at the service R&D budgets this year, compare them to what was projected a year ago when you thought you would have a 6 percent increase, the service R&D budgets are exactly the same. The procurement budgets and the spare parts budgets have been ripped asunder to keep that up. I think that's why you have these very, very high work cost rates.

CHAIRMAN: We have time for two more questions.

QUESTION: Sir, about two years ago the ultra-conservative magazine Economist called us Americans "supercharged Keynesians," meaning that we are using the military budget as an economic control instrument. It may be right or wrong.

But we could use purely economic arguments to force the mobilization.

DR. KORB: The problem that we have is not that we're spending too much on defense. The problem we have is, at the time, that we tried to increase the defense' share of the GNP by 2 percentage points -- we actually just got about 1-1/2 -- we cut revenue by 5 percent of the GNP. We basically snuck back a couple of tax increases and got it back down to a 3 percent drop. This opened up a 4 percent GNP gap which was not closed by economic growth, nor was it closed by cutting back your social programs.

So that's the problem. The problem is not we are spending too much on defense. We can afford to do it, but it costs. I mean, we're living in a dream world. We are having other countries finance our standard of living.

We are selling those bonds and other countries around the world are financing us because we're spending more than we're taking in. That is the basic economic problem that we confront.

Mobilization? I think you need to argue for it on its own merits. You get yourself in trouble when you start trying to justify defense in terms of being good for the economy. Other folks can argue that it's not and that the evidence is not quite clear in that area.

Similarly it depends on what you do with the other money and then what decisions people make. I think you ought to stay away from that.

We ought to spend, in this country on defense, what we need to; and we have to pay for it. There are no free lunches.

I really worry about the amount of personal debt that people are accumulating. There's going to be a day of reckoning.

You sit and you watch what's going on now: the dollar going down. Things could snowball very, very quickly in our economy and it's a very, very fragile situation. That worries me and I think we have to be very, very careful about it.

We can afford to do this; we're just going to have to pay some taxes. Our defense build up was doomed the day we cut taxes. That was it. It's very well spelled out in Dave Stockman's book. Did you read that?

Jim Schlesinger gave a speech in 1981 and said, "It's over." He said, "We just started; it's over," because you cut taxes. Who's going to pay for this?

QUESTION: I have a couple of premises in my question. You may disagree with one of them from your current answer here.

First of all, mobilization is a deterrent. As long as the adversaries think that there's a sleeping giant around somewhere, they may think twice before doing something irrational.

Secondly, mobilization, I would suggest, involves as much or more the heartland of America as it does DOD in the sense that as long as i'm in uniform I'm already mobilized: I'll be the first to die. You will be mobilized: you'll be second.

To that end, your remarks here this morning have indicated the problems that the members of the inner circle have in trying to convince the political leadership why we should think about mobilization if not do something about it: at least think about it. You are now a captain of industry.

What are you and your fellow captains doing about the heartland of America? I'm not even a lieutenant in industry anymore.

It's an interesting thin. I spent one year as a corporate officer. So I got to go to all the corporate meetings.

Basically, industry is driven by one thing: to make money. Some people would argue that they're too driven by that given the acquisitions going on. At Raytheon, we spent a lot of time in meetings talking about what we could do to prevent the takeover.

But it's an interesting fact: When you're in industry, particularly in the defense industry, you have one customer. You don't want to antagonize that customer, as I found out the hard way.

If you go out and you do that, and it's not politically acceptable, you're in a lot of trouble. If, in fact, going out and telling people that then causes some of these problems that I spoke about, then somebody is going to say, "Wait a second. Why are you doing that? You're hurting us."

There is the risk if you tell people some of the things you spoke about they may not even give you the same amount of resources you have now. They may say, "Hey, let's go back to isolationism."

When you speak to people in the heartland -- if you

see the folks in Pittsburgh and the economic wrenching they're going through with the closing of the steel industry -- they don't want to talk about this area. They're concerned about jobs, the future of their families.

The place I shop in, which is right near the university, 90 percent of the people use food stamps. It's like the Depression: able-bodied men, steel workers, are begging to carry your groceries. That's what you're dealing with out there.

You get up and you give a speech; I say, "I'm from Washington"; they say, "Washington, PA?" That's what they're looking at there.

I think you have to be very, very careful when you say "Go out and arouse the American people," because there are lots of other things they're concerned about; and I can give you the example of the folks out where I am.

CHAIRMAN: Dr. Korb, on behalf of the College and the Center, thank you very much for giving us your insights and for the hand that we've always come to expect in your appearances here. Thank you very much.

DR. KORB: Thank you.

CHAIRMAN: We will take a short break.

[A brief recess was taken.]

CHAIRMAN: If I could have your attention, we'll proceed this morning.

We've had some outstanding dialogue yesterday and today, and we hope everyone who attended the reception last night had a good time. We know there was a group of four who stayed rather late and enjoyed it. No names mentioned this morning, but they were all students.

At this time, we would like to hear the Panel Chairmen Reports on what was discussed in the panels yesterday and today. We will begin with Dr. Jeff Record of the Political/Social Panel.

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PANEL CHAIRMEN REPORTS:

POLITICAL/SOCIAL PANEL

DR. JEFFREY RECORD

DR. RECORD: Thank you. It's a pleasure to be here. I'll take the liberty, in having the podium, to make a couple of comments about what Larry Korb has said.

I very much enjoyed his presentation although, as Georgian and as a former legislation assistant to Sam Nunn, I take the greatest umbrage at his unfortunate remarks about the $7,600 coffee maker on the Lockheed C-5. The public and the media do not appreciate that coffee pot. It can withstand nuclear overpressures of up to 5,000 psi. It can withstand any crash; and if you were on a crash investigation and rescue team spending days trying to find a downed C-5, how wonderful it would be to arrive at the crash site with the smell of hot coffee perking.

Let me also say that with respect to the general question of mobilization, I agree with what a number of people have said here at this conference: Congress is part of the problem. I should know since I was on Capitol Hill for four years.

I remember a hearing about ten years ago in the Senate Armed Services Committee. Senator Nunn was still a junior member of that Committee. I happened to be sitting behind him when the Air Force was making a presentation, as I recall, on the hardening of the Minute Man silos.

They had come up with a whole set of charts, diagrams pictures, viewgraphs and the like; and they had been giving their presentation for about 45 minutes, without interruption from any of the Members, referring constantly to the issue of silos and how they should be hardened.

An unnamed former Senator from Virginia, characteristically a Republican, who was voted every year by the Senate Staff as being the dumbest man on Capitol Hill, asked a point of order from Chairman Stennis and said, "Mr. Chairman, I'm very intrigued by all this discussion of silos. I would like to raise a question of jurisdiction.

"Shouldn't this be a matter for the Agriculture Committee to determine?"

At this point, Barry Goldwater, who happened to be sitting next to Sam Nunn because all the Senators were crowded at one end of the room, turned to Sam and said, "If that man were any dumber he'd be a tree stump."

We had four papers in our group yesterday. The first one addressed the question of low intensity conflicts with a kind of general conclusion that at the very lowest end of the conflict spectrum there were not a large number of significant mobilization implications, at least insofar as we have traditionally viewed mobilization for war. The presentation made a number of points which I will list:

One is that low intensity conflicts are different in kind to that which we are traditionally prepared to deal with; that the aim of the insurgents is to demolish the moral legitimacy of the host government on political, social, economic and security grounds; that a number of conditions have been identified on the basis of a survey of a large number of low intensity conflicts which can give you some idea in the way of predicting their outcome; among the things that Government must do is to establish political, economic, social and security legitimacy; the insurgents must be isolated from external support; and a counter-insurgency force must be in the field early on and it must be well trained; success in dealing with low-intensity conflicts requires very early detection, 15 to 20 years in advance, of the kinds of social and economic conditions that may give rise to insurgency; in some cases, U.S. combat forces may be required, but only as a last resort: it is far better to train locals to do this job than it is to inject American combat forces, the very presence of American or outside forces works to, in some cases, delegitimize the government those forces are presumably sent there to defend.

With respect to mobilization, the United States must have long-term mobilization plan/strategy and an integrated national effort of the kind that our previous speaker, General Forman, referred to.

The second paper dealt with manpower problems. The basic conclusion was that without a declaration of war you're going to be in essentially a come-as-you-are fight in which our ability to mobilize sufficient quantities of

manpower in a situation short of declared war will be severely limited; that 80 to 85 percent of our current force structure is manned: this may require a significant amount of cannibalization of other units in order to get the first deploying units up to snuff and into the field;

As we all know, most support units are in the Reserves; and the demographic composition of the Army and the Marine Corps could result in disproportionate casualty rates among minorities.

The second point the paper made -- and this was a point that was generally agreed to throughout our sessions -- is that the all-volunteer force has produced only a facade of manpower readiness. It is essentially a peace time force who ability to deal with external military challenges larger than Grenada and Libya, and certainly of greater duration, is in serious question.

The paper's recommendations were to expand individual mobilization augmentees, to expand national defense executive reserves, and to return to conscription.

The third paper dealt with economic stabilization and started out with a review of economic stabilization measures that historically have been undertaken by the United States in World War I, World War II, the Korean War and Vietnam.

The aim of economic stabilization measures is to insure the diversion of resources from consumers to war time tasks without incurring hyper-i. flation; without prompting hoarding of scarce goods; without engendering panic among the civilian consumers; and, importantly of course, without excessive deficit financing.

The lessons drawn from the past are that centralized control is going to be necessary in a major conflict in which we seek to maintain a stable economy. Measures of stabilization must be initiated early; and when the war is over these should not be terminated abruptly because that involves a great deal of disruption in the civilian economy; and, as a general proposition, that we cannot have guns and butter as the Johnson Administration tried to do in Vietnam and as, indeed, the Reagan Administration has done with respect to the peace time military build up during its Administration.

Third, that indirect measures such as fiscal, monetary and credit policies are to be preferred over such direct measures as wage and price controls, rationing of consumer goods, and the like.

Fourth, extended mobilization, as we have had in effect since 1950, is difficult to sell to the American public in the absence of a clear and present danger.

The last paper dealt with the question of political mobilization. This is the mobilization of congressional and domestic public opinion to sustain public support for wars, especially those that are large in size or extended in duration.

The general thesis of the last paper is that the political mobilization is the indispensable prerequisite to effective industrial, military and economic mobilization; and that this is the Achilles' Heel of American defense preparedness today.

In part because of experiences in Vietnam, in part because basically we are not a war-like people, we have seen the collapse of bipartisanship in foreign policy. We have also seen a number of other developments such as the creation of an all-volunteer force which is so socially unrepresentative of the society that it probably lacks the kind of strategic stamina -- especially when the casualty lists first start coming in -- that would be necessary for a protracted war in circumstances not involving, at least in the minds of the majority of the American people and the Congress, a clear and present danger: another Korea or Vietnam.

Let us not forget how unpopular the Korean War was. It was as unpopular as was Vietnam.

There was some discussion of what the paper termed "the rise of cheap patriotism." By that is meant love of country as long as it entails no higher taxes and as long as it entails avoiding the inconvenience of having to serve one's country in uniform.

There was a general conclusion that this country lacks the necessary national political cohesion to sustain any kind of major protracted conflict involving substantial

casualties and involving interests that are either not well articulated by the Executive Branch, or are well articulated but simply not accepted as being worth fighting for by the American people and their elected representatives.

There was a general conclusion that a return to conscription in some form of fashion, either conscription straight out or as a part of a national service obligation, would be a means of restoring a sense of national political cohesion in this country: certainly not a cure-all, but a step.

In addition to which, conscription would, of course, solve a number of manpower problems now plaguing the all-volunteer force.

We have raised a generation of young Americans who have no sense of individual obligation to the collective welfare of their country. The AVF is, in effect, the legalization of what at the time was mass draft avoidance and a return to conscription would, in some sense, confront every able-bodied young American, certainly able-bodied young men -- and if it were a national service obligation able-bodied young women as well -- with direct and personal experience with things military in the context of a philosophy that said, "Every American owes something, some piece of his time, to the national well being."

No President since Lyndon Johnson has called upon Americans to act as citizens. We think, unfortunately, in terms of our long-term mobilization capacity as first and foremost requiring political mobilization.

I, for one, feel quite uneasy living in a mass democracy: or any country which excuses its more privileged members from defending it. Thank you.

CHAIRMAN: Thank you, Dr. Record.

If you have questions, please jot them down. We will have an opportunity for you to ask questions after our final speaker. Next we'd like to hear from the Industry Panel, Dr. Lyon.

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PANEL CHAIRMEN REPORTS:

INDUSTRY PANEL

DR. HYLAN LYON, JR.

Industry Panel

DR. LYON: I guess we're the only ones to prepare what they call in Texas "holes" so we can show some of our conclusions up on the screen. The first chart will show you the rough agenda so I won't bore you to tears.

I want to just review for you an oversight of what we had as raw material to work with. We took a different approach.

There were a lot of commonalities in the paper. We tried to pull out common main points that ran through all of the presentations; make some of the specific points that were in some of the papers that we felt should grab your attention, maybe encourage you to seek out the authors and dig deeper; and we tried to go beyond that and see if we could defeat this pessimism a tad and see if we could find a way to do something over the next year and accomplish something on the industrial mobilization side to take advantage of some opportunities and some successes, and see if we couldn't build on that even though the challenge, as we have see, is formidable.

A couple of my earlier bullets got on the first chart so I'll go back to them.

We had five good papers. We did complete our 10-minute overviews yesterday morning so the afternoon sessions were very intense and very well attended. Then we were able to get together this morning and try to sort through the conclusions.

You've seen this before, but I think it's good to get a feel for it. We went from the general to the specific; from the macro-economic to the micro-; we looked at regulations, we looked at the industry analysis; and that's one of the reasons why we think that the conclusions that were coming out kind of fit through all five.

At least we felt that way for a while this morning. Maybe it won't look that way now.

The style of language here is a little difficult. I could never get away with this in front of the Fort Worth Rotary Club, talking about the "heartland of America."

That's kind of where I work and live right now.

But, given all this context, somehow I'll have to communicate to people that this notion of mobilizing in response to high intensity conflict seems to have been the only thing we talked about. That may be weak, as we've heard, but he ability to act or change priorities without that is almost non-existent.

We're not sure we know what that means, but it means that mobilization priorities -- the commitment, the ability to grab the attention of the policy leaders -- is somewhat tied to some magical event that's out there: some point in time when things are different after that point than they are before then.

Therefore, the need to act or change priorities in the absence of mobilization is very important and we argue, from what we're picking up, more important; and maybe there's going to be a change in attitudes due to five or more trends or themes that, if we're skillful and careful at how we couch our language, we can bring together to make a fairly persuasive argument.

I think we took something from Len Sullivan and from our own feelings that the signal to mobilization, this event, really isn't ever going to be an event: that mobilization is, in fact, a continual process in terms of industrial preparedness It's not something that you can do after the sleeping giant is tickled: that to be prepared to even come close to mobilizing and developing the kinds of weapons that would be needed for increased utilization on the battlefield would require us to be dealing with that all the time; and we've failed in a way to do that, and some of our strategies will point out how we try and accomplish that next year.

We think the follow-on to Reykjavik, the fact that a shifting away from nuclear deterrence towards conventional deterrence is a given -- it may be historical, it may be five or ten years -- as that happens the awareness of the ability to mobilize as an element of foreign policy, as an element of sending signals, as an element of deterrence is going to become more implanted in the consciousness of the leaders.

We see an expected decline in the funding levels for defense -- I guess we're just echoing what Larry Korb was saying -- but that can be a virtue.

Some interesting arguments have occurred in the last year that possibly that constraint, if it's worked skillfully and we deal with it right, could actually give support to some of the proposals.

But more importantly, from industry, the final one is that there is a structural change going on in U.S. industry and it's going on whether DOD does anything about it or not; and there may be some things DOD can do to either compensate for it or affect the trend.

The advent of automation is the first. What we meant there was that capacity is so expensive that it's going to be very difficult to support unused capacity. How specific will that capacity be? Will it be military only, or will it be dual use?

As a result, as we drive to bring costs down through automation, as we drive to improve quality through automation, as we make all these drives we're also going to destroy the surge capability because that factor is going to be sized to the order book and it's going to be made to fit what today's planned production rates are; and then to increase the through-put is going to be very difficult.

Commercially we don't have any analogy, like aerospace or electronics. The U.S. is losing market share: it's just a fact. It's occurring.

It's occurring more because of the positive acts of auditors than maybe failure in art. The theory that I proposed -- I don't think anybody agreed -- was that other countries have learned that, in effect, your share of the world market is essentially your share of the installed capacity.

So if you want more of the market, build more capacity; and then argue for free market.

The last one is foreign source dependence. Particularly as you go down to second- and third-tier vendors, more and more we're finding that defense products

are dependent on quality in suppliers and products, and components and subassembly; and the best supplier is the non-U.S. firm.

What do we do about that? Larry Korb mentioned that, through export control, we try and stop acquisition from these firms, other things of that nature. Can you really stop it that way? How do we deal with it?

But it's a given. It's going to happen and this transition from sourcing to vulnerability to dependence is going to occur; and we have to understand how that evolution is going on.

The next statement is an obvious statement, but it's one that needs to be said over and over again: Because of all these factors, industrial capacity for surge -- which we mean as existing capability; and, for us, mobilization is building all new factories -- is a cost item and, in some way, has to be in the budget.

You may not want a line item at the DOD level, but somehow it has to be funded and paid for whether it's by actions of the plant rep and the local program manager or whether it's by the program manager in Washington having money in the budget at he Defenses Resources Board level, or however it occurs.

The bottom one on the chart is at five-minute approaches. What we mean by this is that having a whole bunch of horses and a whole bunch of riders all out there doing good and fighting their own battles just ultimately leads to neglect at the higher levels: that we just don't get any concerted action going.

The two points that were covered up that were on the first chart were that excess capacity is expensive; and then we used a Washington word, "can attrit,'" which to Fort Worth means it's going to evaporate and go away if you don't use it.

So the whole notion, as you'll see in another chart, is that we have a little dilemma here.

The final one, and not least important -- probably the most important -- is that industrial preparedness or

the ability of this industry of ours to surge must consider both military-specific and military/commercial general use aspects within each sector because more and more we're beginning to feel like, "Gee, the excess capacity has to be used for commercial purposes to keep it alive and viable; but how much of that commercial capacity really can be reprogrammed to defense products unless you just take the commercial product and take it to the battlefield?"

Now, I probably didn't do a good job capturing all the thoughts, but nobody assaulted me for saying that was a fair reflection. There were a few specific points made in papers which we weren't too clear about how generalizable they were.

Here I quote the author. The first one is a Naval Academy paper. The current or future output cannot be looked at in isolation.

Really, what we feel they are saying there is that there is too much focused on just one particular sector, one particular slice of that sector, and attempts are made to draw conclusions without looking at where that sector fits within the broad economic picture.

The second one is: Unused capacity is a proxy for surge, but unused capacity can be liquidated. That was the word "attrite" I used earlier.

Essentially what that says is we sit here and say, "Gee, we need to have capacity to surge, and if we go around and build that and don't fund it and don't keep it alive and viable, that capacity evaporates." So you have a dilemma, then.

If you're looking for a free good, which is some kind of capacity that isn't justified today, it won't be there when you need it. How do you play that game if, in fact, the military and commercial sectors are differing and are beginning to separate?

The third point we had there is one that was made from the Army Materiel Command that the worst case we can think of would be that we use up the inventory of expendables -- the bullets -- in a low intensity engagement and we're unable to create the political world to replace

the stores so used. Somebody mentioned that what we need is the political clout to go in for a supplemental. If you think that through, that might not work because a supplemental then become a vote of confidence; and did the President do the right thing expending that ammunition?

So it will be a referendum on the President's action, not a commitment to restoring the reserves that were drawn down for that low intensity conflict. However, it's the worst case and probably the most probable case.

We had in the paper "the commercial aircraft industry." We could probably get a lot of debate about the big-ticket items, but one clear consensus, I think, that nobody had a real problem with was that the commercial small-craft aircraft marketplace and capacity in this country is essentially devastated.

So all of you who are finding and buying nice turboprop twin-engine 8-passenger things in the future for some limited purpose are probably going to have to buy Brazilian.

One of the more interesting challenges of our group was that the analysis of the trucking industry done by the students here at ICAF shows that things aren't too bad right now. The trucking industry can supply the needs of the military. It's a small part of the market.

But when you look ahead ten years, you can see a clear erosion of the ability to the Army to buy the trucks it would need in time of mobilization. So are we going to wait ten years and respond to the unacceptable situation or are we going to think about it now?

Our last chart was to take all of this morning -- and I tried to lead the group, and probably failed miserably -- and come up with something we can do between now and Mobilization Conference 7 to take advantage of some existing windows of opportunity, of some existing lessons learned, and try and see if we can't accomplish something with all this good thought; and that's our last chart.

We heard -- and I don't know if I understand it yet, and maybe some of you do -- last year in a precision-

guided munitions analysis that they were able to justify procuring long-lead items in the budget on an economic argument that said: You'd need a couple million dollars to create the insurance, if you will, that this approach of buying just the long-lead items can give you for -- what was it? -- $12 million, $14 million or something like that.

How did that happen? How as the debate presented? What allowed them to accomplish that within the total? How generalizable are those results? Why couldn't people see that it needed to be applied in other programs as well?

Well, that was a success story. Now, how can we draw from that, and where are the places that we need to look into in the future?

I challenge all of you guys who are going back to your field assignments or your procurement assignments to seriously try and understand that before you leave here, and see if you can't pick up on some of that and try and make that happen.

The third one was that apparently there's been a big change in the minds of the strategies and the JCS from something called "de-conflicting" of the line requirements by the CINCs -- which essentially says, "Apparently, up to this pint in time, the Commander in Chief could draw upon the entire resources of the Nation to fight his battle"; which means that no other CINC was to fighting battle -- to now he's going to have an apportioned share of the bases and resources to draw upon so he's going to have to have a much more realistic scenario;

And that in this, if you will, apportioning of the CINC's reserves which he can draw upon, the CINC is going to have to start looking at whether he really can engage the enemy and expend the resources at the rate that he would want to; and that this is then going to bring about more of an awareness on the part of the planners in the JCS of logistics and mobilization issues.

That process of de-conflicting is underway. The question is: Will the process lead to the awareness and the visibility at the highest level that Larry Korb was talking about, to dealing with these issues of mobilization and looking for cost-effective solutions on, maybe, the total offered.

The fourth item is a statement of what we'd like to see happen. However, the total case gives us some feel that in making plans for industrial preparedness, an integral part of service end item budgets is not a crazy idea: that with a little skill, a little preparation, with figuring out who the voters are and with each of you finding one voter and walking him to the voting place, you just might be able to make some of this happen in the next year.

It's possible to do that and it's possible to do it on a return-on-investment argument. So the combination of the requirements for the CINCs and this kind of success of last year in building on that gives us some hope that if we get our backs up we just might be able to make it happen.

That's the same thing for the next one: ensuring sure requirements are funded in new starts. The program manager says, "Holy mackerel, you can't expect me to expect those costs. I'm trying to get the radar funded; I'm trying to get the test equipment; and don't come in here telling me I have to put money in for surge."

So when we say ensure surge requirements are funded, maybe there has to be a dedicated amount of money that is not fungible in the sense it can go to these other things. It might come from a separate source, but if someone had enough political clout to get those funds and say, "Okay, you have $12 million, Mr. Program Manager, for the surge. So go buy that bigger lathe; go buy that better through-put device in the factor; go put that stuff together and you can charge this job number for those expenses, and only this job number for only those expenses." Maybe it's possible; maybe it isn't. But we have to find some mechanism for doing that.

The last one is improve visibility into the business conditions of vendors and suppliers which support the primes. This came up from about five different directions. One is that we don't know this; another is that Dick Donnelly is pushing a program to give you this visibility; and many of these same issues are involved in the JIMPP process, which is going to be working through the system this year.

Form follows function. These are the functions of

the Joint Industrial Mobilization Preparedness Planning process. I've been briefed on it and I think I understand it, and that's dangerous; but at least it's moving.

It started in the December time frame and there will be some meetings and there will be some discussions; and the question is: Deal with the functions, deal with these roles and objectives.

If the world were perfect, I'd like to come back here where I'm working, where I could command some resources on this, and I'd start out the next Mobilization Conference saying, "Okay, industry people," and "Okay, program managers. How well did we do? Did we get into the JIMPP process? Did we take advantage of the de-conflicting of land requirements?

"Were we able to get a process set up where at least it was discussed better; maybe we lost, but at least we got it discussed and almost won? What were the counter-arguments that were used? How could we prepare our argument again next year?"

There are some opportunities this year. They're very specific. If we prepare for them -- if we get the right arguments together and the information in the hands of knowledgeable people -- if we help them understand the political calculus and trade-offs they have to face, and then we support them and back them up, we just might make process.

That's the report of the Industry Panel. Thank you.

CHAIRMAN: Thank you Dr. Lyon. We'll now hear from Mr. John Kester who will talk on the Military Panel.

PANEL CHAIRMEN REPORTS:

MILITARY PANEL

MR. JOHN D. KESTER

Military Panel

MR. KESTER: Thank you.

The Military Panel focused on three aspects of responding to low intensity conflict. These were medical, transportation and reserve forces.

I can't do complete justice in the time available to the very good papers and good discussions that were presented on those topics so what I will try to do is just hit what seemed to me some of the high spots and refer you to the real experts who did so much of the work on those topics.

The first and really the most optimistic of the three areas we looked at was medical and it was prepared by Colonel Jim James, assisted by John Moscato. The conclusions were that we have enough active duty doctors and nurses to handle conflicts up to about the level of a limited engagement in southwest Asia, if we agree on what that terminology means.

By 1992, a target date, if current programs continue on track we should be able to support an even larger commitment of the total force. There are improvements being made in personnel, equipment and supplies.

But 70 percent of the medical capability is in the Guard and Reserve and there are some issues which are probably worth keeping your eye on, which have not been entirely solved.

One of those is the specialty mismatch. We have lots of MDS in the service who are pediatricians and general practitioners; and that's very fine for handling dependents' children with runny noses and other things that happen. We don't have so many orthopedists, neurosurgeons and the kind of people who wold be called upon to handle the sort of battlefield trauma that General Gorman was talking about yesterday morning.

One of the reasons that we have this kind of mismatch is that a military MD, with the improvements in pay and benefits that we've had in the past few years, can

earn about the same compensation or at least within a range of a pediatrician, say, or a general practitioner in private practice; but when you start to compare it to surgeons in private practice, the pay differential is that a civilian surgeon, on average, probably makes 100 percent more than a military doctor.

Another unsolved problem is response time. It's estimated today that it would take seven months to establish a pipeline if medical personnel had to be pulled into the service by some sort of conscription; and figures like that, in my judgment, tend to be somewhat optimistic anyway.

That could be cut, the Selective Service system thinks, to two months if they could set up a system to register military personnel; but registration for the doctors' draft has been vehemently opposed by medical organizations and, also, is looked upon unfavorably by people who are committed to keeping the volunteer force in place as a volunteer organization.

The demographics of mobilizing doctors are better than they used to be. We don't have a shortage of doctors in the United States. In World War II, the military forces took 33 percent of available MDs. If we went to a large mobilization today, we'd need only about 5 percent of the doctors; but the demographics of the profession itself are changing.

One thing to think about -- and I don't know if anybody has a solution for it -- is that it's estimated that by the year 2000 25 percent of the U.S. MDs will be female; and if you take another cut and just separate out young and able-bodied, that percentage will probably be even higher. Now, there are problems of social policy, there are problems of equity there.

So, in summary on the medical front, things look okay for a limited mobilization; greater problems if you think of an extended mobilization; and there's a consensus, I think, among our group that you need to have some kind of a standby system in place to draft doctors, but that is not politically easy.

Our second group talked about transportation. The

presentation was by Colonel Jonathan House and Colonel Bob McCleeve was also involved in that.

When you talk about transportation, you have to consider all the modes; and those are principally, of course, air and rail, motor carries, sea and pipeline. THe Department of Defense has some organic transportation assets -- things that it owns itself -- but for an effort on any scale it really needs to depend on the assets that are out there in the civilian society; and the civilian transportation system in this country is undergoing enormous change right now.

With respect to rail and motor transportation, the main problem is finding a way to keep track of what's out there, what we have, and where it is. We think that there really are enough assets out there in the civilian society to handle a mobilization of limited or even moderate size pretty well.

There are some mismatches occurring. Boxcars and flatcars are starting to disappear from U.S. railroads. Everybody is going to containerization now; but you can't put an M1 tank in a container. So that creates a problem. The Department of Defense does own some flatcars and boxcars, but it might need more.

Motor carriers are even harder to keep track of now than they used to be because of deregulation. Some of the large carriers have gone out of business; there are more small-haul operations. This is an example of what Hy Lyon called structural change in industry. This is structural change with a vengeance, and it's happening not just to motor carriers but deregulation in industry has also created problems for military planners when they start to think of air assets.

There is much less excess capacity in the U.S. air transportation system than there used to be. It's a lot more efficient in dollar terms. It's performing better as a market entity, and that's good; but it's less able to respond to the Department of Defense' needs which market forces take no account of; and that's bad.

For one example, the CRAF transport aircraft, the Civil Reserve Air Fleet, are airplanes that are fixed up to

meet DOD needs at DOD expense should they need to be mobilized. They're equipped with stronger decks and 5,000 psi coffee pots, and other necessities of that sort. That's fine when the U.S. air fleet is heavily into wide-bodied jets; but wide bodies are now starting to phase out. We have many more small, more efficient aircraft which, however, are of much less use to the Department of Defense.

Other changes in the economics of the U.S. air industry, for example, include the fact that now many of the aircraft that you see flying around are not owned by the air lines who have their names painted on them, but are owned by foreign investors and leased back to the U.S. air fleet. So there's a little less control there than you might want. But of all the transportation problems, the greatest problem is with Sea Lift. This has been a perennial problem and it is getting not better, but worse.

U.S. shipbuilding and U.S. shipping are sick industries. The authority over shipping is fragmented among the Navy, the Maritime Administration, the Federal Maritime Commission, and yet not represented there is the Army which is the biggest military shipper.

There are plans for a U.S. Transportation Command. It's coming into being. It may be of some help in this regard. AT the same time, it's no news to anybody here that the Government feels it's suffering from a lack of funds. So there's not a lot of money kicking around anymore to subsidize U.S. shippers.

It is exactly true, as Larry Korb said earlier today, that inefficient businesses like to invoke mobilization as a buzz word to try to raid the Federal Treasury; but just as even paranoids have enemies, even some of the things that lobbyists say are true and, in this case, the mobilization base is in danger.

There's also what Colonel House called "the ancient mariner" problem. It seems that fewer young boys in this country are now running away to sea; and the average age of the merchant seaman aboard U.S. flag vessels is 53 years old. So even if you expanded the number of ships, you would start to have a problem in manning them.

We said a little bit this morning about possible

vulnerabilities of our transportation system. During the whole Vietnam War there was really no significant incidence of sabotage in the United States; but what if you got involved in some kind of a low intensity conflict abroad with an enemy who did not play fair, some Ayatollah-type person? What if he decided to perform a little domestic sabotage in the United States? We depend heavily on pipelines for natural gas and petroleum. How do you guard a pipeline against a determined enemy who can strike anyplace? What about rails?

There was the old joke about putting the MX missile on railroads, which is being considered now, and somebody say, "Put it on Amtrak and give the Russians a timetable, and they'll never be able to find it."

But what if you plan to keep your missiles on rail cars on military reservation and then move them off, and there's a single railroad track running off that reservation? Or even more to the present point, it was pointed out to me that if somebody blew up the railroad bridge that's a mile or so away from here over the Potomac they would sever the north from the south like they haven't been cut since the Civil War. The nearest crossing for railroads of any quantity from north to south would be through Cincinnati.

We have only one port on the east coast, Sunny Point, North Carolina, set up to handle transshipment of ammunition and only one rail line going out of it.

There are many choke points or vulnerabilities in the transportation system where there is very little redundancy. So perhaps one thing that ought to be looked at is how much of our planning depends on assumptions that the other side is going to play by our rules? Right now, the addressing of that problem has not gone very far beyond making a list of places to worry about. That's a start, but there's probably more needs to be done.

The final aspect we looked at is the Reserves. Captain Dana French and Colonel Lee Dixon addressed this.

There are some very well-known facts -- no news to anyone here -- that different Reserve units have very different degrees of readiness. Reserves as very

disparate. They are units. There are individuals. They are somewhat a mixed bag, and they differ somewhat from service to service.

Air Force and many Navy units do very well, partly because they can do actual operations. They can fly with aircraft. The Army has a much more difficult task. It's not easy to take people out for a weekend to drive tanks or heavy equipment around the town, or to spend Saturday at the Fol de Gap.

There are some other facts about the Reserves that are less obvious and more curious. The intelligence, the engineer, the combat support units that General Gorman was saying yesterday he wold like to use more are mostly in the Army Guard and Reserve. Unlike the Navy and the Air Force, whose Reserve units to some extent tend to be add-ons that resemble in composition the active force, the Army has structured itself so that it can't fight on a very large scale without someone calling its Reserve units to support active duty units; and that would have to happen pretty early on.

Now, we all know that calling up Reserve forces is not a politically popular or easy thing. It hasn't been done on any large scale since President Kennedy called up Reserves in the Berlin crisis; and he gained no popularity when he did that.

Now some would say that this is a calculated effort by the Army to ensure that no wars are fought without broad public support; but is that the best plan for the country and for being able to respond to lesser contingencies; Is it really in the interest of the Armed Forces, if they are looking to go to the public to fund a large defense, to say, in effect, "We are only going to fight under certain conditions, such as a wrenching mobilization"?

Some other points to consider about Reserves -- and there are really too many here to summarize, and I refer you to the very able authors of our papers -- to fill a billet for a year with a two-week Reservist is going to take more than 26 people. Not an easy thing to arrange. The estimate is, perhaps with all the friction of moving people back and forth, 33.

Another point that I think needs a lot more attention in using Reserves to chase drug traffickers during their Reserve active duty periods. That appeals to Congress, but it may not be the same training that the Reservists need for their mobilization missions.

Perhaps we should look at the question of whether the active duty forces should be structured so that active duty forces would address lower intensity conflicts and leave the Reserves to respond only to the very largest contingencies.

That's an inadequate summary of some very good papers. As I say, I refer you to the authors for any details.

Thank you.

CHAIRMAN: Thank you, Mr. Kester.

We'd like to take a short stand-up break, if we could, to prepare the stage for questions for our panelists.

[A brief recess was taken.]

CHAIRMAN: We're a little bit off schedule and we apologize for running a little late. We would like to get started.

Could I have the first question, please?

QUESTION: Greetings from Selective Service. Jeffrey Record, you're number one on our list.

You brought up the point about using a draft or universal service as a way of instilling patriotism. You referred to "every young American," which means you're talking about nearly four million turning 18 every year and maybe 5 or 10 percent could go to the Armed Forces. That would be 90 or 95 percent would have to go out into non-military Government assignment.

It just seems to me that you're not going to install patriotism in 18-year-olds by asking them to go somewhere they don't want to go, and asking them to do something they don't want to do.

What I would suggest is let's leave social engineering to the Communist countries.

DR. RECORD: I don't consider Sweden a Communist country; I don't consider Switzerland a Communist country; I don't consider a lot of countries Communist that, in fact, with great success have had some form of national service obligation.

To be sure, there are profound budgetary and other implications that this country would have to examine in the greatest detail before one moved to a national service obligations; and, to be sure, if one moved simply to conscription -- even during World War II when we had 12-1/2 million men under arms there was a large number of young men who were not in uniform, who were serving in skilled positions in the defense industry.

I get back to my basic premise. Leaving aside the quite compelling, in my judgment, strategic arguments that can be made for a return to some for of involuntarily military service -- and we're not talking about going back to the old Vietnam draft -- I think one can make some fairly compelling political arguments.

I really do not think it is a crime to ask a young man and a young woman, particularly from Harvard and particularly from the great white American middle class, to pay back something into this society of which he and she are the chief beneficiaries.

You may recall during the war of northern aggression that the Union side had something called a purchase system whereby, theoretically, every draftable young man in the north was subject to the draft; but if he could furnish a substitute, he could exempt himself from the draft and, failing to furnish the substitute, if he could pay $300.

That is, in effect, what the all-volunteer force is today. The AVF is essentially a vehicle of the great white American middle class to hire an army of economically conscripted under classes to fight for the country of which the middle class is the chief beneficiary.

And that strikes me as being an utter abnegation of what George Washington and the Founding Fathers felt, rightfully so, was the definition of civic virtue.

MR. KESTER: If I could just chime to second Jeff Record, I don't think it's right to dismiss what I would call civic responsibility as social engineering. I think a democracy goes down a very dangerous road when it says, "We can take the most unpleasant and yet the most important tasks in our society and contract them out."

I don't think it's necessary to take every young man into the Armed Forces -- we never did that -- in order to have a great see chance in what we tell young people they owe to their country. It was certainly the case 20 or 30 years ago: the young men growing up knew that they had an obligation and they might be called for military service, and they behaved accordingly and they thought accordingly.

I think there is a very bad message that is conveyed by the current system about what really matters in this country; and I think the ramifications of it are harmful to the society and harmful to the Armed Forces.

DR. RECORD: If I could just add one footnote.

MR. KESTER: Then I'll say something.

DR. RECORD: Do we really wish, as a super power with world responsibilities, 15 or 20 years from now to be governed by an elite of individuals in the Congress and in the Executive Branch who have had no direct personal experience with things military?

Or, perhaps more to the point, do we want another pack of journalists even worse than we have now? Do you really want the Pentagon press corps to be composed of people who have basically exempted themselves from military service?

I'm not so sure that that is the kind of thing that's compatible either with this country in terms of its definition of civic virtue or in terms of its responsibilities as a world power.

CHAIRMAN: Next question, please.

QUESTION: This is directed to Dr. Record or whoever else would like to respond.

What would be the clear and present danger that would mobilize the political support for today? I'm thinking, reflectively, that both Korea and Vietnam were presented as such.

DR. RECORD: I'm not so sure that we can ask the Japanese to do so well for us today what they did so brilliantly for s in 1941; and that to eliminate the entire challenge facing Roosevelt in mobilizing the population against a hated foreign enemy.

Pearl Harbor solved a lot of Franklin Roosevelt's political mobilization problems; and with the German declaration of war four days later, so far as the Europe-first strategy was concerned, Hitler solved that for him as well.

I'm not sure that there is any single event or set of circumstances that can lead us from today into next week with a restitution of what we had in the 1940s and 1950s. I think some kind of military service will get you somewhere along that road.

I'm sure that many of you are old enough or young enough, as the case may be -- I was a teenager during the 1950s -- to remember the old tear-jerker movie, "A Summer Place," with Sandra Dee and Troy Donahue, which kept your girlfriend in tears for the entire two hours.

You may recall that it was a story about the young unmarried couple. The worst thing which could befall them in the 1950s happened: she got pregnant and they didn't know what to do.

They were out on the beach one evening talking about what they were going to do. Were they going to go off to Mexico? Were they going to leave town?

He casually says, at one point, "You know, we've got to work our strategy around my military service because I have to do two years in the military." This was assumed

as a given even though he might or might not have been called, depending upon what the draft calls were.

We may not ever be able to go back to that, but we can certainly come a far cry from where we are now. We are basically living in an era that is equivalent to the era of Louis Philippe in France from 1830 to 1848 in which the national slogan was "Enrich yourself. You owe nothing to anyone except ourself. If something happens to the country, others will take care of you."

That's a dangerous position to be in for somebody with our responsibilities.

CHAIRMAN: Next question?

QUESTION: John Kester and Jeff Record both know me; and they'll not be surprised that I'll take a different position.

I'm concerned about the political feasibility of even raising the issue. While you're preaching to a choir, here, that it would be desirable for both strategic and operational reasons, perhaps, to return to a draft and it might be desirable to install a sense of civic virtue in our youth, I'm not sure that doing it by compulsory means really accomplishes the mission.

Washington and the Founding Fathers, in their wisdom, understood that compulsion went against probably the core value of the emerging Republic, and that was individual freedom to choose.

They, too, used substitution and purchase to avoid compulsion; and their notion was that if a person volunteered for military service or volunteered his funds, or by paying a neighbor to substitute for him, civic virtue was being served and demonstrated.

I would ask if raising the issue of restarting some kind of compulsory service, either military or national, would not be counter-productive given the political climate that Dr. Record so eloquently outlined yesterday.

Consider the divisiveness of simply restarting registration and bringing selective service out of cold

standby in 1979. It went all the way to the Supreme Court.

Talking about actually relegislating induction authority, I would suspect, would bring all of those arguments out again and could very easily paralyze the political process, at least for one Session.

DR. RECORD: I'm sure the American Civil Liberties Union would agree with you completely: that conscription is unconstitutional, an argument that they did not use in any previous war.

But with respect to George Washington, you may recall that George Washington and the Founding Fathers grew up in an environment in which it was assumed to be the duty of every able-bodied man to be a member of the militia. There was no need to have a law passed because everybody had so much civic virtue that they joined the militia.

Not everybody, of course. There were those Tories who defected to the other side.

With respect to the unpopularity of the draft, much of the unpopularity of the draft in the minds of many people today is a function of what they remember the Vietnam draft to have been.

It was clearly inequitable. It was clearly associated with an extremely unpopular war. Nobody that I know who favors a return to conscription is calling to resurrect General Hershey from his grave and go back to a system that was so full of loopholes it was more inequitable than it was equitable.

I think that this is going to be an issue. Among at least the major Democratic contenders Senator Hart has talked about some kind of national service obligation. Senator Nunn has talked, as have other members of the Democratic Leadership Council, about a return to some form of conscription.

Together with that, you have demographic trends which, among American males of military age, are going to make it extremely difficult in the next six or eight years to recruit up even to existing end strengths without making

some sacrifices elsewhere.

I think that this will be an issue. I agree with you: I do not believe that somebody who comes out for a return to conscription is going to get 95 percent of the 18-year-old male vote in this country. Fortunately for that candidate 18-year-old males don't really vote that much.

There are recent public opinion polls which suggest that general favorableness among even those who might be called of some kind of involuntarily military service. This is not the dynamite issue that it was in the 1970s.

MR. KESTER: I agree with what Jeff said. Actually, I think hat there was a law on the books -- the Militia ct of 1791 or '93, or something like that, with its successors -- under which people were required to serve in the militia.

So the situation under which we've lived for the past 10-12 years is anomalous in United States history. We are living through the strange period, and not the normal situation in terms of civic responsibility.

You can say, "Well, this is a non-starter. It's not politically going anywhere"; and yet all ideas have to start somewhere. I think the people who are involved in these issues have some obligation to tell it like they think it is; and I think that reasoned argument does have some effect on the American people, sometimes over time.

It's not easy to sell, but we can certainly do things to give more punch, for instance, to Selective Service registration and so on.

I am always struck by the fact that in talking to people about the question of conscription -- maybe I'm not seeing a representative bunch, but I think I am, sort of middle class folks -- they'll say the same thing. They'll say, "You can't sell it politically; but, personally, I really don't like what we have now. I think there ought to be some kind of service obligation."

If you add up all the people who say, "I'm for it, but nobody else is," it might be a fairly large number,

surprisingly. I think it's the right thing and there's alot to be said for advocating the right thing.

CHAIRMAN: We have a question on the right.

QUESTION: I'd like to change the subject if I might.

One of the issues that bothers me, responsible as I am mainly for military mobilization, is the though among my colleagues -- and it was raised to some extent by Len Sullivan yesterday -- that industrial mobilization will somehow precede military mobilization.

There's talk of ambiguous warning and the kinds of things that you do when you're not sure what's going on. I would like to raise a hypothesis and relate it to Sully's issue yesterday.

The only industrial mobilization we've had in recent years, according to Sully, was in Korea; and, at that time, we were fighting a war with the North Koreans, and what we were really afraid of was a war with the Russians in Europe: sufficient justification for industrial mobilization, to me.

The question I would like to ask you is: Can any of you gentlemen conceive of a situation where there would be the political will that would justify a major industrial mobilization -- actually a $100 billion supplemental from the Congress, that kind of thing, which is I think what you really need for industrial mobilization -- that could precede military mobilization?

Or is that just somebody's dream?

DR. RECORD: That sounds utterly fantastic to me. I mean, I can't envision any realistic circumstances under which that would happen.

DR. LYON: What I heard expressed -- and I'll show my ignorance, I guess -- that the Lend Lease Program in the late '30s was a mobilization program. If I heard it from the gurus who were there in the Roosevelt inner circle, Lend Lease wasn't motivating to meet the needs of our allies as much as it was a way to get our industrial base

going while we deferred the issue of the public support of the war in Europe and give us two of those four years.

If you take that scenario and say maybe our allies are engaged in something and, as a matter of public support for our allies, we might gear up our industry to support them in a modern Lend Lease, that's about the only scenario I could think of.

Otherwise, I agree with Jeff Record.

QUESTION: What about the invasion of Afghanistan and the change in levels of spending? Is there any parallel with that?

DR. LYON: I don't have any figure. Someone correct me. Was there any major budget item? I don't believe there was.

QUESTION: 2 percent of GNP.

DR. LYON: Well, the point there was that there was a response that was used to just raise the entire DOD budget; and then you could argue that we mobilized, if you will, by the President making a clear and present danger out of some event like that and developing the public support.

Have we mobilized over the last ten years? Eight years? In a way, is that a mobilization? Is that industrial mobilization?

That's the kind of question that comes up. I think the question more is: Is there going to be a specific request for a supplemental to go out and have GE build a new factory and have McDonald Douglass build a new factory and have the shipyards go on a round-the-clock operation, and just start building things?

That's what I think you were responding to that seems absurd.

In fact, the only approach may be the President taking the leadership to raise the budget on a continuing multi-year basis as the means of doing that short of mobilization or an event.

CHAIRMAN: We have time for one more question.

QUESTION: Let me ask you a question. First of all, I agree completely with you that the rights and duties have to go hand in hand; but it is essentially a chicken-and-egg question: What comes first?

We are in the middle of demobilizing our industry. Our newest Chevrolet is built in Korea, if I'm not mistaken. THe components for many of our electronic equipments, even if we have more than one source, are all coming from the same manufacturer somewhere in Hong Kong.

What sense does it make to worry about all these things which we have given up from the site of the industry anyhow?

DR. LYON: I'd like to tackle a few parts of that.

It's a common assertion that the Fortune 500 firms -- and I think it can be proved -- over the last ten years have lost jobs and lost their clout. If that's the case, where is the job growth in this country?

The answer is it's in the small- and medium-sized business. Over 98 percent of the firms in this country employ less than ten people, something like that.

So it depends on what you look at as a measure of industrial performance. The Fortune 500 may be deindustrializing, but the nation is moving out; and, in my particular area, we have the highest start-up rate for small firms in the country. We also have the highest death rate, but the net is one of the highest success rates.

Len Sullivan said something yesterday I feel very strongly about and I'm an optimist on. When we finally get our act together, we can do things real fast; and I think some of these pessimistic estimates of it's going to take 18 months to do this and 18 months to do that are taking a deep-peace mentality and saying, "What would you do in that regard?"

I swear, I could call 100 people into a room that worked within 50 miles of my office and say, "I need a

power supply built to this design. I need 100 by the end of next month," and I'd have them.

The point is we don't like those guys because they're too autonomous, they do their own thing, they don't want to obey anybody's rules, they won't even come to meetings, and when you go talk to them they haven't got the time for you and they probably get into all kinds of trouble with all kinds of regulatory agencies and everything else.

But they are out there doing some things; and we've lost sight of those people. Somehow we have to learn how to grasp that emerging dynamism in the entrepreneurial sector in this country, and it's growing.

To me, when I heard all this defeatism on industrial policy, I think what we're looking at is those big factories that only add the last 10 percent of the value added in assembly, and forget the tiers and tiers and tiers of subcontractors.

Let me share another experience with you. In the last three weeks I've had three -- and there are more than that -- people come in my office and say, "I want to build my product in the U.S." One them is a semiconductor manufacturer, on the cutting edge; one of them is a guy who's been working with police systems and information and police control systems.

"I want to stay in the U.S., but I can't find any demand in the U.S. So I'm going to move offshore. I have the money; I have the capital; I have the commitment. Can you help me find the capital and the commitment in the U.S.?"

Now, the reason why that strikes a note for me is I had a similar situation 22 years ago with what is now the Sony Trinitron TV where the three American engineers who owned that patent could not find an American company would implement that thing.

They took it to Sony and they bought it, and that was essentially what the Trinitron TV is: the nice, sharp, small-screen color. The same thing with Amdol when he was looking for capital.

Somehow in our country we have the seeds, we have the energy, we have the dynamism; but the system is not twisted around to take advantage of it. A lot of you have said to me in the corridor since we started this day and a half that we need to say that a strong healthy industrial economy is the basis for a strong industrial preparedness.

If I found one issue that has somehow slipped out of our whole discussion it's: Look at that dynamic, vital and growing small-firm, small/medium-sized business sector. They're doing pretty good things, and they're competitive in the world structure.

The question is how to absorb that into our thinking and how to motivate them to seek a solution to the problems that we're looking at. That, to me, is a dilemma we haven't learned to address yet.

If you look at the agenda for this meeting, the report I just gave, and go back six years you won't see many nouns and adjectives that surprise you. They're all the same. Maybe they're styled a little differently and they're organized differently, but there's something going on in our industrial structure that we have to learn to get hold of.

I am an optimistic cynic. I'm cynical that we're going to get there by our present approach; I'm optimistic that one of these days we're going to wake up and recognize the tools that we have and the strength that we have, and mobilize it to this purpose.

End of my answer.

CHAIRMAN: On that note, I would like to turn the podium over to Mr. Bill Taylor, the Director of the Mobilization Concept Development Center for closing remarks.

CLOSING REMARKS:

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WILLIAM TAYLOR
Director, Mobilization Concept Development Center

CLOSING REMARKS

MR. TAYLOR: Thank you, Dick.

I saw Dick Donnelly in the reception area last night and he said, "You know, Bill, you did an okay job last year summing up that Mobilization Conference. There's no way you're going to do that well tomorrow." With that kind of expectation, it's going to be hard to fail.

Resources for Undeclared War, that was the topic. In a moment, I'm going to come back and ask: Why did we decide to have a Mobilization Conference on that theme? But first, what were the main ideas that jumped out to me over the past five days?

Political/social. Political will. Jeff Record makes the point that this is the Achilles' Heel of defense preparedness today. His thesis, for those of you who weren't there, was that four significant barriers will keep us from generating the political will to do what needs to be done when our interests are threatened.

They were four very powerful barriers. A fellow in the audience who stood up after that -- Navy guy, as a matter of fact -- and said, "Well, I hear you. You're convincing. Now, what that says to me is that what we really ought to do is withdraw behind the boundaries of the United States. We ought to defend our oceans" --- again, Navy fellow -- "very well, and anyone who attacks us at that point, when we're totally withdrawn, is clearly going to be attacking our national interest; and we will not then have difficulty in generating the political will."

I argue that there is a danger in going too far into this. I think it was Hy Lyons' point: we need to keep our perspective here; there's the danger of going too far into how bad things are.

This is not to say that there is not a problem there; but Larry Korb made the same point again this morning when he talked about Cap Weinberger's conditions under which we would go to war.

Dr. Korb said essentially that we will never meet those Weinberger conditions and you have WWNH -- War Will

Never Happen -- feelings. You get into all the problems that Larry Korb pointed out, why it's so hard to get people to focus on resources, on mobilization.

So, again, if we push too hard, if we believe that political will never be there to do anything, then we are ground slowly into doing nothing.

Now, I think that there's an answer here. I was on the Hill as well for about five years, and the deal I struck with my boss was, "Look, Senator, I will try to tell you as best I can -- you hired me to tell you as best I can -- about the pros and cons, and costs and benefits, call them what you will, on the one hand, on the other hand, I will try to give you the analysis of a problem and I'll lay out the options for you. You are the professional politician. I'm not. I'm an amateur politician. I'm not going to try to substitute my amateur judgment for yours. You're going to have to make those decisions."

The other thing that makes that important is, as Larry Korb mentioned this morning, political consensus and political will are things that change very quickly. They are volatile.

We talked about Iran and about Afghanistan. They are reasons to make major changes: to go from 5 percent to 7 percent of the GNP devoted to defense. Things happen. Moods change. It may be hard to see how it would happen today, but there are cataclysmic events that someone just asked about that do happen, and political will can change quickly.

The trick to mobilization is to do the things now that allow us to take advantage of the opportunity when the time comes: take advantage of it, respond to it.

We mobilizers are asked to prepare resources for national security efforts. <u>Mobilization is the identification and preparation of resources for national security efforts</u>.

Political will is clearly essential. Jeff Record is correct: that's the Achilles' Heel; but political will changes quickly, much more quickly than the preparations that we need to make: industrial preparedness or some of

the other kinds of things that we talked about here.

I think this goes along with what John Kester said just now: that arguments matter; rationality matters; you make your best shot on the merits, not on the politics, not on who supports it, not on personalities. That's not the issue.

The issue is: How can we make strong substantive arguments for what we think needs to be done? Other people can then take their best shots.

On the industrial side, the ideas that jumped out at me there were, first of all, it's real hard for the industrial types to focus on low intensity conflict. You saw how Hy Lyon's first slide was high intensity war, right? So it's hard for the traditional mobilization community to think about undeclared war.

John Tilson leaned over to me after General Gorman spoke yesterday and said, "That's a great speech, but that's not mobilization." I said, "John, it is"; and I think it will be clear at the end of this Conference -- I hope it will be clear at the end of this Conference, and we're real close to the end so if it's not clear now we're in trouble --

I hope it is clear that what General Gorman talked about yesterday was, indeed, mobilization if you, as I do, define it as identification of resources for national security efforts.

General Gorman talks about what it takes to prosecute a low intensity conflict. Max Manwaring did the same. Those are resources that have to be taken from somewhere. Some are in existence right now and some won't be until the time comes; but that is the problem that we, in this community represented here today, are dealing with.

The first thing Larry Korb mentioned on the industrial side was surge. I was interested to see that; surge is going to take money. We don't surge the industrial base unless we have been given some additional funds to buy things. Additional funds provide the mechanism by which we're going to surge the production of the industrial side.

That's important, and it's also important to remember that the Secretary of Defense can move $2 billion around at his discretion. He will, of course, have to justify to the folks on the Hill and his boss to do it. He can take $2 billion out of already-appropriated accounts, moneys, funds and put it in programs that are to be surged. So funds can be made available. There is money there while we are going to the Congress for an emergency supplemental appropriation. There are mechanisms that can be used.

All right, surge. How can we do it? One way is the so-called imbedded surge. This is another thing that Hy Lyon talked about.

Surge production is a bridge, a kind of first step toward a bigger effort. But surge may be all we're going to do for a low intensity conflict -- the surge is an increase in the speed with which you get the things you have already bought or already put in orders for.

So then the question is: How can you do that more quickly? Clearly, you don't do it at the peacetime rates. You don't do it with the peacetime rules.

You do it with a sense of urgency and you do things quickly. As Len Sullivan said yesterday and as Hy Lyon said this morning, Americans do pretty well. They wait until the last minute, they work real hard, and they get something done. Maybe that also applies to our policy on the whole industrial base. We'll talk about that in a moment.

A very interesting point jumped out at me from the Industrial Base Panel that I'd sure like to emphasize. Defense is 6 percent of the GNP and 94 percent of the GNP is non-defense -- just for rough order of magnitude, that's what we're talking about.

When we're talking about a much higher intensity conflict, the sort that Hy immediately got into, we need to draw on more than the 6 percent available to us in a surge context; if we go into a higher intensity war, we need to draw on that 94 percent.

Hy makes the point that the 6 percent looks

increasingly different from the 94 percent. It looks different. It's not the same. Its production practices are growing in a different direction from the commercial practices of the 94 percent that we're really going to need to draw on.

Now, the question that Dick Donnelly has to face is: Do we try to change that 94 percent? Do we have a lever that will allow us to change this 94 percent so that it is more responsive to these strange new needs that we have over in the Defense Department that have caused that 6 percent to go out in its own direction? Or do we somehow go about the business of trying to design weapons systems and things that weapons systems shoot so that they can be produced by Whirlpool, by General Motors, by Toyota?

Which of those two directions is the easiest way to go?

On the Military Pane, I won't say very much. I think that all three of the panelists did an excellent job. There was some optimism there. Like Hy, I always like to see optimism. In this community, especially in these conferences as you folks who have been here before will attest, we don't get much of that. It's pretty much "The Industry is going to hell," "We can't fight anywhere," "We can't get there even if we have it." There is a lot of that.

So when the Military Panel reported that "Medical support was not bad up until a conflict of the size of Southeast Asia," that not bad. Similarly on transportation: that was pretty optimistic.

The other point on the transportation issue I'd like to bring up real quickly is the point I just made about the 94 percent/6 percent. The transportation report said, "Look carefully at what the transportation industry is doing, what's happening to the transportation industry"; and their recommendation was, "You need to use the transportation industry as is. Take a look at what it is now and where it's going under deregulation, where it's going with intermodal changes, containerization; look at it what it is and structure yourselves," structure this 6 percent of the GNP that is defense, "so that you can take advantage of the

transportation system that is out there on the civil side, on the commercial side."

An interesting point that Tom Kester threw out, just at the last, is this suggestion that Len Sullivan made yesterday at lunch. That was: Structure the active component for the conflicts that are more likely and for which you can expect less warning: that is, the low intensity, the low end of the spectrum. Save the Reserve component for the higher end of the spectrum.

Does that mean the strategic forces should be placed in Reserve? Sullivan says, "Yep. Throw me out, but that's what I will talk about." That's certainly worth discussing. We ought to be talking about that over the next year.

Okay. Why did we decide to talk about resources for an undeclared war? Why did we choose to focus on the lower end of the spectrum rather than the upper end of the spectrum that the mobilization community, especially the one that John Tilson was talking about, is constantly concerned about?

There are a couple of reasons. The first is to break out of the pessimism that tends to pervade Mobilization Conferences. What we heard today is, "Look, there are some things that we can do pretty well. There are scenarios where we can put together the resources to accomplish things." Each of the panels came up with conclusions in this area. I think that was useful.

As Len Sullivan said the other day, the mobilization community is kind of insulated -- kind of? It <u>is</u> insulated. It is isolated. We talk mostly to each other. We get together here. The folks in the Pentagon who work in the mobilization community all know each other real well. We don't get out, we don't talk to a wide range of people. Usually, we don't have folks like we have right here at this year's Mobilization Conference.

When you get a General Gorman, you get Len Sullivan, you get John Kester, you get Jeff Record, Hy Lyons, that is a broader range of people. These are folks who have things to say about the <u>resources for national security efforts</u>, which is gain what I say mobilization is.

We, in the mobilization community, ought to recognize that we are dealing with important issues. We are about issues that are very relevant across the spectrum.

It's not just the high end of the conflict spectrum that, as we have heard a hundred times, everyone thinks is very improbable. We'll never get there. We'll never use "mobilization." War will never happen. If that's all we're interested in, then we will continue to be relegated to talking only among ourselves.

So we thought, let's talk about something other than just the high end, the worst case.

Another reason to focus on undeclared war: I'm constantly concerned that we, in the mobilization community, are so pessimistic that we can't get anywhere. The most joy we get is when we find another unsolvable problem. This is great. I'm convinced that we're going to now take a look. Someone has a great idea today.

Someone in the Transportation discussion said, "What? Do you mean the only link between north and south is that bridge across the Potomac? This is serious. This is a problem and we're going to go work on that problem. That's great. We've found another unsolvable problem."

Well, the problem is that decision-makers -- yourselves, the guy you work for, whoever -- can only deal with so many unsolvable problems. If you only bring unsolvable problems to that person, he's not going to like to see you. He's not going to even listen to the kinds of things that you're suggesting.

We need to come up with solutions. We need to come up with ideas on how we solve those problems.

Foreign-source dependence is a great example. A couple of years ago we had -- we still do -- study after study after study on foreign-source dependence. That was the latest unsolvable problem.

TASK did a big study and found that, sure enough, the DOD bought all kinds of things from abroad; and that this was real problem. It could grind us to a halt. It

could shut down defense production months, up to a year.

Now, this is a great one. The mobilization community just loved this. They said, "Here's a real problem. It's unsolvable. It's too hard."

Well, it's not unsolvable. A guy upstairs in MCDC took a look at all the parts that went into precision guided munitions. He had a whole lot of help: the JCS study was a good start.

He looked at every part that goes into precision-guided munitions. It turned out that about 2 percent of the value of those parts -- 2 percent -- comes from overseas. Now, first of all, that gives you a little sense of the scope of the problem.

So 2 percent was from overseas; 98 percent was not. 98 percent is not a problem, at least on foreign-source dependence.

Then he took a look at that 2 percent. He asked what part of that 2 percent can we not make in this country; and that dropped out a whole lot. A lot of those things you could make in this country if we didn't have access to the foreign sources. A lot of those things you can make in this country, but we didn't because of the cost: they were more expensive in this country, a lower price abroad; we went abroad; the quality was better, it was alleged, or on-time delivery was better; those kinds of things.

So what? I submit that those foreign-sourced parts that have a domestic source are not problems. Even within that 2 percent, therefore, there's a portion that's not a problem.

This is not to say there are no problems in foreign-source dependence. There clearly are. There are a small number and they fit on one page in the briefings that are real problems that, indeed, can shut you down for a year.

Martin Libicki, the guy who did the study, took a look at those and said, "Okay. How long would it take to generate a domestic source?" One by one, he went through

each of these parts on that single page, each of the items of PGMs that come from abroad that you can't get here, and said, "How long would it take for us to rebuild that capacity, reconstitute the ability t› make that thing?" whatever it is that we can't get from the U.S. right now.

Then he figured out how much each part cost. He multiplied the item cost by the current usage rate by the time required to develop a domestic source and came up with the dollar value of a buffer stock: how many of those items you have to buy to get you through the 3 months, the 12 months, whatever it took of you to build the capacity to make them in this country.

He added up all those costs. When we prebriefed Dick Donnelly -- and I'm sure he will remember this -- he said, "How much does it cost?" We said, $12 million." He said, "Come on, come on. You mean $12 billion. You guys always get your zeroes mixed up."

We said, "No. It's $12 million." These things are very important. These little items that you need to build PGMs that you can't get in this country are very important; but most of them are not very expensive. We could be off by a factor of two. Let's say it's $30 million. That is a solvable problem.

We briefed Dr. Ikle at the Mobilization Steering Group. He was very interested. We may get somewhere. Here's a success. Here's something that Hy Lyon can talk about in terms of building on a success. The pessimism was not merited in that case. In some cases, it may be.

This is basically, then, the reason that I thought the Committee's idea for having a Conference on less than declared war was so good.

It seems to me that there is room for optimism. Larry Korb says, "Mobilization is not glamorous"; and that's part of the problem, he says. Well, that's true; but it must be the word because it's clearly not the substance of what we're talking about. The substance of what we're talking about -- draft versus national service, high technology, the changing way the economy is working -- that not unglamorous. Those are not unglamorous topics.

It must be the word. Those who heard me talk last year will remember that I was going to try to get rid of this word mobilization, even in my Center's name. Well, I haven't done that yet, haven't convinced everybody yet; but I still like War Resources Concept Center. So we may try that.

But we should get rid of this word that is "unglamorous," that puts folks to sleep, and that says, "You guys are only thinking about World War II."

We're not sure what the theme of next year's Conference is going to be. We're going to have a new crew of students come in here to decide, but I'd sure like for anyone here -- maybe 15 minutes after we adjourn, which is going to be about in one minute -- to come down here and talk to me, Colonel Austin, the Deputy at MCDC and the committee about what you think a good idea would be for next year's Conference. We'd love to hear it.

Also, the committee would like to hear suggestions or criticisms on how this Conference ran this year and how we could do it better next year. We'd like to hear those, too.

Last thing: you don't realize all the work that went into putting on this Conference. If the Student Committee didn't do it, we would have had to; and so we re real appreciative. Please have the crew stand up. Thank you, Dave, Bob. Good. I'd like you to give them a round of applause.

The last thing I have is an administrative comment: anybody who has administrative problems, please see Colonel Sharkey right down here in front. I don't even know what these might be, but if there are some he can answer them.

I want to thank everyone here for coming, and we'll look forward to seeing you next year.

Thank you very much.

[At 12:12 p.m., the Conference was concluded.]

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