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DAVIES REPORT

# ORGANIZATION OF THE ARMY

REPORT OF THE

ADVISORY COMMITTEE ON ARMY ORGANIZATION

18 December 1953

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18 December 1953

Honorable Robert T. Stevens

Secretary of the Army

Dear Mr. Secretary:

The report of your Advisory Committee on Army Organization is herewith submitted. The Committee is in unanimous agreement on all its conclusions and recommendations.

In forwarding our findings, we bring to a close three months of hearings, study and discussion. We trust that the results of our work will be useful to you in your continuing effort to strengthen the organization of the Department of the Army and will facilitate the discharge of the heavy responsibilities placed upon the Secretary of the Army by law.

Incorporated in the report are our conclusions on the matters you specifically asked us to examine. In addition, the Committee has taken literally your invitation to extend our study to other organizational problems of significance encountered in the course of our work. The changes we recommend in our report should be viewed as the first step in a continuing vigorous process of improving the organizational structure of the Department that it may better accomplish its assigned missions.

We have given careful consideration to the applicability of these recommendations to the present situation of half-war, half-peace, to the exigencies of general war, and in the future, hopefully, to a period of peace. We believe that the organization proposed may be expected to serve effectively in any situation.

The Committee has gained an appreciation of the breadth and complexity of the Department of the Army. In attempting to define the dimensions of the problem before us, we obtained an insight into an organization that is the biggest business in the world. The Department of the Army employs the greatest number of persons -- military and civilian -- in the Defense Department. It expends a substantial proportion of all funds appropriated for national defense and absorbs a sizable share of the gross national product.

The Committee, although concerning itself with an analysis of the organization of the Army, has had an unusual opportunity to recognize other aspects of the military in its relationships with the civilian community. From the expressions of civilians who have held key positions

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of great responsibility and from our own observations, we have come to have an abiding faith in the fundamental and inherent integrity and capacity of the military officer.

As the attached report indicates, the Committee has interviewed more than one hundred and twenty witnesses -- military and civilian -- including the heads of the principal organizational units of the Department of the Army. We are greatly indebted to those who appeared before us and contributed to our conclusions. The officers who appeared impressed us deeply with their willingness to be guided by effective civilian leadership.

We are convinced that if the American public could have had the opportunity we have enjoyed to meet and know the Army's leaders, it would share our confidence in the Army. The public, we are sure, will join us in the insistence that conditions shall prevail which will hold men of capacity and integrity in uniform and accord them the respect they eminently deserve.

We are grateful to numerous officers in all branches and levels of the Army, the diversity of whose views evidenced the frankness and forthrightness with which they presented their considered, personal opinions. We are gratified to know that such freedom of expression prevails. It is important to the welfare of this nation that the military be free to express its professional judgment to duly designated authorities.

Lastly, we thank you and the Under Secretary, the Assistant Secretaries and the Chief of Staff for your cooperation in enabling us to extend our inquiries into every aspect of the Army's operations.

Respectfully,

Paul L. Davies, Chairman
Advisory Committee on
Army Organization

Harold Boeschenstein

C. Jared Ingersoll

Irving A. Duffy

L. L. Lemnitzer
Lt. General, U. S. Army

# INTRODUCTION

## ORIGIN OF THESE PROPOSALS

The Department of Defense has been reorganized under the provisions of the President's Reorganization Plan No. 6. This plan created a more efficient staff organization to aid the Secretary of Defense. It defined lines of authority and made clear the responsibility of the civilian Secretary of Defense for management and direction of the Defense Establishment.

In submitting the plan to Congress, the President declared that "improvements are badly needed in the departments of the Army, Navy and the Air Force". The President further indicated that studies should be initiated by the Secretaries of the three Military Departments "with a view toward making those Secretaries truly responsible administrators, thereby obtaining greater effectiveness and attaining economies wherever possible".

In accordance with the President's suggestion, and at the request of the Secretary of Defense, the Secretary of the Army established this Advisory Committee on Army Organization on 18 September 1953. The Committee was charged by the Secretary to advise him on ways and means to strengthen and improve the organization of the Department of the Army. It was requested to consider all elements of the Army, including commands and activities, as well as the organization of the Department in Washington.

This report presents the Committee's response to that assignment. In it are the findings, conclusions and recommendations which have come out of an exhaustive study of the Department of the Army.

## THE COMMITTEE'S APPROACH

To appraise the vast, complex structure of the Department of the Army, the Committee used a variety of methods and sought information from many sources.

1. One hundred and twenty-nine witnesses appeared before the Committee to present their views on the organization of the Army. These witnesses were heard in a series of meetings held on twenty-eight days over the three-month period, September - December 1953. During the hearings, the Committee listened to the opinions of the head of every major organizational unit, and many others, in the Department of the Army. It was privileged to receive the advice of each of the previous Secretaries of the Army and of the present Chief of Staff of the Army, as well as his two immediate predecessors. It had the benefit of the views of each Assistant Secretary and the General Counsel of the Department of Defense. It also received the counsel of the former Secretary and Deputy Secretary of Defense and the present and former Chairman of the Joint Chiefs of Staff. Finally, the Committee was assisted materially by the advice of a number of outstanding students of Army organization. The witnesses heard are listed in Exhibit A.

2. Members of the Committee reviewed more than fifty studies, books, documents and the transcripts of legislative hearings dealing with the Army's organization. These materials helped the Committee to understand the background of existing organizations and to develop the principles upon which its recommendations are based. The reference material is enumerated in Exhibit B.

3. The Committee engaged McKinsey & Company, a national firm of management consultants, to serve as its full-time civilian staff. Headed by John J. Corson, the staff prepared numerous analyses and a succession of working papers dealing with specific organizational

problems. These papers supplemented the testimony of witnesses and were useful to the Committee in formulating opinions as to organization, strengths, and weaknesses and in developing recommendations for improvement. In the development of this material, the staff of McKinsey & Company was ably assisted by members of the Army staff.

4. The Committee has had to devote much of its time to thinking through the problems encountered and the solutions it would propose. Its conclusions are the product of collaborative effort. The Committee has tested the preliminary conclusions derived by these processes in further discussion with witnesses of especially broad experience in the Army. The views expressed in this report are the Committee's own; for them it accepts full responsibility.

## PRINCIPLES TO GUIDE ARMY ORGANIZATION

The Army's job, or in conventional military terms its mission, is described in the National Security Act of 1947:

> "In general the United States Army, within the Department of the Army, shall include land combat and service forces and such aviation and water transport as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations on land. It shall be responsible for the preparation of land forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Army to meet the needs of war."

The land combat forces of the United States Army carry a major responsibility for the defense of this Nation and the assistance of its allies abroad. The Department of the Army maintains six Armies at home for the defense of continental United States and to ready men for overseas service. It provides for antiaircraft protection of this continent and, in collaboration with the Air Force, maintains our defenses against air attack. It maintains large forces abroad -- in Europe, in the Far East, and elsewhere -- and has been assigned responsibility as executive agent for the unified command of this Nation's army, air, and naval forces in the two major overseas areas, Europe and the Far East.

The Army's service forces carry an equally essential and important responsibility. Military strength sufficient to deter a potential enemy and to defend this Nation when attacked cannot be achieved by troops alone, no matter how well they may be trained or commanded. A modern Army must have weapons and equipment which excel those of its enemies.

Continuing technological change, the persistent development of firepower, and the prospect that this country's Army will be faced by an enemy with vastly superior manpower make the



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development of the best possible weapons and equipment a matter of transcending importance. Hence, a large proportion of the Army's manpower -- military and civilian -- is engaged in the essential tasks of developing, procuring, producing, and distributing munitions and supplies and providing essential services for the combat forces.

The Army must also be organized -- and its leaders trained and experienced -- to develop and employ land combat forces in the most effective, efficient manner possible. The Cold War brings an added responsibility: The Army must be so organized as to play its part in the politico-military, economic and psychological fields.

## THE ENVIRONMENT

For the foreseeable future, the Army's mission must be conditioned by the ever-changing requirements of a continuing Cold War. The constant threat of surprise attack makes essential the maintenance of an Army larger than this Nation has ever before known in peacetime.

The maintenance of so large a peacetime Army places heavy burdens upon our society. The magnitude of these burdens dictates the most economical possible use of manpower and resources by the Army as it strives to accomplish its mission. It dictates simultaneously the absolute need, inherent in a democracy, of strong and effective civilian control over the military.

In successive wars this Nation not only has supplied and trained combat forces, but has equipped and supplied the forces of its allies from its unrivaled industrial resources. The necessity of being prepared again to draw upon these vast -- though not unlimited -- resources in the event of another war gives great significance to the Department of the Army's functions of research and development, procurement, supply and distribution. The lightning-like strike characteristic of modern warfare demands that the Army be properly organized to harness the strength of American industry to military purposes at a moment's notice.

In contrast to its experience in previous wars, the Department of the Army must achieve its mission in the future within the organizational environment of the Department of Defense. World War II demonstrated the necessity of unified operations. The Department of Defense was born out of that experience. Hence, the Army must be equipped to function effectively in the framework of unified service leadership and as an integral part of the Nation's total defense forces.

## ACCEPTED PRINCIPLES

Ten principles to guide the Army in organizing effectively to accomplish its mission have emerged from the Committee's studies. They form the basis upon which subsequent conclusions and recommendations are founded.

1. Decentralization of Defense Operations -- The Secretary of Defense has adopted the principle that the Secretaries of the three military departments shall be his principal agents for management of the entire Defense enterprise. If the Secretary of the Army is to discharge this responsibility, he must be accorded full authority -- within clearly-defined policies -- for the operations of the department. This authority must be respected throughout the Department of Defense.

2. Civilian Control -- Under our form of government, "basic decisions relating to the military forces must be made by politically accountable civilian officials".* The lines of responsibility and authority from the President through the Secretary of Defense to the Secretary of the Army is clear. He is responsible for all activities of the Department of the Army.

3. Role of the Military -- The responsibility of the Secretary for all activities of the Department is not diminished by his delegation of authority to the Chief of Staff. A wise Secretary will not confuse responsibility for initiating and supervising action with the actual performance of operations. The military is and must be responsible for performance.

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* Message from the President of the United States transmitting Reorganization Plan No. 6 of 1953, relating to the Department of Defense (pg 2).

4. Clear Lines of Authority and Accountability* -- There should be clearly defined lines of responsibility, authority and accountability for each principal activity included within the Army's mission. If effective direction and control are to be exercised over vast and decentralized operations by the Secretary and his immediate civilian and military assistants, clear lines of responsibility, authority and accountability must be established to extend from the highest to the lowest echelons.

5. Undiluted Authority -- Each responsible official -- from the Secretary to the commander of an organization, installation, camp, post or station -- must have adequate and undiluted authority to discharge the responsibility fixed in him.

6. Measuring Performance -- There should be a means of measuring the performance of every individual and organization responsible for a segment of the Army's mission. The means necessarily will differ between the combat and business operations of the Army. In the business operations of the Army, for example, there is an especial need to find a substitute for the profit and loss statement in industry. Such means constitute an essential tool of management.

7. Provision of Incentives -- Securing the maximum human effort in military affairs, as in business enterprise, requires the use of incentives. Pride in the service and achievement of high rank are incentives that have held men of large capabilities within the military. Monetary compensation for men who devote their lives to military service is essential as an incentive, but this alone is not enough.

National respect for the man in uniform must be enhanced. And the incentive of high rank must be available to a greater degree than in the past for those who devote their lives to the businesslike segments of the military. These greater incentives are especially

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"Accountability" in the sense in which it is used here is the obligation of an individual to whom responsibility and authority are delegated to answer to his superior for his success or failure.

needed to attract and hold men in the important supply functions which constitute an increasingly significant aspect of the Army's mission.

8. Efficiency and Economy -- Economy in the use of manpower, materiel and funds is required if we are to maintain indefinitely a strong military force to ward off attack. The decentralization of responsibilities, accompanied by clear lines of authority and accountability, and the establishment of greater incentives will combine to bring about more effective employment of the manpower and resources available to the Department of the Army.

9. An Evolving Organization -- Progress in improving the organization of the Army will best be achieved by evolution. The Committee has considered various plans to change the existing organization of the Army. It does not believe that progress will be made simply by adoption of radically new organizational concepts by the Army. It views its own recommendations as steps that will bring about improvements where most needed and point the way toward further improvements that will become apparent as experience accrues.

Continuing organizational improvements are made mandatory by the changes in the character of warfare, technological advance and the modification of the governmental environment within which the Department of the Army must achieve its mission.

10. Readiness for War -- The Army exists in order to be successful in war. In both World War I and World War II, this country was given time to build its capacity to wage war while our allies met the early attacks of the enemy. It is unlikely that such an advantageous time margin would exist in the event of another war. The Army's organization must be capable of vast expansion immediately upon the outbreak of war. There will be no opportunity for reorganization if the Nation is under attack.

* * * * * * * * * * *

These principles provide guides which should enable the Army to achieve its mission in the years ahead with greater effectiveness and economy.

## SUMMARY OF RECOMMENDATIONS

In subsequent sections, the Committee sets forth a series of recommendations and the reasoning upon which they are based. Here its proposals for improving the Army's organizational structure are summarized.

### I. IMPROVING TOP MANAGEMENT

#### Delegated Authority to the Secretary

To add effectiveness to the exercise of his authority and to make the position of Secretary of the Army more attractive to men of outstanding competence, we recommend four actions:

A. The Secretary be given opportunity to participate actively in the formulation by the Secretary of Defense of basic policies guiding the Department of the Army.

B. The Secretary be permitted to attend, as a regular observer, meetings of the National Security Council so that he may be informed of basic national decisions.

C. Efforts be made to insure that his authority is respected by those above and below.

D. His continuing responsibility be reaffirmed for the affairs of the Department. Specifically, in emergency situations, when the Secretary of Defense communicates directly with the Chief of Staff, it should be made clear that the Chief of Staff is acting for the Secretary of the Army and is wholly accountable to him.

## Strengthen Civilian Control

Five steps are recommended to strengthen civilian control in the Army:

A. The position of Under Secretary be abolished and a position of Deputy Secretary be created. Its incumbent should be freed of responsibility for the supervision of the major functional areas -- men, money or materiel. He should serve as the Secretary's intimate associate and deputy in the general management of the Department.

B. The role of the Assistant Secretaries should be redefined. Their basic responsibility is "functional supervision". Their task is actively to guide the Army's operations by formulating objectives and policies and evaluating performance -- not to assume responsibility for day-to-day operations.

C. An additional position as Assistant Secretary should be established. The Secretary needs sufficient, able civilian assistants to exercise effective control in three basic areas -- men, money and materiel. Creation of the additional position will permit one of these assistants to concentrate on financial management.

D. The Assistant Secretary for Financial Management should be responsible for the active, forceful, functional supervision of the Army's financial affairs. The Comptroller of the Army should be a military man and should continue to report directly to the Chief of Staff.

E. Existing budget, accounting and reporting processes must be improved to make available at all times to the Secretary and his civilian assistants more revealing fiscal and operating data. The improvements required are described in Section V.

Defining the Military Responsibility

Fundamental to any clarification of the Army's organization is the redefinition of the role of the Chief of Staff. We recommend that --

The Chief of Staff be recognized as the operating manager of the Army Establishment and held fully accountable to the Secretary for all operations of the department.

## II. IMPROVING ORGANIZATION FOR OPERATIONS AND TRAINING

To enable the Chief of Staff to serve effectively as the Secretary's operating manager, we recommend that:

A. The General Staff sections be divested of their major responsibilities for operating activities.

B. The following changes be made in the Staff Sections.*

1. The existing offices of Special Assistant for Civilian Component Affairs and the Executive for Reserve and ROTC Affairs be abolished and the latter supplanted by

   a. Office of Reserve Affairs; and

   b. Office of ROTC Affairs.

   The Committee emphasizes the urgent need for aggressive consideration of the Army's program for building up and maintaining its reserve forces.

2. The Office of Civilian Personnel be transferred from the Office of the Assistant Secretary for Manpower and Reserve Forces and be made responsible to the Secretary through the Chief of Staff.

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* The term "Staff Sections" is used throughout this report to refer to all staff organizations other than the General Staff sections and the Technical Staffs and Services.

3. Greater emphasis be placed upon Civil Affairs and Military Government in the Department of the Army, and, to improve training in this field, that the Military Government Division of the Office of the Provost Marshal General and the Military Government Department of the Provost Marshal General School be transferred to the Office of Civil Affairs/Military Government.

4. The Judge Advocate General be made responsible for the supervision of legal staffs throughout the Army, including those assisting in procurement activities.

C. In addition:

1. The Office of Legislative Liaison be retained under the direction of the Chief of Staff.

2. The Office of Public Information be continued immediately responsible to the Chief of Staff.

3. The Office of Psychological Warfare be continued as a separate staff section.

4. The proposal to establish an Operations Division separate from G-3 be rejected.

5. The proposal that the offices of the Secretary and the Chief of Staff be combined in a single executive office be rejected.

6. The oft repeated suggestion that the civil works functions of the Corps of Engineers be assigned to another governmental department be rejected.

D. A Continental Army Command be created. This Command should assume all responsibilities of the Army Field Forces and should provide for more effective direction and evaluation of the performance of the six Continental Armies.

E. To establish a clearer line of accountability for training we recommend:

1. All agencies with training responsibilities should be guided by general training policies developed by G-3.

2. The Continental Army Command should have sole responsibility for basic training of all individuals, all combat arms training (individual and unit), all combined training, and for all civilian component training for which the Department is responsible.

3. The Staff Sections and Supply Command (proposed in Section III) should be responsible for the specialized training of individuals and units of the respective services until they are passed to armies in the field.

## III. IMPROVING SUPPLY MANAGEMENT

To establish a clearer line of accountability for supply activities of large and increasing importance, we recommend:

A. Establishing the position of Vice Chief of Staff for Supply.

B. Establishing a Supply Command having general management responsibilities for the Technical Services.

C. Making the Supply Command fully responsible for the Field (Class II) installations of the Technical Services.

D. Establishing the rank of the Vice Chief of Staff for Supply, Commanding General Supply Command, Chief of Technical Services and other personnel engaged in supply management at levels comparable to their counterparts in combat and operational activities.

E. Providing for vigorous career management and training programs for supply personnel, including authorizing the Supply Command to establish personnel policies to meet its specialized needs.

## IV. IMPROVING ORGANIZATION FOR RESEARCH AND DEVELOPMENT

Four steps are required to strengthen the Army's organization for research and development. We recommend:

A. Redefining and strengthening the authority assigned to the Chief of Research and Development in the Office of the Deputy Chief of Staff for Plans and Research.

B. Transferring to the Chief of Research and Development those planning functions now assigned to the Deputy Assistant Chief of Staff, G-4 for Research and Development.

C. Transferring other functions assigned to the Deputy Assistant Chief of Staff, G-4 for Research and Development to the Commander of the Supply Command.

D. Expanding the scope of the Secretary's Scientific Advisory Panel and otherwise promoting the interest and support of civilian scientists in the Army's Research and Development activities.

## V. IMPROVING FINANCIAL MANAGEMENT

To improve the Army's financial management we have proposed the establishment of the position of Assistant Secretary for Financial Management. In addition, we recommend that:

A. The Office, Chief of Finance be placed under the direction of the Comptroller and its functions integrated with those of the Comptroller.

B. Essential improvements be instituted in --

1. The Army's Primary Program System

   a. be made to conform with the revised organization that is adopted, and

   b. extended substantially.

2. The Army's "performance budget"

   a. better to relate costs to work to be done, and

   b. adapt methods of allotment to organizational lines.

3. The Army's accounting and reporting methods, specifically --

   a. numerous existing accounting systems should be integrated or replaced by a single universal system of accounts; and

   b. existing reports should be reappraised in terms of the needs of the Secretary and his principal civilian or military assistants.

## VI. IMPROVING CAREER MANAGEMENT

Finally, we recommend that:

Concrete steps be taken to develop greater career opportunities within the Army for individuals specializing in the fields of supply management, research and development and financial management.

## MAKING RECOMMENDATIONS EFFECTIVE

The Secretary of the Army has authority to adopt most of the changes proposed. Two actions will require approval of the President and Congress:

1. To create a third Assistant Secretary -- Financial Management -- necessitates revision of the Army Organization Act of 1950, Title I, Section 102 and revision of General Order No. 23, 2 March 1953.

2. To establish a new position of Vice Chief of Staff (Supply) requires amendment of the Army Organization Act of 1950, Title IV, Section 102.

One action will require initiation by the Secretary of Defense. This is the reaffirmation that in instances where the Department is designated as "executive agent", the Secretary of the Army's continuing responsibility for the affairs of the Department is uninterrupted by communications from the Secretary of Defense to the Chief of Staff. In emergency situations when the Chief of Staff is authorized to receive and transmit such communications, it must be made clear that he acts for, and remains wholly accountable to, the Secretary of the Army.

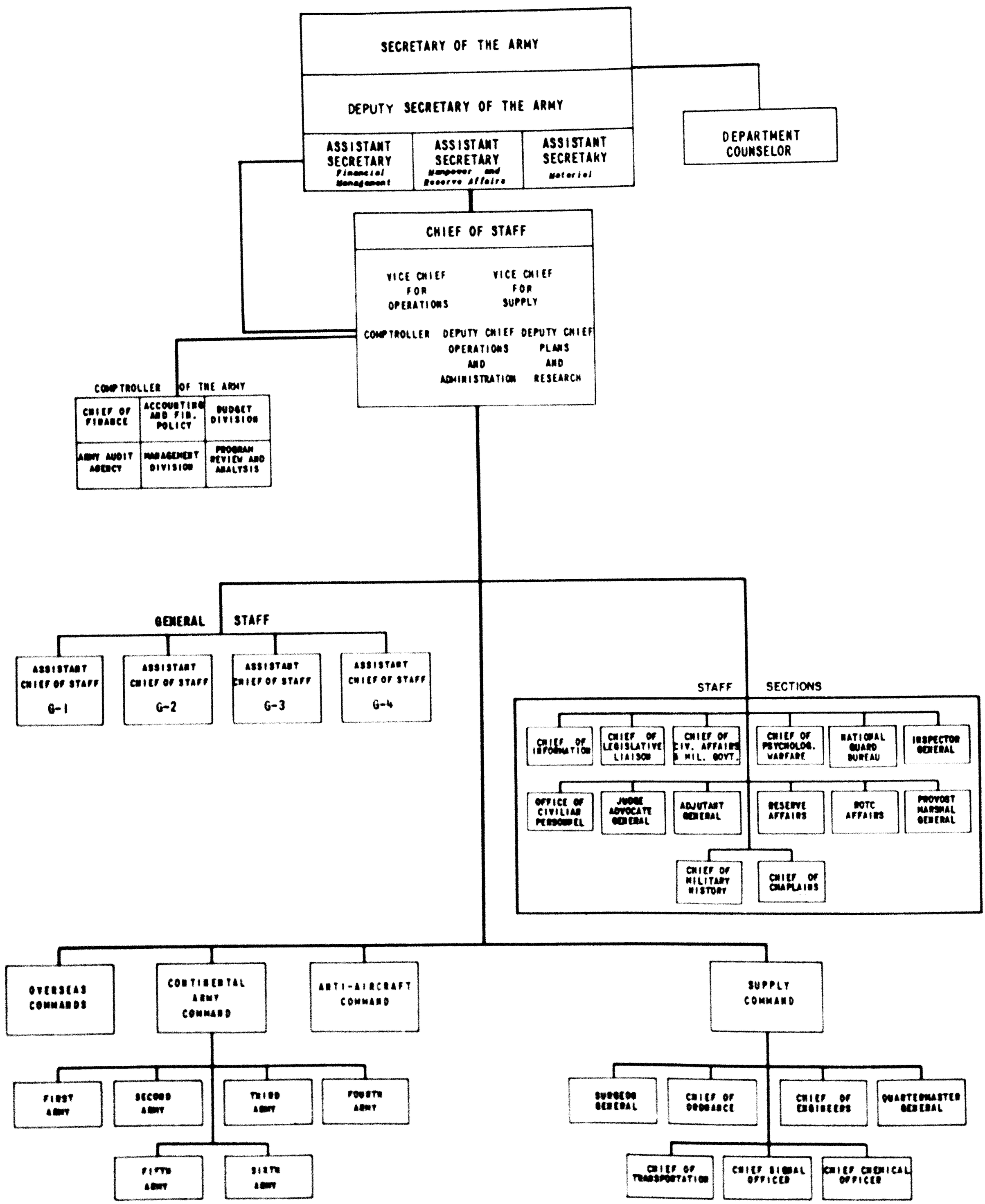
Whatever other actions may be necessary to make the foregoing recommendations effective, the Committee recommends they be taken.

* * * * * * * * * *

The proposed plan of organization of the Army Establishment resulting from these recommendations is depicted in the accompanying chart.

ADVISORY COMMITTEE ON ARMY ORGANIZATION

PROPOSED PLAN OF ORGANIZATION - ARMY ESTABLISHMENT




DECEMBER 1953

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## SECTION I - THE ARMY'S TOP MANAGEMENT

### MANAGING THE ARMY

The Army is a large and complex enterprise. By law, and by delegation, the Secretary of the Army is responsible for the policies of the Army, within those laid down by the President and the Secretary of Defense. This responsibility encompasses a great variety of military judgments affecting thousands of human lives. It involves the direction of vast business-like activities -- the development and production of weapons, procurement of materiel and distribution of essential equipment, weapons and supplies to any part of the globe. These have a great impact on the national economy and add to the weight of the Secretary's responsibility.

The Secretary has an interest in and responsibility for everything done in his department. To discharge his duty he must delegate authority to others, but he can never rid himself of the basic responsibility which is his by statute.

### MEANING OF CIVILIAN CONTROL

"Civilian control" is a cardinal principle and tradition of our democratic government. The civilian appointees of a popularly-elected president are responsible for formulating objectives consistent with the prevailing political philosophy and capable of efficient accomplishment.

To fulfill this great responsibility, what role should be performed by the Secretary and his civilian assistants in the Army? Within the authority granted by law, the President and the Secretary of Defense, the basic policies by which the department achieves its objectives are the personal responsibility of the Secretary. In their formulation and consideration he can be aided both by civilian and by military assistants, but the decision -- and the responsibility -- is his.

On the one hand, the Secretary may delegate authority for managing all operating activities to the Chief of Staff. On the other hand, he may relieve the Chief of Staff of responsibility for managing major segments of the Army's operations and require his civilian assistants to assume responsibility for directing and managing these operations.

The Committee has weighed these alternative methods by which the Secretary may organize for the discharge of his responsibilities. It has reviewed the experience of the other military departments. It has considered the advice of former civilian secretaries, former key military officials and informed civilian observers. On the basis of extended consideration of these alternatives, it rejects the proposal of investing operating responsibilities in the civilian appointees. It recommends that the Secretary fix full operating responsibility upon the Chief of Staff.

The Secretary's civilian assistants - -the Under and Assistant Secretaries -- exist to aid him discharge his responsibility for civilian control. Their role may be likened to that of the senior staff executives of a large business enterprise. Their job is to help the military machine to work, not to take it over; to inspect and criticize, to guide and to coordinate, not to operate; to see that basic policies laid down by the Secretary are carried out; to observe current operations continually and to insure that policies are altered as needs arise.

## ROLE OF CIVILIAN SECRETARIAT

The statutory civilian assistants now are authorized to "act for" the Secretary and "have the authority necessary to conduct"* the affairs of the Army assigned to their attention. In the exercise of their duties, the officers of the Army are directed to "report to the Under and Assistant Secretaries regarding the matters" under supervision.

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* General Order No. 23, dated 2 March 53

1. Assignment of Duties

Major areas of responsibility which have been assigned are:*

a. To the Under Secretary: general management responsibility, Comptroller functions, research and development, and politico-economic affairs.

b. To the Assistant Secretary (Materiel): procurement, supply and distribution activities.

c. To the Assistant Secretary (Manpower): All manpower and personnel matters and public relations.

The authority granted these civilian assistants implies that each shall direct and conduct those areas of the Army Staff's work for which he is assigned responsibility for operations. This is neither practicable nor desirable. Experienced executives are confronted with almost insuperable difficulties as they attempt to gain a comprehensive understanding of the vast operations for which they are responsible and, in addition, try to develop the full confidence of career officers in the limited time they can devote to public service.

There is a limited number of men experienced in pertinent industrial activities and in the business affairs of the military who might effectively discharge operating responsibilities. Those who are experienced, willing and able to accept appointment to these posts are even more limited. These difficulties have caused Assistant Secretaries' positions to remain vacant for months at a time. Meanwhile the operations of the Army must go on.

Moreover, the incumbents of such positions - -as their counterparts in major corporate enterprises -- do not contribute effectively by directing operations. The contribution of executives at this level is that of influencing policy and

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General Order No. 23, dated 2 March 53

objectives and evaluating performance -- not that of becoming involved in day-to-day operations. The role of the civilian is to inject an outside point of view, to improve business practices, to review operations, and to assume responsibility for adherence to policies.

2. Proposed Responsibilities

The civilian assistants to the Secretary should provide active and forceful functional supervision over their areas of responsibility. They should make certain that the civilian point of view always is injected into the development of important programs or in the making of significant decisions.

To meet this responsibility each should be assigned authority for:

a. Formulating the policies that shall govern the operations in the area assigned,

b. Evaluating and approving the methods by which the business affairs are performed,

c. Prescribing the data and the reporting processes required to evaluate those operations effectively,

d. Appraising continually the performance of operations,

e. Participating in the selection and appointment of key officials to principal operating posts, and

f. Representing the Department of the Army to the Department of Defense and to other agencies of government.

These functions they can reasonably be expected to accomplish, and these functions constitute the real essence of civilian control.

ROLE OF THE
MILITARY

1. The Chief of Staff

We have concluded that it is essential that the Chief of Staff serve as operating manager for the Secretary. We believe, as the Rockefeller Committee pointed out, that "it is essential to have a single channel of command or line of administrative responsibility within . . . each of the military departments."* We do not believe, as the Rockefeller Committee similarly did not believe, that "it is possible (for administrative purposes) to make a sufficiently clear distinction between military affairs, on the one hand, and on the other hand civilian affairs (such as political, economic, and industrial affairs) to serve as a practicable basis for dividing responsibility between military and civilian officers, or for establishing two parallel lines of command."*

The Chief of Staff's responsibility must embrace all operations of the Army. The military provides the operating organization by which policies are executed. The Chief of Staff is the military leader. He is "directly responsible to" and "performs his duties under the direction of the Secretary"**. Full responsibility for all affairs of the Army Establishment remains continuously with the Secretary. The Chief of Staff is granted broad authority to act as his operating agent.

.The view is often expressed in the Army that the Chief of Staff commands no one and is merely chief of the Secretary's staff. In practice this is not the case. He is the operating manager of the Army Establishment. He should be recognized as such and be held fully accountable to the Secretary for all operations of the Department.

We are not unmindful of the large responsibilities of the Chief of Staff as a member of the Joint Chiefs of Staff and as a military advisor to the President. To this end we have sought to establish clearer lines of accountability and have recommended organizational changes that will reduce the number reporting directly to him and will enable him more effectively to delegate to his subordinates.

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* Report of the Rockefeller Committee on Department of Defense Organization, page 3

** Army Organization Act of 1950

2. The Military Staff

The basic responsibility of the military lies in the professional military field. This professional military field includes both combat and the businesslike aspects of supply. The primary job of the military is to wage war successfully. It is the responsibility of the military to determine what military means are required to accomplish an assigned task. To this end, they must aid the Nation's civilian leaders by giving honest, fearless and objective professional military advice to those who, by our Constitution, are their commanders. If given less than what they consider to be the essential minimum, they should report to their superiors their frank appraisal of the risks involved. They have the duty, whatever the final decision, to do the utmost with whatever they are furnished.

## NEEDED CIVILIAN ASSISTANCE

1. Deputy Secretary

Since the Secretary entrusts all operating authority to the Chief of Staff, he must have civilian assistants to aid him in making policies to guide operations as well as to aid in appraising performance. By way of analogy, the vice presidents for finance, engineering, and other basic activities of large corporate enterprises are called on to guide and to appraise the results of operations.

There is an especial need for a principal civilian assistant to serve as an immediate and intimate deputy of the Secretary. A large portion of the Secretary's time inevitably is consumed by the continuing need to interpret the Army and its policies to the Department of Defense, the Congress, and the public. Moreover, to keep abreast of the problems of the Army, he must spend much of his time in visiting the forces and installations at home and abroad.

The Committee recommends that the Secretary be provided with a deputy to assist him in the management of the entire department and to act in his stead in his absence.

In view of the fact that the position of Under Secretary is historically associated with responsibilities for procurement, it would be preferable to re-designate this position as Deputy Secretary. Such a title would more accurately describe the function to be performed. The Deputy Secretary, naturally, must be continually informed of the activities of other civilian assistants.

2. Assistant Secretaries

In addition, the Secretary urgently needs able civilian assistants to cope with problems arising in three principal fields -- men, money, and materiel. These fields cut across the vast complex of Army activities.

If the employment of men, money, and materiel is effectively guided and controlled, the Secretary has substantial assurance that tasks assigned to the Army will be accomplished within the resources made available by this country's elected civilian leaders.

In the present organization, there is not now an adequate number of positions to permit the assignment of these three areas to separate individuals. Neither is there any lessening of the urgent need for reducing the burdens placed on the Secretary and his civilian assistants.

Therefore, the Committee recommends creation of a third position of Assistant Secretary. The incumbent of this new post should be charged with functional supervision of all financial management activities throughout the Army. He should be a man broadly experienced in financial affairs. He should be responsible for:

a. Formulating fiscal policies.

b. Supervising the preparation and administration of the Army's budget.

c. Prescribing accounting methods.

d. Prescribing the data required to evaluate operations effectively and establishing reporting processes that will provide a regular flow of fiscal information.

e. Appraising continually the effectiveness of the Army's management and the efficiency of its organization.

f. Participating in the selection and appointment of the Comptroller and other key fiscal officials.

CIVILIAN-MILITARY
FINANCIAL RESPONSIBILITIES

The responsibilities proposed for this Assistant Secretary for Financial Management include the supervision of all activities now performed by the Comptroller of the Army. The new Assistant Secretary would utilize the staff of the Comptroller for the discharge of many responsibilities assigned to him. The Comptroller of the Army should be concurrently responsible to this Assistant Secretary and to the Chief of Staff. The reasons for these relationships are described in Section V.

Two alternative methods of organizing for fiscal control and financial management within the military departments have been vigorously proposed within recent years. One is the establishment of an Assistant Secretary as the civilian comptroller for the military department. The other is the appointment of a career civilian comptroller within the department.

The Committee has weighed both alternatives. It has interviewed numerous witnesses and considered the arguments presented both by them and other witnesses who have voiced their views before Congressional committees in recent years. We reject each of these two alternatives as impracticable and undesirable.

The establishment of an Assistant Secretary to serve as Comptroller would simultaneously (a) make this civilian appointee responsible for operating activities, and (b) dilute the authority of the Chief of Staff to discharge his responsibilities.

It is unlikely that the service of a succession of civilian appointees for limited periods of time can provide the continuity essential to the top management of financial affairs. The effectiveness of even experienced men drawn from civilian life will be limited by their unfamiliarity with the Army's affairs and the necessity of gaining the confidence of the officials through and with whom they will work.

The Chief of Staff is, and should be, the principal operating agent of the Secretary of the Army. He requires the services of a comptroller, immediately responsible to him, for the fiscal control of operations, the appraisal of management methods and procedures, and for the channeling of a continuing flow of information upon which decisions can be based. The effective performance of these tasks requires continuity in office, an understanding of Army organization and functions, and a high degree of competence.

Experience demonstrates that this essential continuity and competence can be better obtained by the building of an organization to discharge these tasks and simultaneously training career officers with a degree of understanding and competence not likely to be found in civilians at prevailing government salary levels.

We therefore deem it essential to establish a position as Assistant Secretary for Financial Management. Through such a position, civilians can guide a military comptroller and from their experience in civilian life contribute strong functional supervision, leadership and stimulation. They, too, can by vigorous exercise of the authority defined insure the Secretary an independent and reliable basis for evaluation of the Army's operations.

## CIVILIAN-MILITARY LEGAL FUNCTIONS

The Secretary and his civilian assistants and military leaders have a continuing need for legal advice and aid. This need frequently arises out of problems emerging from Congressional relations. In the day-to-day conduct of the Army's work it involves matters of military justice, personnel, pay, land acquisition, and patents. To an increasing degree, this need has found its expression in the form of questions on the interpretation of legislation, contracts and regulations under which the Army procures.

The Judge Advocate General is by law the legal advisor to the Secretary of the Army and to all officers and agencies of the Department of the Army.* More recently, however, the position of Department Counselor has been established within the Office of the Secretary. The Secretary thus has a personal advisor to aid in handling major issues, especially those involving Congressional relations.

The Department Counselor has a small staff of competent attorneys who are available to the Secretary for help in problems that require his personal attention and in handling major issues of Congressional relations. A senior attorney on the Counselor's staff specializes in procurement and supply matters. He is a principal aid to the Assistant Secretary for Materiel and frequently deals with the legal staffs of the Technical Services.

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* 62 Statutes, 643

There has been overlapping in the activities of the Judge Advocate General and the Department Counselor. Confusion exists as to the responsibilities of each. The growth of the supply function and of legal staffs assisting in procurement activities has focused attention on the importance of insuring consistent interpretations of legislation and policies. There is also apparent a need for coordination that is not now met either by the Judge Advocate General or the Department Counselor.

The Committee has considered the alternatives of assigning this responsibility for coordination (a) to the Department Counselor and (b) to the Judge Advocate General. It has concluded that this responsibility should be fixed on the Judge Advocate General. That official heads an organization that can readily assume this responsibility and can provide the essential continuity of legal direction; in Section II we have enumerated the steps that are required if the Judge Advocate General is to discharge this responsibility.

The Department Counselor should continue to serve as personal advisor to the Secretary and his civilian assistants. He should refer all legal and legislative matters not immediately related to the Secretary's personal responsibilities to the Judge Advocate General and to the Office of Legislative Liaison.

## PUBLIC AND CONGRESSIONAL RELATIONS

The Congress and the public hold the Secretary responsible for the Army's activities. His job requires an acute awareness of Administration policy and an understanding of congressional desires. As a civilian, political official he should represent the Army in its relationships with the Congress.

The environment in which the Army must operate requires the Secretary to give close attention to the development of good public relations. In a Cold War period, when the country must support a large Army, public understanding is of particular importance.

Public information services and many legislative liaison functions are now carried on in offices reporting to the Chief of Staff. These offices handle a mass of day-to-day public information matters, answer many routine congressional inquiries and provide

for Army legislative needs. All these duties are related directly to the regular operations of the Army and only a portion require the Secretary's attention. The Department Counselor assists the Secretary in handling important legislation, congressional inquiries and investigations.

It has been suggested that the Office of the Chief of Information and that of the Chief of Legislative Liaison should report to the Secretary because of the special importance of these functions to him.

The significance of these functions to the Secretary should not be underestimated. The Committee does not believe, however, that there are compelling reasons that warrant removing the offices of the Chiefs of Information and of Legislative Liaison from the jurisdiction of the Chief of Staff.

The Secretary can rely on the Department Counselor to insure that proper attention is given to important problems affecting the Congress. In addition, the services of both staff offices are immediately available to the Secretary whenever he may require them. The offices serve the entire establishment. Secretarial surveillance and functional control over their policies are exercised by the Assistant Secretaries in their respective areas of responsibility.

We recommend that these offices of the Chief of Information and of the Chief of Legislative Liaison remain responsible to the Chief of Staff.

## THE ESSENTIALITY OF INFORMATION

If the Secretary is to discharge his manifold duties with confidence in his judgment, he must be assured a constant flow of timely information on the Army's problems, progress, and plans. It is the job of the Chief of Staff to see that the Secretary and his civilian assistants are fully informed of policies under development, programs under discussion and progress made.

To permit this free flow of facts, the Army must be organized so that clear lines of accountability exist for each principal

activity. In subsequent sections of this report, the Committee proposes a succession of organizational improvements designed to spell out these lines of accountability.

Two kinds of information have special value. The first is comprised of the facts required for effective policy-making. The second includes all significant data that will reveal the results of operations, thus permitting the civilian secretariat to maintain a continuing watch on policy execution.

To assure the Secretary and his civilian assistants of a timely and factual basis for policy-making, the Chief of Staff and his principal military assistants must share with the civilian secretariat all the facts about successes and failures that they possess by virtue of their operational responsibilities.

It has been suggested that this sharing of information would be facilitated by merging the office staffs of the Secretary, and the Chief of Staff into a single executive office. No combination of offices, however, would insure the development of a common understanding. Indeed, our inquiries suggest that the civilian influence on major issues of policy might be submerged in such a combined office. The objective is not one that can be achieved by the mere rearrangement of desks and files and the re-routing of papers.

Inherent in the essential sharing of information is a sincere recognition of the role of politically accountable civilian leaders, an appreciation of the contribution that experienced executives from civilian life can make, and a desire to keep the top management of the Department fully informed and in a sound position to participate in the planning and decision making.

This flow of data and the processes from which it should be derived are not now adequate and effective. Organizational changes proposed in this report will permit the systematic development of data to provide an independent basis for performance appraisal. Further steps are needed. These are recommended in Section V.

## THE SECRETARY AND THE DEPARTMENT OF DEFENSE

In major part, the accomplishment of the Army's mission rests on the clear authority of the Secretary of the Army and the Chief of Staff and the assurance that these positions shall be filled by men of stature. The appointment of officers as Chief of Staff after a lifetime demonstration of competency and leadership assures the calibre of man required in that post. His statutory membership on the Joint Chiefs of Staff, and his unquestioned leadership in the Army, remove many obstacles to the successful fulfillment of his assignments.

The position of the Secretary, on the other hand, is endowed with even greater responsibilities, but by comparison it is far less attractive to the kind of man who is qualified to manage such a big and important enterprise. To preserve the important stature of this position and to increase the opportunities of its incumbent to do his job well, we believe three steps deserve consideration:

1. The Secretary of the Army is now occasionally invited to attend meetings of the National Security Council, the agency which aids the President in formulating the Nation's basic security policies. This is eminently desirable if he is to have a real understanding of actions which vitally influence the Army's mission. Indeed, the formal inclusion of the Secretary of each military department as regular observers of the Council would mean their being regularly and promptly informed of basic national policy considerations before the Council. The Committee so recommends.

2. The Army must accomplish its important mission, and the Secretary and Chief of Staff must discharge their responsibilities, within the environment of the Department of Defense. If another war engulfs us, the Army must be responsive -- in contrast to previous wars -- to the leadership of the Secretary of Defense, simultaneously meeting its responsibilities within and as a part of the Department of Defense structure. To be responsive the Army must have continuing and timely guidance from the Department of Defense.

This responsiveness will be engendered by an arrangement to insure that the Secretary shall participate in discussions with the Secretary and the Deputy Secretary of Defense in which policies affecting the Army are determined. We emphasize the necessity of bringing together regularly the principal executives of the military establishment -- Secretary of Defense, Deputy Secretary of Defense and the three Service Secretaries -- in order that the Secretary of each military department may participate actively in the formulation of basic policies guiding his department. It is sound and prevailing business practice to insure the full participation of principal operating executives in the determination of basic policies.

3. It is also essential that the impact of the organization of the Department of Defense upon the Army be weighed and the organization of the Army evaluated in terms of its capacity to achieve its objectives effectively within this Department. Views have been expressed that the several Assistant Secretaries of Defense would become, in effect, operating officials circumventing the authority of the Secretary of the Army. This Committee has been assured that it is the intention of responsible officials in the Department of Defense to limit their activities to policy formulation and broad supervision of operating activities. The Assistant Secretaries of Defense do not stand in the direct command line from the Secretary of Defense to the Secretary of the Army. They advise the Secretary of Defense. The Secretary and Deputy Secretary of Defense alone issue instructions to the Secretary of the Army.

The Committee has observed, during the course of its deliberations, instances in which Assistant Secretaries have not limited their activities to broad policy determination. For the Secretary to direct the Army, he must be accorded full authority. This authority must not be diluted by intervention by functional Assistant Secretaries of Defense. The Secretary of the Army can minimize this potential difficulty by designating a member of the civilian secretariat as point of liaison for each Assistant Secretary of Defense. This organizational device, however, will not substitute for full acceptance, in day-to-day practice, of the principle that the responsibility for broad policies rests in the Secretary of Defense and the responsibility for operations in the Department of the Army rests with the Secretary of the Army.

The Secretary's authority must not be diminished at any time by a contradictory line of authority from the Secretary of Defense through the Joint Chiefs of Staff to the Chief of Staff of the Department. Phrases picked from the report of the Rockefeller Committee on Department of Defense Organization and from the Message of the President of the United States transmitting Reorganization Plan No. 6 to the Congress raise doubts as to the Secretary's authority in instances in which the Department of the Army is assigned a responsibility for serving as the executive agent of the Secretary of Defense in exercising authority over a unified command. Particularly, there is question as to whether provision for direct communication between the Secretary of Defense and the Chief of Staff in emergency situations in effect places the Secretary of the Army outside the direct lines of responsibility.

Members of the Rockefeller Committee have agreed in their advice to this Committee that this was not the intention. The Secretary, they counsel, remains the accountable authority to whom the Chief of Staff has an uninterrupted responsibility. But the language is unclear. The Secretary's continuing authority should be clearly reaffirmed by the Secretary of Defense.

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The recommendations set forth in this section are summarized on pages 9 - 11.

## SECTION II - THE ORGANIZATION FOR OPERATIONS AND TRAINING

The end product of the Army Establishment is the trained unit, equipped and ready for combat. Its effective employment in war and readiness in peace comprise the Army's primary mission.

On September 1, 1953, of the nearly two million individuals in the Army Establishment, approximately 1.5 million individuals were included within (a) the Overseas commands, (b) the Antiaircraft Command, and (c) the Continental Armies. The effective utilization of this major segment of the Army's manpower depends, in considerable part, on the effectiveness of the organization through which its activities are planned, directed and controlled.

### ORGANIZATION FOR COMMAND OF FORCES

The effectiveness of these commands and the efficiency with which their activities are planned, directed and controlled is the immediate responsibility of the Chief of Staff. The line of accountability for the efficiency of the Army, its state of preparedness for military operations, and plans therefor, runs directly from the Secretary to the Chief of Staff and to the Army commanders. In addition, the Chief of Staff is responsible for the Administrative and Technical Services, and for the essential procurement, production, development and distribution activities. The Chief of Staff is assisted in the discharge of these responsibilities by the Vice Chief, Deputy Chiefs, General and Special Staffs.

Testimony on the organization of the Overseas Commands indicates that they are effectively organized for combat. The Committee has not attempted to evaluate the headquarters structure of these Commands but it is impressed that the basic organization of the combat army has worked well. Its effectiveness has been demonstrated twice in this generation. The need is for improvement of the organization that directs, controls, trains, supplies and services the combat and operational forces.

USE OF THE
GENERAL STAFF

The present organization of the Army assigns to each section of the General Staff, in varying degrees, planning, supervisory, advisory, and operational responsibilities. Assignment of operational responsibilities to the General Staff constitutes, in the opinion of this Committee, a significant weakness. This combination of responsibilities causes confusion.

The creation of a Supply Command (as recommended in Section III) would separate the staff and operating responsibilities of G-4. The responsibility of G-4 for directing and controlling the Technical Services would be transferred to the Supply Command. The Committee recommends that this principle be generally applied throughout the General Staff.

G-1 would be relieved of responsibility for directing and controlling Administrative Staffs and Services. G-1 would concentrate on the development of personnel policy, personnel planning and advice thereon to the civilian secretariat and to the Chief of Staff.

G-2 would retain its current responsibilities. It is primarily responsible for the assembly of intelligence, advising the Chief of Staff and the Army Staff and for monitoring the procurement, training, and assignment of military intelligence personnel.* We regard its supervision of military attaches assigned to this country's embassies and the operation of schools to train military intelligence personnel as compatible with this principle.

We have considered and rejected a proposal that an "intelligence corps" should be established. It has been contended that to develop specially trained personnel, to increase the status and prestige of intelligence work, and to insure coordination and proper evaluation of intelligence demands the establishment of an "intelligence corps". Increased emphasis on and prestige for intelligence work is essential, but adoption of this proposal would fix in G-2 additional operating responsibilities. It would tend to remove the responsibility for intelligence from operational officers.

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Special Regulations No. 10-120-1

Both results would be undesirable. In our opinion this proposal should not be adopted. The Assistant Chief of Staff, G-2 is responsible for developing other means for accomplishing the objectives set forth above.

G-3's functions would remain as presently fixed.* This section's responsibilities for planning, training (including the operation of certain schools) and coordinating operations in behalf of the Chief of Staff are consistent with the principle stated.

The Committee has considered a proposal that the Operations and Plans divisions of G-3 be established as a separate organization to serve as the Chief of Staff's command post. It has been contended that the activities of G-3 are too broad for effective execution in the event of war.

However, substantial responsibility for preparing strategic plans has been transferred from G-3 to the staff of the Joint Chiefs of Staff. Creation of the Continental Army Command (as proposed subsequently) should relieve G-3 of significant responsibilities for the supervision of training and operations of the Continental Armies. Hence, we believe G-3 can effectively discharge the responsibilities now assigned.

The Committee has also considered a proposal that the Office of Psychological Warfare be consolidated with G-3. The function of this office is relatively new. The activity has not been well established throughout the executive branch of the government. It is undesirable that added responsibilities be assigned G-3. The maintenance of this office as a separate staff section will give greater emphasis to this activity in its present stage of development. Hence, we recommend that this office be maintained as a separate agency.

In a subsequent section, the establishment of a Continental Army Command is proposed. Creation of this Command and the Supply Command will free the General Staff of many responsibilities of an operational nature and enable it to devote undivided attention to performance of its staff functions.

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Special Regulations No. 10-130-1

## IMPROVING STAFF SECTIONS' EFFECTIVENESS

The Committee has reviewed the functions and organizations of each staff section. It proposes that existing distinctions among these staff agencies as to their relative importance and the organizational level at which they operate be eliminated since such distinctions serve no practical purpose and may well be eliminated. We note the need for substantial change in the functions or organization of four existing units.

### 1. Redefining the Role of the Judge Advocate General

The steadily increasing importance of the procurement function to the accomplishment of the Army's mission has resulted in the establishment of legal staffs to advise those responsible for procurement. Substantial legal staffs now exist within the Corps of Engineers, Ordnance Corps, Quartermaster Corps, and Signal Corps among others.

These legal staffs provide essential assistance for procurement. Their assistance is reflected in a continuing flow of interpretations of legislation and in the form of contracts by which procurement is effected. These staffs are now subject to little coordination.

The Procurement Division of the Office of the Judge Advocate General is physically located with the Office of the Assistant Chief of Staff, G-4, where responsibility for direction of the Army's procurement activities resides. The staff of this division reviews all contracts over $5 million, all exceptions to published procurement regulations, and all contracts calling for financial aid to the contractor. It provides little positive direction, stimulation, or guidance for the legal staffs within the several Technical Services.

The result is a lack of consistency in effecting the Secretary's policies, varying contractual practices among the several Technical Services and incongruous inconsistency in arrangements between the Department and individual contractors. There is need for more effective coordination of all legal services throughout the Department.

The Judge Advocate General should establish, the Committee believes, more effective means for the functional supervision and coordination of legal staffs throughout the Army. He effectively expresses and coordinates legal activities in the fields of military justice, personnel and pay. He should extend his scope to assume a like responsibility for the supervision and coordination of all legal staffs within the Department of the Army other than the Department Counselor.

Discharge of this responsibility will require that the Judge Advocate General:

a. Establish means of providing guidance for these legal staffs through the dissemination of selected opinions and especially through frequent conferences and direct communications.

b. Materially supplement existing facilities for training members of the Judge Advocate General's Corps. Limited courses in contract termination and in procurement law must be substantially expanded if the needs of the Technical Services are to be met. In addition, special courses in procurement law for reserve officers will be necessary to develop the number of qualified officers required.

c. Assign an increased proportion of Judge Advocate officers, especially trained in procurement law, to the Technical Services. The legal staffs of these services should continue to be staffed in principal part by civilian lawyers. Integration of an increasing number of Judge Advocate officers, both junior and senior, into the legal offices of the services, however, is essential to the development of an adequate reservoir of trained officers in the event of emergency.

The Commander of Supply Command will need, as an integral part of his own staff, a competent staff of legal advisors. This staff should perform those activities now performed by the General Counsel, G-4, and the Procurement Division of the Judge Advocate General, assigned to G-4. The role of this staff will be to aid

the Commander in making operating decisions, in handling legislative problems and in guiding the legal staffs of the several Technical Services.

This staff should be subject to the same functional supervision and coordination of the Judge Advocate General as the legal staffs within the Technical Services. And it should be staffed, in part, by members of the Judge Advocate General's Corps.

2. Reassigning Office of Civilian Personnel

The Office of Civilian Personnel is, in the last analysis, responsible for the effective recruitment and utilization of approximately 500,000 civilian men and women serving in the Department of the Army. It is responsible for formulating policies and exercising functional supervision of the employment of these individuals. This office has previously been included within the Office of the Assistant Secretary of the Army (Manpower and Reserve Forces).

The Committee proposes that the Office of Civilian Personnel be transferred from its present location and be made responsible, as a staff section, to the Secretary through the Chief of Staff. This large number of civilian personnel is employed in establishments subject to the direction and control of the Chief of Staff. The staff service provided by this office is essential to the Army's effective use of these employees. It is illogical that this office should not be under the direction of the Chief of Staff.

3. Improving Organization for Reserve Activities

The necessity of maintaining, during a period of Cold War, an armed force ready for combat places large importance upon the effectiveness of the Army's reserve. This reserve does not now match the country's needs. Moreover, the Army has been unable, with its existing organization and program, to build up the unit strength and improve the morale and effectiveness of its reservists. There is, in the Committee's opinion, an urgent need for improvement of the reserve program. There is also a need for the revision of existing organizational structure. The Office of the Executive for Reserve and ROTC

Affairs consists of two divisible parts. One is headed by the Executive for Reserve Affairs; the other by an Executive for ROTC Affairs. The Committee recommends that these two staffs be separated and established in independent offices responsible to the Chief of Staff.

The importance of the Army's program for building up and maintaining its reserve forces makes essential:

a. The separate organizational identification of this function,

b. The strengthening of the staff assigned to the Office for Reserve Affairs and the strengthening of the leadership of the reserve in each area,

c. A senior officer with special capabilities be entrusted with this function, and

d. That he be charged with responsibility for developing a new and vitalized program.

Simultaneously, we recommend that the Office of Assistant to the Chief of Staff for Civilian Component Affairs be abolished. Assignment of responsibility for the reserve and ROTC programs to officers of stature makes desirable their direct reporting to the Chief of Staff.

4. Strengthening Civil Affairs/Military Government

World War II foreshadowed the increasing responsibility of the Army for civil affairs and military government. It posed for the Army the necessity of occupying vast areas abroad and for governing millions of people at large cost. These tasks and their great importance had not been anticipated. Basic policies had not been established. Personnel trained in military government was not available. No effective organization existed to train personnel to administer military government responsibilities.

The urgent nature of this activity during World War II forced the improvisation of policies and organization. The activity claimed a major share of the attention of an assistant secretary and of the Civil Affairs Division of the War Department

Special Staff which was established March 1, 1943. Subsequently this Division was dissolved and responsibility distributed among an Office for Occupied Areas, G-1, G-3, and G-4. Then, after conflict in Korea posed new problems, the present Office of the Chief of Civil Affairs and Military Government was established in September 1952.

This office was assigned responsibility for advising the Secretary of the Army, the Chief of Staff and agencies of the Army and "to provide staff supervision" of civil affairs and military government activities. The Office has not been able to give adequate emphasis to this important function. Essential training of officers in this field has been handicapped by subordination to the training of military police.

The authority of this office must be increased to insure its effective voice in the development of the Army's policies and its aggressive development and administration of an effective training program. To accomplish the training required we propose that the Military Government Division of the Provost Marshal General's Office and the Military Government Department of the Provost Marshal General's School be transferred to the Office of Civil Affairs/Military Government.

This office must be expected (a) to insure that greater emphasis is given by the Army staff schools and by the Continental Army Command (proposed in subsequent pages) to training in military government, and (b) to stimulate greater interest in this emerging and important field of civil affairs and military government at all levels of the Army Staff.

## CREATION OF A CONTINENTAL ARMY COMMAND

Commanders of the six Continental Armies and the Military District of Washington now report directly to the Chief of Staff. They are supervised by each of the general staff sections. Their activities are subject to diffused direction. There is no regular, effective and coordinated evaluation of the total performance of their Armies.

To provide for more effective direction, to limit the number reporting directly to the Chief of Staff, and to insure the immediate effectiveness of these training commands in time of war, the Committee proposes establishment of a Continental Army Command. This Command should be assigned the functions now entrusted to the Army Field Forces and be charged with other functions essential to the effective direction and evaluation of the performance of these territorial commands.

The Commander of the Continental Army Command should be responsible to the Chief of Staff for the activities and the performance of the Continental Armies and the Military District of Washington. To discharge these responsibilities the Commander should have authority to:

1. Review and approve plans and programs for the work of each Army;

2. Review and approve the budget for, and continuing expenditures of, each Army;

3. Develop plans for and supervise the training of individuals and combined units and integrate this training with the training of specialized skills and services in the Staff Sections and Technical Services;

4. Maintain the Testing Boards to insure the reflection of the users' views in development of materiel and equipment;

5. Develop long term plans for increasing the efficiency and effectiveness of the Armies; and

6. Especially, evaluate regularly the performance of the activities for which each Army is responsible.

The Committee visualizes no need for the establishment of a large command headquarters. The functions enumerated above should be performed with but a modest increase in the present staff of the Army Field Forces. Numerous administrative services now performed for these armies by the Department of the Army should continue to be provided as at present. The Committee does not contemplate that this Command should build staffs to provide or to monitor these administrative services. Such additional staff as may be required to review plans, programs

and budgets and regularly appraise performance should be transferred from those sections of the Army staff where the functions are now performed. The role of this Command is to direct and regularly to evaluate performance. Its staff should be tailored to this task, and should not be located in Washington.

## CLARIFYING RESPONSIBILITY FOR TRAINING

Responsibility for training Army personnel is now spread among fifteen or more organizations. The Chief, Army Field Forces, is assigned the major responsibility, but his responsibility overlaps similar responsibility assigned G-3. All of the Technical Services and certain General Staff and Staff Sections conduct training under varying degrees of supervision by the Chief of Army Field Forces. There is need for a clearer line of accountability to the Chief of Staff for training and through him to the Secretary.

To meet this need the Committee proposes that the total responsibility for training be viewed as three separable but essentially interrelated segments of the task of developing trained units. The first segment is that of inducting and giving basic training to individuals. The second segment is that of developing essential specialized skills ranging from those of the mechanic or storekeeper to those of the Judge Advocate and the Comptroller. The third segment is that of moulding individuals and units into an integrated combat organization.

Responsibility for the several segments or types of training, the Committee believes, should be assigned as follows:

1. All agencies with training responsibilities should be guided by general training policies developed by G-3.

2. The Continental Army Command should have sole responsibility for basic training of all individuals, all combat arms training (individual and unit), all combined training, and for all civilian component training for which the Department of the Army is responsible.

3. Certain of the General Staff and Staff Sections and the Supply Command should be responsible for specialized training of individuals and units until they are passed to the control of the armies in the field.

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The recommendations set forth in this section are summarized on pages 11-13.

## SECTION III - IMPROVING THE ORGANIZATION OF SUPPLY MANAGEMENT

### TESTS OF THE ARMY'S SUPPLY ORGANIZATION

In the event of another war, there is little likelihood that the Army would have the chance to reorganize and develop its supply* organization after the start of hostilities. The possibility of slow-paced conversion and a long build-up, which characterized the early stages of World Wars I and II, disappeared in the smoke over Hiroshima on August 6, 1945.

Victory -- as well as the conservation of lives -- depends in large measure on superiority in weapons and equipment at the moment war is thrust upon us. That superiority becomes progressively more important as weapons are made increasingly destructive and warfare depends more and more on highly specialized equipment.

To a great extent, superiority also will depend on the immediate efficiency of the long supply lines demanded by the global character of the defense problems we and our allies face. The supply requirements consume, even in 1953, a significant proportion of the country's total resources. In another war these requirements would absorb quantities of manpower and resources to an extent that would levy severe strain on the country's economy.

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* The term "Supply" is used throughout the report to refer to that sequence of related activities that include research and development, computation of supply requirements, procurement, production, storage, distribution, maintenance and disposal of materiel, the rendering of logistical services such as medical, communications, engineering, transportation and the training of troops specializing in these activities and services.

The Army's supply organization and its management must be equal now to achieving superiority and must be able to expand immediately to meet the requirements of an extreme emergency. These needs pose four specific questions:

1. Does the present organization provide for purposeful top level planning and direction of the Army's supply and is it in position to gauge the consequent impact on the Nation's economic and industrial resources?

2. Can the present organization direct and control those agencies of the Army responsible for the tremendous supply job that war would bring? Specifically, could the Assistant Chief of Staff, G-4, be expected, in addition to his other important duties, to be responsible for the effective general management of the Technical Services? If not, what kind of organization and what authorities would be required to do the job?

3. Should those agencies of the Army (the Technical Services*) that produce, procure, develop and distribute essential weapons, materiel and equipment be organized as at present by type of item supplied or service rendered or is there need for change?

4. Does the Army offer adequate opportunities and incentives to provide the requisite competence in supply management? Does the Army's supply organization attract, develop and hold an adequate number of qualified men, both military and civilian?

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* The Technical Services are: The Medical Corps, Ordnance Corps, Corps of Engineers, the Quartermaster Corps, Transportation Corps, Signal Corps, Chemical Corps. In November 1953 these Technical Services contained more than 310,000 military and civilian personnel. Together they were responsible for the bulk of all procurement, research and development, production, distribution, and related services required by the Army.

## TOP LEVEL ATTENTION TO SUPPLY MATTERS

Effective management of the Army's supply activities -- the development, production, procurement, storage and distribution of weapons, materiel and equipment -- necessitates a high and specialized order of competence. It also requires the understanding and attention of the Army's top civilian and military leaders that its importance and magnitude dictate.

### 1. Civilian or Military Direction of Supply

The Committee considered carefully the desirability of having the Army's supply organization (specifically the Technical Services) report (either directly or through a military commander) to the civilian Assistant Secretary for Materiel rather than to the Chief of Staff.

We have concluded, however, after extended consideration, that the Chief of Staff should serve as the operating manager of the Department of the Army, and be responsible to the Secretary for supply management as for all other operations.

Three factors of especial pertinence in the area of supply management reinforce our conclusion as to the responsibility of the Chief of Staff in that area -- and make impracticable the assignment of that responsibility to a civilian assistant secretary.

a. Operational success and efficient and economical supply management require close coordination and the resolution of differences between the using and supply elements of the Army. For example, the development of new items of materiel requires the balancing of the users' desires with procurement feasibility and cost. The Army's military planning -- especially during periods of actual warfare -- demands the closest coordination of operations and supply. Operational plans are often limited by the availability of supplies and by the nation's productive capacities. Certainly, operational success is dependent on meeting planned supply requirements. Military striking power is the combined product of well-trained and well-led

forces and the best of materiel -- in quantity and quality -- that this country's industry can produce. This vital interdependence of supply and military planning makes it imperative that the Chief of Staff be responsible for supply and its coordination.

b. An additional factor is the difficulty that even the most highly qualified civilians coming in from the outside for relatively limited periods of time would have in acquiring sufficient background and well-established working relationships to be really effective in a line management capacity. Moreover, it would be unwise to base a plan of organization on the assumption that individuals with the relevant business experience and administrative ability qualifying them to assume direct management responsibility for the Army's huge and complex supply job will be available. Of the six men who have held responsibility for materiel functions as Under or Assistant Secretary since enactment of the National Security Act of 1947, only two had previous industrial experience pertinent to the Army's supply management activities.

c. The Army must be expected to develop effective organization and competent military personnel for both tasks (as other enterprises develop personnel equal to their needs) and the Chief of Staff must assume the responsibility for the efficiency of both operations. Thus, responsibility can be squarely fixed.

The Committee thus rejects the alternative of fixing responsibility for active direction and control of supply management in the Assistant Secretary for Materiel. The essential role of the impermanent civilian is to establish objectives, formulate policies, evaluate performance and see that the military makes corrections and institutes improvements when they are required. We believe that better results can be obtained by strengthening the Army's supply organization and by providing the civilian secretariat with a more effective means for establishing policies and evaluating performance -- rather than by superimposing in managerial capacity even the most highly qualified individuals coming from the outside with the probability of limited tenure.

2. Vice Chief of Staff for Supply

Integrating supply planning with other aspects of military planning is a full-time task requiring a highly experienced and qualified individual. It is obviously unlikely that the Chief of Staff would have had extensive experience in many important aspects of supply management. It is the opinion of the Committee that the Chief of Staff needs the aid of two Vice Chiefs -- one for Operations and one for Supply. The Committee therefore recommends that an additional position of Vice Chief of Staff for Supply be created.

The position of Vice Chief of Staff for Supply should be filled by an individual who has had broad experience which would qualify him to advise the Chief of Staff on supply problems. These will include the resolution of differences between those concerned with the development of new items and those concerned with procurement and other aspects of supply; adapting the Army's requirements, procurement policies and plans to industry and the country's economy; and continually improving the efficiency of the Army's supply management. This will serve to recognize the importance of supply and to promote increased awareness of the importance of supply management throughout the Army.

The Chief of Staff should be a man selected primarily for his experience and abilities in the combat or operations aspects of the Army's mission rather than his skill in supply. Therefore, the Committee does not recommend that the Vice Chief for Supply serve as acting Chief of Staff in the event of the absence or illness of the Chief. The line of succession should be to the Vice Chief for Operations and thence to the Deputies -- by-passing the Vice Chief for Supply. However, the Vice Chief for Supply would, of course, always report directly to whoever is serving as Chief of Staff.

The establishment of the position of Vice Chief of Staff for Supply will require legislation. The Committee recommends that the Department of the Army take appropriate steps to secure the introduction of such legislation. But in the event that enabling legislation should not be forthcoming promptly, the Committee recommends that steps be taken to provide for full-time specialization on supply matters by a senior member of the immediate office of the Chief of Staff -- such as the creation of another Deputy Chief of Staff.

## DIRECTION AND COORDINATION OF TECHNICAL SERVICES

A vital link in the Army's supply organization is the element that directs and coordinates the Technical Services. It is this element of the Army's organization that had to be reorganized in 1918 and in 1942. In both instances it was necessary to build, after war had started, an organizational mechanism adequate for this job. In the Committee's opinion the Army's present organization for direction and control of the Technical Services would not be adequate in event of another full scale mobilization.

### 1. Need for Unified Responsibility and Authority

The Assistant Chief of Staff, G-4 "directs and controls"* the Technical Services, yet the responsibility for providing men and money to accomplish their mission lies respectively in G-1, and the Comptroller. The authority of G-4 to direct and control the Technical Services is thus diluted. As a result, much of the momentum gained in improving supply management, organization, procedures, and operations during World War II appears to have been lost.

Improvement might be effected by clarifying G-4's authority over the Technical Services. This would necessitate redefining the terms "directs" and "controls" appearing in current regulations. Clarifying and strengthening G-4's role might eliminate problems that currently arise in supervising and coordinating Technical Services. Such clarification would produce more effective direction with a minimum disruption of the present organization. Moreover, it would minimize problems of effective coordination between supply management and operations.

Clarification of G-4's authority to direct and to control the Technical Services would not overcome the handicapping consequences that ensue from the combination of staff and operating activities in G-4. Under the pressure of full scale war, preoccupation with essential staff planning would likely divert G-4's attention from the direction of operations. More

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* Special Regulations 10-140-1

important, this combination prevents establishment of a unity of command over all supply activities. The concept of staff supervision that underlies G-4's supervision of the Technical Services justifies the continued supervision and control by G-1 of personnel management and by the Comptroller of fiscal affairs.

Moreover, the establishment of G-4 as the general manager of the Technical Services would handicap geographic dispersal of supply operations to reduce their vulnerability to attack. All General Staff activities should remain together. If the headquarters of each Technical Service were to remain near G-4, this would limit the extent to which dispersal would be practical. On the other hand, separation of the Technical Service headquarters from the agency responsible for their direction and coordination would create awkward management problems and reduce the effectiveness of supply.

2. Recommended Supply Command

Effective management of the Technical Services requires, in the Committee's opinion, the establishment of a Supply Command. To this Command, the Committee recommends transfer of all authority now held by G-4 for direction and control of the Technical Services. G-4 would continue to serve as a section of the General Staff responsible for logistical planning. The Supply Command should be assigned full responsibility for direction and control of the Technical Services.

The scope and powers of the envisioned Supply Command would be far less sweeping than those granted the Army Service Forces of World War II. Various administrative services, such as The Adjutant General, The Provost Marshal General and the Service Commands, (the territorial predecessors of the present Continental Armies) should not be included. The Supply Command should not be granted any direct authority over overseas supply activities.

Creation of this Command is recommended to provide an authoritative commander of the Technical Services with effective control over all its available funds and personnel. The Supply Command should be assigned authority to prescribe the missions, organization, and procedures of the Technical Services.

Broadly speaking, however, the Committee envisions a "line and staff" type of organization similar to that of many industrial organizations. The Technical Services would represent the line or operating elements. In addition, the Commander would require staff units to assist in formulating and communicating policy, and to advise and assist the Technical Services. These would likely include staffs specializing in research and development, computation of requirements, formulation of procurement policies, supply management, including stock control; storage, salvage and disposal, etc.; personnel, including career management; legal services and fiscal management.

Creation of the Supply Command should result in significant savings from firm control and coordination of the technical activities. Any increase in manpower required at Command headquarters should be accomplished by the transfer of personnel (or spaces) from the Department of the Army staff, particularly from G-4, for the performance of the functions thus transferred. Other personnel may well be transferred from the headquarters of the Technical Services for the functions that thus become centralized.

## ORGANIZATION OF OPERATING ACTIVITIES

The Technical Services are established and experienced in their assigned jobs. They have met the needs of previous wars. The basic concept governing the organization of each, i.e., by type of item or service, has been confirmed by industrial experience. Many of the country's outstanding corporate enterprises are similarly organized. Other progressively managed large businesses have recently shifted from a "functional" to such a "commodity" type organization.

The immediate need is not for a major reorganization of the Technical Services: Rather, it is to establish more effective general management and control of these services and to provide for their coordination.

1. Functionalization Considered

Some previous studies have recommended that the present organization of the Technical Services by type of materiel or service be replaced by a functional organization. Thus, for example, one organization or service would be responsible for research and development on all items of materiel; another for procurement of all items; a third for storage and issue of all items. Several variations of this concept have been suggested.

The controlling consideration -- in choosing between these proposals and the existing form of organization -- is whether the advantages of greater specialization, coordination, and uniformity with respect to a function (e.g., procurement) are more important than the need for coordinating and resolving all differences between functions with respect to an item (e.g., tanks). Coordination of the development, procurement and distribution of an item is a more meaningful basis for organization, the Committee believes, than specialization in each function. The present Technical Services' organization is designed to achieve that primary coordination.

2. Retention of Civil Works

Some other studies have suggested that the Corps of Engineers be relieved of its responsibilities for civil works. They have proposed that these activities be transferred to a civilian department of the Federal Government. The proposals are founded on two bases: i.e., these activities are unrelated to the basic mission of the Army; and these activities unfortunately tend to inject the Army into domestic political affairs. On the other hand, it is contended that these activities provide essential and desirable means of developing skill and training officers in related engineering functions during peacetime. After careful analyses and recognizing the added problems posed for the Department by continuing responsibility for these functions, we believe that they should continue as a responsibility of the Department of the Army.

3. Progressive Improvement

There are, we believe, substantial opportunities for improving the organization of the Technical Services by regrouping or abandoning activities. Moreover, changing conditions may

create a need to transfer certain activities between services, to consolidate services or even to create new services.

We have considered several alternative proposals. We have concluded that improvement will best be effected by fixing in a Supply Command responsibility for analyzing existing structure and operating methods. Changes that will enhance effectiveness should be made as further study demonstrates their purposefulness. The Supply Commander should be expected to develop promptly a long range plan for the improvement of the organizational structure and operating methods.

4. Clarifying Operational Authority

One immediate step required to make the Technical Services more effective is elimination of the present division of responsibility for operation of their field (Class II) installations between the Technical Services and the Continental Armies. These Class II installations, approximately 130 in number, are the arsenals, centers, depots, hospitals and ports which engage in research and development, procure, produce, store, distribute materiel and provide medical care.

Commanders of these installations are now responsible to the Chiefs of the respective Technical Services for performance of their assigned missions.

Concurrently, they are dependent upon the Commanders of the Continental Armies for certain administrative and support services. For example, the Commanding General of the Chicago Quartermaster Depot is responsible to the Quartermaster General for the procurement, storage and distribution of a vast quantity of materiel. Funds and personnel to accomplish these assignments are allotted by the Quartermaster Corps. But the Depot Commander is simultaneously dependent upon the Commanding General of the Fifth Army for funds and personnel required for administrative services and facilities without which the Depot's mission cannot be achieved.

This arrangement dilutes the commander's authority to accomplish the mission for which he is responsible. And there are no effective means for determining the total costs of services performed or items produced in these installations.

Funds and personnel required for the operation of Class II installations should be allotted to the responsible Technical Services and apportioned by them to their installations. The Commander should have full responsibility for all funds and personnel made available for the operations of the installation. (See also Section V for discussion of the financial aspects of this recommendation.)

## IMPROVING CAREER MANAGEMENT IN SUPPLY

Adoption of the foregoing recommendations will place greater emphasis on vital supply activities, make possible more effective direction and control, establish an improved organizational structure and clarify the line of accountability for results. The success of this organization will depend, in the last analysis, however, on the competence and motivations of the personnel who command and staff it.

Recognition must always be given by the Army to the individual's success in directing combat and operations. In the past, top level positions and high rank have been reserved in principal part for officers who distinguished themselves in these activities. This has repeatedly placed able combat officers in positions of great responsibility for supply, for which tasks they were inexperienced and unqualified. Furthermore, officers occupying these posts at the time war comes promptly seek reassignment to combat posts.

The Army's supply management responsibilities require officers and civilians of especial and particular competence. Experience in other enterprises has demonstrated that such competence will most likely be found in those individuals who have, by coming up through the organization, acquired a well-rounded understanding. The Army, like other enterprises, has an obligation to develop executives capable of managing each of its varied activities. It has been demonstrated that the competence required for supply management can be developed in officers experienced in the Technical Services. But for these men there must be greater opportunities to achieve high rank, and thus the incentive to remain within the Army in this important field.

The organizational changes proposed will do much to create a framework within which incentives will exist for officers competent and experienced in supply management. The positions of Vice Chief of Staff for Supply and Commanding General of the Supply Command offer greater opportunities than exist at present for officers who devote their lives to careers in the Technical Services. This assumes that equal rank and status will be accorded the Vice Chief of Staff for Supply and the Vice Chief of Staff for Operations, the Commanding General, Supply Command and the senior Army Commanders.

Obviously, selections for these and other principal positions in the Supply Command should be made on the basis of superior performance in supply management -- not as a reward for success in combat or operations. Yet, it is simultaneously desirable that these officers should, early in their careers, have had experience with and in the command of troops. Their specialized competences should be built on a broad experience that will give them a recognized understanding of the needs of the combat forces as well as the techniques of supply management.

Their development will require a vigorous career management program specifically designed to produce officers more broadly experienced than is possible within the confines of any Technical Service. Their development should include rotating assignments within the Technical Service of their choice, within other Technical Services, in the General Staff of the Army, in the Department of Defense, in Army staff schools, in private enterprises for observation and the study of methods, and in graduate schools of business administration in civilian universities.

The Supply Command should include a headquarters staff unit to provide the leadership and surveillance necessary to assure this essential staff development. The Supply Command should also be given authority to establish personnel policies geared to its specialized needs. For example, it should be empowered to permit highly qualified specialists to continue indefinitely on particular assignments or to restrict their services to specialized areas. Only thus may some individuals with special talents be utilized to their fullest capacity.

Together, these steps, the Committee is convinced, are essential both to produce within the military the competence required and to achieve effective and economical supply management for the Army.

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The recommendations set forth in this section are summarized on pages 13 and 14.

## SECTION IV - THE ORGANIZATION FOR RESEARCH AND DEVELOPMENT

### THE ROLE OF RESEARCH AND DEVELOPMENT

One of the principal responsibilities of the Army is aggressively to improve the means of waging war effectively. Its means must be adequate to combat and defeat an enemy with vast superiority in numbers. This responsibility involves a constant study of the soldier's needs. It requires knowledge of pure science and of the application of scientific discovery to the art of warfare. It includes the utilization of engineering facilities and experience in modifying and improving weapons and materiel. It concerns how the soldier can better use the weapons that technology produces. And above all, it necessitates attitudes and policies that encourage innovation and insure that scientific discovery and technological advance are an integral part of tactical and strategic planning.

To provide the soldier with clearly superior weapons and equipment, three great institutions of this country must be welded into a working unit -- science, industry and the military. To achieve this, the military must make clear its needs and establish conditions and relationships that stimulate the active participation of science and industry. And within its ranks, the military must balance economically the needs and desires of the soldier, the ideas of the scientist and the capacity of those responsible for producing, procuring, storing and distributing the end product.

### EVOLVING ORGANIZATION

The Army has long engaged in research and development to insure the qualitative supremacy for its arms. But this research and development was not given appropriate emphasis, status and support prior to World War II. Since then the Army's

organization has evolved to provide for more effective discharge of this function and to reflect its growing importance.

Prior to 1946, six of the Technical Services had established research and development divisions reporting directly to their chiefs. In 1951 research and development was granted separate divisional status within the Quartermaster Corps. Gradually, since the early 1940's, the personnel assigned to this function has increased in number, included a growing number of recognized civilian scientists, and military officers assigned to the activity have been granted greater rank. Less advance has been made in improving conditions under which research and development activities are carried on within the arsenals, centers, depots and other installations.

More recently the needs and desires of the using elements -- the fighting forces -- have been accorded greater recognition through establishment of a Combat Development Group* and four field testing boards within the Army Field Forces. This represented a significant step toward relating the ideas of the scientist and the needs of the Army.

In 1948, a Research and Development Division was established within G-4 to supervise, to coordinate and to stimulate such activities in the Technical Services.

In January 1952 the position of Chief of Research and Development was established in the office of the Deputy Chief of Staff for Plans and Research to advise the Chief of Staff and generally to supervise research and development throughout the Army. Establishment of this position served to raise the stature of this activity within the Army, to give voice in the Army's highest councils to the scientists and development engineers, and to improve coordination of activities scattered through many organizational units. In addition it has served closely to relate the potentials of research and development to operational planning. Scientific discovery and technological change directly affect tactical and strategic considerations as well as the weapons and equipment the fighting man uses.

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* General Order No. 30, dtd 1 Oct 52

In March 1952 the remaining General Staff sections established organizational subdivisions to assume responsibility for research and development in their respective spheres of interest.

Later in 1952, the Secretary created a Scientific Advisory Panel. This Panel was established to advise him and the Chief of Staff on specific projects. Its creation constituted a significant step toward bringing to the Army's problems the best scientific thinking and experience of this Nation's industry and scientific institutions.

## INADEQUACIES OF EXISTING ORGANIZATION

Despite these advances the Army's organization for research and development is not now adequate to the need. Four deficiencies can be summarily stated:

1. Responsibility for leadership is diffused among two members of the civilian Secretariat, the Chief of Research and Development and the four Assistant Chiefs of Staff. The advances made by the Chief of Research and Development within recent years are attributed in principal part to the unique talents and capacity of an individual officer, not to the effectiveness of the organizational mechanisms through which he worked.

2. No adequate means exist to coordinate and actively stimulate the efforts of all engaged in research and development in many organizational units throughout the Army. The bulk of these activities are performed in the Technical Services; four-fifths of the annual funds available for research and development are allocated to the Ordnance, Signal and Chemical Corps. There is no effective coordination of the activities of two or more services engaged in research on a single project; e.g., the development of a land mine and the vehicle by which it is to be laid.

The opportunity of the Chief of Research and Development to stimulate the effectiveness of materiel development is not clear, and can be effectuated only

with the continuing concurrence of the Assistant Chief of Staff, G-4.

3. The significance of research and development has not been fully recognized at each organizational level. Association of research and development in each Technical Service with procurement, production and distribution has contributed to the integration of these activities. On the other hand, it has tended to subordinate this effort to these more dominating responsibilities. The imposition of procurement concepts of contracting, accounting and related procedures have proven inimicable to the satisfactory accomplishment of research and development.

4. The Army's research and development organization has not attracted adequate support and interest from civilian scientists. The Army's deficiencies have impeded the establishment of a creative atmosphere, a climate hospitable to innovation and the stimuli needed for scientific work. These organizational lacks have been accompanied by attitudes which tended to encourage performance of research and development within Army installations rather than contracting with the country's scientific and industrial institutions through which, we believe, more effective results would be achieved.

## ALTERNATIVES FOR IMPROVEMENT

Previous studies have suggested several alternative methods of organizing within the Army to overcome these deficiencies. These include establishment of a separate Assistant Chief of Staff to specialize on the planning, stimulation and coordination of research and development. This proposal would concentrate in a separate section of the General Staff the activities of the present Chief of Research and Development and of the Deputy Assistant Chief of Staff, G-4 for Research and Development. More extensive proposals suggest that all research and development activities throughout the Army be removed from their present organizational locations and concentrated in a new command. One alternative suggests creation of a "Research and Development Command", another a "Development Command"

concerned with the "development" of troops and the weapons and equipment they use.

The former proposal would release those responsible for research and development at the General Staff level from the overriding influence of those whose primary concern is procurement and distribution. The second would functionalize all research and development activities and separate them from other activities of the Technical Services.

Both alternatives, however, suffer from other deficiencies which make them impracticable solutions to the Army's organizational problem. The former alone would not strengthen the coordinative and stimulative research and development leadership required in the Army. The latter would separate research and development from closely related procurement and distribution activities. It would necessitate finding and developing additional means to coordinate these essentially integral activities and would remove the developer from the influence of those concerned with production and procurement. It would likely insulate those engaged in research and development from the views of the user of weapons and materiel.

## PROPOSED IMPROVEMENT IN ORGANIZATION

Organizational change to make more effective the research and development activities essential to the Army's mission cannot be viewed in isolation. Changes proposed for improvement of top management, and the better handling of the Army's vast supply tasks are integral steps to which these proposals must be adapted. The Secretary, as the responsible official, must be given the means effectively to establish the policies that prevail and to maintain a surveillance over this field. The Chief of Staff must have effective means for achieving essential operating results. And the Commander of the Supply Command (see proposal for establishment of this organizational unit in Section III) must be equipped to insure effective performance of those research and development tasks which remain an integral part of his responsibility.

Two steps are required to strengthen leadership for research and development. The first is to reassign responsibilities for functional supervision of this activity from the Under Secretary to that Assistant Secretary who is assigned responsibility for materiel. A second is to clarify and enhance the position of Chief of Research and Development in the Office of the Deputy Chief of Staff for Plans and Research. Both steps are desirable; the latter is the more significant. It is at these echelons that an attitude which understands the uses of research and development and its importance, especially in peacetime, must originate and project itself throughout the Army.

To enhance and make more effective the position of Chief of Research and Development, we propose the transfer of the planning functions and staff now located in the Deputy Assistant Chief of Staff, G-4 for Research and Development. The Chief of Research and Development must have adequate means to project his influence throughout the Army.

The Chief of Research and Development should, in addition, be granted substantial additional authority. This increased authority is essential to creating a more effective line of accountability extending from the Chief of Staff to those responsible for research and development in the Army's installations.

His authority is not to manage. Research and development will continue to be the operating responsibility of the chiefs of the Technical Services under the direction of the Commander of the Supply Command. But the coordinative and supervisory authority of the Chief of Research and Development must be adequate to assure that research and development activities are:

1. Accorded organizational status and support at each echelon equivalent to procurement and production activities;

2. Given the attention, funds, and facilities essential to creative research;

3. Managed so as to attract and retain essential scientific personnel;

4. Planned so as to utilize the Nation's scientific skills in the development of new concepts and devices, as well as to utilize the Nation's engineering skills and resources to improve methods, weapons and equipment; and

5. Coordinated effectively among the Technical Services and the General Staff sections; to this end he may designate executive agents to coordinate projects that involve more than one organization.

In addition he should have adequate funds to bring in from time to time as needed outstanding civilian scientists, to employ project managers who may effectively coordinate related research and development being performed in more than one technical service and to contract, with a maximum of freedom, directly with civilian institutions or industries for special research undertakings.

The status of research and development, as a vital aspect of the Army's mission, must be clearly established at each organizational level. Progress has been made in establishing greater organizational status for research and development in the General Staff and in each of the Technical Services. Strengthening the position of the Chief of Research and Development will further assure its establishment in the Army's highest councils. Transfer of all the remaining staff of the Deputy Assistant Chief of Staff, G-4 for Research and Development to the Commander of the Supply Command will insure establishment of the function at that point.

Further progress is required especially in the installations where this work is performed. There a continual effort must be applied to insure that the role of the scientist is respected and appreciated, and that adequate funds and facilities are available for his use.

This respect and support must be coupled with a planned effort to develop those officers who demonstrate a special capacity in this field. They must be accorded rank equal to the large importance of this activity. They must be granted greater opportunities to increase their specialized capacities by graduate study in civilian institutions and by association

with civilian scientists. They must be encouraged to specialize in those fields where their interests and aptitudes can be fully utilized.

Greater interest and support among civilian scientists must be built. We propose that the scope of the Secretary's Scientific Advisory Panel be widened to embrace all Army research and development plans and operations. Currently this group advises the Secretary and the Chief of Staff only on those specific projects assigned to them. This has not constituted an adequate challenge.

Even more significant must be a continuing enforcement of the previailing policy that all research and development that can feasibly be contracted for with qualified industrial and scientific institutions shall not be performed within Army installations. A more aggressive implementation of this policy will bring to the Army a fuller measure of the Nation's civilian experience, knowledge and creative genius.

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The recommendations set forth in this section have been summarized on page 14.

## SECTION V - FINANCIAL MANAGEMENT

### PROCESSES TO MAKE ORGANIZATION EFFECTIVE

We have recommended substantial revisions in the Army's basic organizational structure. These are proposed to enable the Army better to achieve two basic objectives: First, that there should be clearly defined lines of responsibility, authority and accountability for each principal activity contributing to carrying out the Army's mission. Second, that there should be means of measuring the effectiveness of the performance of every individual and organization responsible for a segment of the Army's mission. If the Army's management is to use the revised structure effectively, improvements must be made in the processes by which the work and activities are programmed and controlled and by which financial resources are budgeted and accounted for.

The Army has made significant advances in establishing processes needed for effective management. The Primary Program System, instituted in 1950, breaks down the Army's work into manageable segments and schedules performance. Thus, it provides an instrument for executive control; it enables the Secretary and his assistants to see "where the Army stands."

Basic changes have been initiated and new techniques developed to budget, report and control the Army's finances. Amendments to the National Security Act of 1949 directed the establishment of a "performance budget to account for . . . the cost of performance of readily identifiable functional programs and activities with a segregation of operating and capital programs." The Army has established such a budget. In addition, it has started to introduce industrial and stock fund accounting and the valuation of assets through financial property accounting to measure the costs and accomplishments of arsenals and similar businesslike installations. And it has recognized the necessity of integrating numerous and diverse accounting and reporting systems which make it impossible to fix responsibility and measure performance.

The establishment of the Comptrollership concept throughout the Army constitutes a third advance. Adoption of this concept has placed emphasis on the commander's responsibility for financial management, effective organization and economical use of resources. Progress has been made in developing techniques of budgeting, accounting and reporting but much remains to be done. Greater acceleration awaits the development of a uniform system of accounts for all services; the Advisory Committee on Fiscal Organization and Procedures* is currently engaged in working out "a more effective, simplified, standardized and modernized system which will make it possible for managers and commanders to exercise sound financial management and expense control."

## IMPROVED ORGANIZATION FOR FINANCIAL MANAGEMENT

Additional improvements are needed. But further improvement of the processes of financial management will be facilitated on the clarification and improvement of the Army's organization.

### 1. At Secretarial Level

The Committee has recommended the creation of a third position as Assistant Secretary. It proposes the assignment to an Assistant Secretary of major responsibilities for the active functional supervision of financial management activities throughout the Army. (See Section I). He would not engage in day-to-day fiscal operations; that responsibility would remain with the Comptroller of the Army.

### 2. At the Army Staff Level

The Comptroller is responsible for "all budgeting, accounting, progress and statistical reporting, and internal audit . . . and for the administrative organization structure and managerial procedures relating thereto." By regulation, two additional functions are charged to the Comptroller -- that of program review and analysis, and management assistance and management survey. For these functions, he reports to the

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* Established by the Secretary of Defense, August 18, 1953; popularly known as the "Cooper Committee". The statement of objective was included in the announcement of the Secretary of Defense of the creation of this Committee, August 18, 1953.

Secretary of the Army and by delegation to the Under Secretary of the Army. Concurrently, by authority of the Secretary, he also reports to the Chief of Staff. Much of the day-to-day operation of the Office of the Comptroller is essentially staff service to other agencies of the Army.

The functions of the Comptroller are broad and of large significance to effective management. They comprehend the whole gamut of financial activities from the development of budget to the audit of accounts. It comprehends, too, the design and continual appraisal of organization, management processes and reporting methods.

To perform this whole-sided function the Comptroller should direct and control the several staffs that are involved in these activities. And the Comptroller must be responsible for developing individuals capable of serving commanders at each principal echelon as advisors and staff assistants on all phases of financial management.

Two agencies make up the bulk of all personnel engaged in these related activities. These are the Army Audit Agency and the Office, Chief of Finance. The Comptroller of the Army now has control over the Army Audit Agency.

The Office of the Chief of Finance, however, is under the direction of the Comptroller only for those functions for which the Comptroller has statutory responsibility. For all other functions the Chief of Finance is an independent staff agency. Steps have been taken recently to divest the Office, Chief of Finance of much of its operational responsibilities. Disbursement has been established as a command function at subordinate levels. When these steps are accomplished, the Office, Chief of Finance will become primarily a staff agency. This role will parallel in many respects the role of the Comptroller of the Army. Therefore, the Committee recommends that the Office, Chief of Finance be placed under the direction of the Comptroller and its functions integrated with those of the Comptroller.

The primary mission of the Finance Corps is the disbursement of funds. Financial management in the Army, however, depends upon more than disbursement and the recording of expenditures. The Army's short range and long range

requirements for officers capable of performing at each echelon the whole-sided function of a Comptroller makes it essential that the scope of the Office of the Chief of Finance and consequently the career horizons of the Finance Corps be progressively broadened.

Integration of the functions of the Office, Chief of Finance with those of the Comptroller should be a step toward creating a corps of officers trained in the whole gamut of activities included in the concept of Comptrollership. Further steps should be looked forward to. We urge that the proposed Assistant Secretary for Financial Management develop with the Comptroller a program for (a) creating an integrated organization of all divisions and offices now engaged in comptrollership activities and (b) training and assigning officers to all phases of financial management.

## IMPROVING MANAGEMENT PROCESSES

Lines of responsibility fixed by organizational structure must be reinforced by authority and accountability for finance. The lack of essential control over the funds to perform assigned missions negates effective management. To overcome this deficiency the Committee proposes three steps:

1. Strengthen Programming

The Primary Program System should be (a) made to conform with the revised organization that is adopted and (b) extended substantially.

Establishing clearer organizational lines of responsibility and authority for training, supply and research and development permit fixing responsibility for the execution of basic programs in the officials assigned these activities -- the Commander, Continental Army Command; the Commander, Supply Command; and the Chief, Research and Development. Those responsible in the past for carrying out these programs have had limited authority.

The Primary Program System does not now effectively define, schedule and measure accomplishment of the Army's basic tasks; it confuses staff services essential to the accomplishment of these tasks with the basic tasks for which an Army is maintained. Moreover, the bulk of the Army's work performed in its industrial-type installations as well as its camps, posts and stations has not been included within this programming system.

We suggest that the Army revise the existing program to place greater emphasis on the basic tasks that make up the Army's mission in order that the programs shall form a better basis for good management. In addition, the system should be extended to the lower management levels and installations to make the tasks assigned more specific and to schedule performance.

2. Improve Budgeting

The Army has made limited progress in establishing a "performance budget". The objective of such a budget is to plan the Army's expenditures by major functions, or in other words, basic tasks. An effective "performance budget" would reveal the projected costs of such principal activities as training, various aspects of supply and research and development, and would relate the dollars to be expended with the units of work to be accomplished.

The Army's budget and primary program systems are not adequately related to reveal completely these basic relationships between costs and work. Further progress is essential to relate budget programs and the work programs. They must be brought into consonance if an effective budget is to be developed.

The Army's system for allotting appropriated funds must be adapted to organizational lines of authority in order to fix responsibility. For example, funds for the operation of Class II installations are budgeted and subsequently allocated to the Technical Services and to the Continental Armies. The Comptroller allocates funds by budget program. The Technical Services and Armies, in turn, allot funds by projects within budget programs. The installation commander, hence, has little control over the funds made available; his managerial latitude is extremely limited by the necessity of asking approval for the use of any

funds to be transferred from project to project. The commander of a Class I installation, although allotted funds by only one supervisory authority, the Continental Army, is permitted to expend funds only for the specific projects for which each of numerous allotments is made.

In substance, the work of an installation is programmed and its detailed execution is controlled by centralized fiscal means. Under these circumstances the commander of an installation does not have adequate freedom to manage effectively the affairs for which he is held accountable.

3. Improve Accounting and Reporting

Improved programming and budgeting are dependent upon better processes of accounting and reporting. The Army now uses more than thirty separate accounting systems. Data as to funds utilized and work accomplished are produced by these systems in unreconcilable terms. Moreover, existing reporting systems inundate supervisory officials with masses of unrelated detail which obscure important facts rather than provide the data needed for planning, surveillance, control and decision making at executive levels.

Two steps are needed to enable more effective fixing of responsibility and measuring of performance. Existing accounting systems must be integrated or replaced by a single, universal system of accounts. Establishment of such a system for use throughout the Department of Defense is now being studied by the Cooper Committee. We hope that Committee's recommendations may be available soon and that they will aid in solving this basic problem.

Without delay existing reports throughout the Army should be reappraised to reduce the volume of detail reported to higher echelons, and especially to distill out the data required by the Secretary and his principal civilian and military assistants for full understanding of what is being done and how well.

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The recommendations set forth in this section are summarized on page 15.

EXHIBIT "A"

LIST OF THOSE INVITED TO PRESENT THEIR VIEWS
TO THE
ADVISORY COMMITTEE ON ARMY ORGANIZATION

Persons within the Army Establishment who met with the Committee:

Lt. Colonel N. D. Aboosh, Office, Comptroller of the Army
Major General George E. Armstrong, The Surgeon General
Major General George I. Back, Chief Signal Officer
Colonel W. W. Baker, Assistant Chief of Engineers, Supply
Colonel W. E. Barksdale, Chief, Personnel & Training Division, Office of the Quartermaster General
Colonel Kenneth E. BeLieu, Executive Officer, Office, Secretary of the Army
Major General I. L. Bennett, Chief of Chaplains
Major General William E. Bergin, The Adjutant General
Joseph W. Bishop, Jr., former Acting Department Counselor
Lt. General A. R. Bolling, Commanding General, Third Army
General Charles L. Bolte, Vice Chief of Staff
Major General E. M. Brannon, The Judge Advocate General
Major General E. F. Bullene, Chief, Chemical Corps
Brig. General W. C. Bullock, Chief, Psychological Warfare
Major General J. K. Christmas, Special Assistant to the Assistant Chief of Staff, G-4
Brig. General S. J. Conley, Assistant G-3, Office, Chief of Army Field Forces, Ft. Monroe
Brig. General W. Preston Corderman, Chief, Engineer & Technical Division, Signal Corps
Brig. General L. E. Cotulla, Chief, Requirements Division, Assistant Chief of Staff, G-4
Major General E. L. Cummings, Deputy Chief of Ordnance
Lt. General J. E. Dahlquist, Chief of Army Field Forces, Ft. Monroe
James N. Davis, Special Assistant to the Under Secretary of the Army for Research and Development
Lt. General G. H. Decker, Comptroller of the Army
Brig. General A. B. Denniston, Deputy for Administration, Office of the Quartermaster General
Brig. General Frank Dorn, Acting Chief of Information
Major General C. D. Eddleman, Assistant Chief of Staff, G-3
Major General Edgar C. Erickson, Chief, National Guard Bureau

EXHIBIT "A"

Brig. General Frank Dorn, Acting Chief of Information
Major General C. D. Eddleman, Assistant Chief of Staff, G-3
Major General Edgar C. Erickson, Chief, National Guard Bureau
Brig. General Ira K. Evans, Deputy for Operations, Office of the Quartermaster General
Daniel Cox Fahey, Jr., Special Consultant to the Secretary of the Army
Major General E. L. Ford, Chief of Ordnance
Major General James C. Fry, Career Management Division, The Adjutant General
Brig. General Barksdale Hamlett, Assistant for Planning Coordination, Office, Deputy Chief of Staff for Plans and Research
Major General K. L. Hastings, Deputy Quartermaster General
Colonel J. G. Hill, Assistant Chief, Organization and Training Division, G-3
General John E. Hull, former Vice Chief of Staff, now Commander in Chief, Far East Command
Brig. General C. H. Jark, Chief, Organization and Training Division, Office, Assistant Chief of Staff, G-3
Earl D. Johnson, Under Secretary of the Army
Robert D. King, Director, Office of Requirements, Review and Analysis, Office of the Under Secretary of the Army
Lt. General John T. Lewis, Commanding General, Antiaircraft Command
Major General W. H. Maglin, The Provost Marshal General
Major General W. F. Marquat, Chief, Civil Affairs and Military Government
John W. Martyn, Administrative Assistant to the Secretary of the Army
Lt. General A. C. McAuliffe, former Deputy Chief of Staff for Operations and Administration, now Commanding General, Seventh Army
Brig. General A. T. McNamara, Chief, Supply Division, Office, Assistant Chief of Staff, G-4
Brig. General J. B. Medaris, Office, Chief of Ordnance
Colonel H. S. Miller, Training Division, Office, Chief of Engineers
Major General Hugh M. Milton, II, former Executive for Reserve and ROTC Affairs, now Assistant Secretary of the Army (Manpower and Reserve Forces)

James P. Mitchell, Secretary of Labor, former Assistant Secretary of the Army (Manpower and Reserve Forces)
Major General R. M. Montague, Deputy Chief, Army Field Forces, Ft. Monroe
Colonel F. W. Moorman, Secretary of the General Staff
Major General K. D. Nichols, Chief, Research & Development, Office, Deputy Chief of Staff for Plans and Research
Lt. Colonel William Niland, Management Division, Office, Comptroller of the Army
Lt. General Daniel Noce, The Inspector General
Lt. General W. B. Palmer, Assistant Chief of Staff, G-4
Lt. General Floyd L. Parks, Commanding General, Second Army
Major General R. C. Partridge, former Assistant Chief of Staff, G-2
Harold Pearson, Deputy Under Secretary of the Army
Colonel W. W. Perham, Office, Chief of Civil Affairs and Military Government
Major General Miles Reber, Chief, Legislative Liaison
General M. B. Ridgway, Chief of Staff of the Army
Colonel R. R. Robins, Development and Testing Section, Office, Chief of Army Field Forces, Ft. Monroe
Major General B. L. Robinson, Deputy Chief of Engineers
Brig. General Paul W. Rutledge, Chief, Development and Testing Section, Office, Chief of Army Field Forces, Ft. Monroe
Brig. General Patrick J. Ryan, Deputy Chief of Chaplains
Major General B. E. Sawyer, Chief of Finance
Major General L. E. Simon, Chief, Research & Development Division, Office, Chief of Ordnance
John Slezak, Assistant Secretary of the Army (Materiel)
Major General Albert C. Smith, Chief, Military History
Colonel Edward M. Starr, G-3, Second Army
Colonel R. B. Strader, Office, Chief Chemical Officer
Major General S. D. Sturgis, Jr., Chief of Engineers
Major General Arthur G. Trudeau, Assistant Chief of Staff, G-2
Major General J. F. Uncles, Deputy Assistant Chief of Staff, G-4 for Research and Development
Brig. General R. Van Brunt, Deputy Special Assistant for Civilian Components Affairs
Colonel E. E. White, Assistant Chief of Ordnance for Manpower

EXHIBIT "A"

Robert H. Willey, Acting Director of Civilian Personnel
Colonel William Withers, President, Army Field Forces Board #2, Fort Knox, Ky.
Major General Robert N. Young, Assistant Chief of Staff, G-1
Brig. General Paul F. Yount, Acting Chief of Transportation

Persons outside the Army Establishment who met with the Committee:

Karl R. Bendetsen, former Under Secretary of the Army
Hanson W. Baldwin, New York Times
General Omar N. Bradley, former Chairman of the Joint Chiefs of Staff
Frank X. Brown, Assistant General Counsel, Office, Secretary of Defense
Dr. Vannevar Bush, President of Carnegie Institution
Lt. Gen. Levin H. Campbell, Jr., Former Chief, Ordnance Corps
Dr. Melvin A. Casberg, Assistant Secretary of Defense (Health and Medical)
General Lucius Clay, former Deputy Commander, Army Service Forces
General J. Lawton Collins, former Army Chief of Staff, presently with North Atlantic Treaty Organization
Charles P. Cooper, Chairman of the Advisory Committee on Fiscal Organization and Procedures, Office, Secretary of Defense
General Jacob L. Devers, former Chief, Army Field Forces
George Fielding Eliot, Military Historian and Analyst
F. G. Floete, Assistant Secretary of Defense (Properties and Installations)
William C. Foster, former Deputy Secretary of Defense
Gordon Gray, former Secretary of the Army
John A. Hannah, Assistant Secretary of Defense (Manpower and Personnel)
Struve Hensel, General Counsel, Office, Secretary of Defense
Rear Admiral Joseph F. Jelley, Director of Construction, Office, Assistant Secretary of Defense (Properties and Installations)
Dr. James R. Killian, Jr., President of Massachusetts Institute of Technology and an advisor to the Army on Research and Development

EXHIBIT A

Robert A. Lovett, former Secretary of Defense
John W. Macy, Jr., former Special Assistant to the Under Secretary of the Army, presently Executive Director, Civil Service Commission
John J. McCloy, former High Commissioner of Germany
Wilfred J. McNeil, Assistant Secretary of Defense (Comptroller)
Frank C. Nash, Assistant Secretary of Defense (International Security Affairs)
Frank H. Neely, Advisory Committee on Fiscal Organization and Procedures, Office, Secretary of Defense
Major General Otto L. Nelson, Jr., former Assistant Deputy Chief of Staff and author of "National Security and the General Staff"
Frank D. Newbury, Assistant Secretary of Defense (Applications Engineering)
Frank Pace, Jr., former Secretary of the Army
Don K. Price, Jr., former Staff Director of Rockefeller Committee, presently Associate Director, The Ford Foundation
Donald A. Quarles, Assistant Secretary of Defense (Research and Development)
Admiral Arthur W. Radford, Chairman of the Joint Chiefs of Staff
Kenneth C. Royall, former Secretary of the Army
W. F. Schaub, Chief, Military Division, Bureau of the Budget
Frederick A. Seaton, Assistant Secretary of Defense (Legislative and Public Affairs)
General Brehon Somervell, former Commanding General, Army Service Forces
Major General Sidney P. Spalding, retired Army officer, formerly assigned to Munitions Board, Office of Secretary of Defense
Charles S. Thomas, Assistant Secretary of Defense (Supply and Logistics)
J. Strom Thurmond, former Governor of South Carolina
Mark S. Watson, Baltimore Sun

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And on December 7, 1953 the Committee met with members of the Committee on Organization of the Department of the Navy and discussed organizational problems common to the two military departments.

Invited, but unable to attend:

Mark W. Clark, General, United States Army (retired)
Arthur S. Flemming, Director, Office of Defense Mobilization
George C. Marshall, General of the Army, United States Army
Douglas MacArthur, General of the Army, United States Army
Charles E. Wilson, Chairman of the Executive Committee,
W. R. Grace & Company

EXHIBIT "B"

## A PARTIAL LIST OF STATEMENTS, COMMUNICATIONS AND PUBLISHED DOCUMENTS REVIEWED BY THE COMMITTEE AND ITS STAFF


Armed Forces Reserve Act of 1952, P. L. 476, 82nd Congress

"A Staff Study on Organization of the Department of the Army", Management Division, OCA, 15 July 1948

Bendetsen, Karl R., (letter to the Secretary of Defense, dated 25 September 1952)

Brown, Alvin, "The Armor of Organization", Hibbert Printing Company, 1953

Crowell, Benedict and Robert Forrest Wilson, How America Went to War - The Road to France, Vols. I and II; The Armies of Industry, Vols. I and II; Yale University Press, 1921

Duffield, Eugene S., "Organizing for Defense", Harvard Business Review, September - October 1953, Vol. 31, No. 5

Fahey Report, "U.S. Civil Affairs/Military Government Organization", July 1953.

Flanders Subcommittee of the Senate Armed Services Committee (2 - 4 November 1953) Testimony on Comptroller Functions

Gaya, Lt. Col. G. Emery, "An Explanation of the Army Organization Act of 1950", 27 July 1950.

Gray memoranda · Letters between Gordon Gray and Henry L. Stimson, 17 December 1949 - 24 January 1950.

Haislip Study, "Recommendations of the Vice Chief of Staff to the Chief of Staff and Secretary of the Army on the Organization of the Department of the Army" 1949

Hensel, Hon. H. Struve, Memorandum for Committee on Department of Defense Organization, subject: Civilian Control and Military Matters, dated 26 March 1953; Article "Changes Inside the Pentagon".

Hoover Commission Report - "The National Security Organization", a report to Congress by the Commission on Organization of the Executive Branch of the Government, February 1949, with a summary of pertinent findings and recommendations.

Lovett, Robert A., (letter to the President, dated 18 November 1952)

Lutes, Lt. General Leroy, "Logistics in World War II", 1 July 1947

EXHIBIT "B"

Message from the President of the United States transmitting Reorganization Plan No. 6 of 1953 relating to the Department of Defense, dated 30 April 1953.

National Security Act of 1947, P. L. 253, 80th Congress

National Security Act Amendments of 1949, P. L. 216, 81st Congress

Nelson, Major General Otto L., Jr., "National Security and the General Staff", Washington Infantry Journal Press, May 1946.

Report of the Rockefeller Committee on Department of Defense Organization, dated April 11, 1953.

Robinson, Major General C. F., "Foreign Logistical Organizations and Methods", 15 October 1947.

Sachs, Henry N., Reorganization Plan for the Department of Defense, February 1953.

Somervell, General Brehon, letter to Senator Margaret Chase Smith, Chairman, Subcommittee on Ammunition Shortages, Committee on Armed Services, 15 June 1953.

Strauss, Lewis L. (extract from letter to the Secretary of Defense, 21 May 1952).

Summaries of Army War College Studies on Organization, 1951/53.

Survey of the Department of the Army, Final Report of Cresap, McCormick and Paget, 15 April 1949.

Testimony of General J. Lawton Collins before Preparedness Investigating Subcommittee No. 2, Committee on Armed Services, U.S. Senate, 20 April 1953, Ammunition Supplies in the Far East.

Testimony of General Dwight D. Eisenhower before Committee on Expenditures in the Executive Departments, U. S. House of Representatives, H. R. 2319, 7 May 1947.

Testimony of Gordon Gray and General J. Lawton Collins before Committee on Armed Services, U. S. Senate, S. 2334 and H. R. 8198, 25 May 1950.

Testimony of Gordon Gray and General J. Lawton Collins before Subcommittee No. 2, Committee of the Armed Services, U.S. House of Representatives, H. R. 5794, 1 March 1950.

The Proposed Reorganization of 1943 (Chapter XXVI of a historical study of Army Service Forces)

Thurmond, J. Strom, (Original study on Civil Affairs/Military Government Organization, September 1953)

Wilkinson, Spenser, "The Brain of an Army", Westminster, Archibald, Constable & Co., 1895.

EXHIBIT "C"

CHARTER FOR THE ADVISORY COMMITTEE ON ARMY ORGANIZATION

1. Background:

The President and the Secretary of Defense have strongly emphasized the necessity for studying the internal organization of the military departments with a view toward obtaining greater effectiveness and economy. In his message to Congress transmitting Reorganization Plan No. 6, the President made the following observation: "Other improvements are badly needed in the Department of the Army, the Navy and the Air Force. Accordingly, the Secretary of Defense is initiating studies by the three Secretaries of the military departments with a view toward making those Secretaries truly responsible administrators, thereby obtaining greater effectiveness and attaining economies wherever possible. These studies will apply to the organization of the military departments some of the same principles of clearer lines of accountability which we are applying to the Department of Defense as a whole."

2. Mission:

In furtherance of the objective as stated by the President and the Secretary of Defense, I am establishing an Advisory Committee on Army Organization to review the existing organizational structure and relationships and to advise me as to ways and means of strengthening and improving that organization to meet the national security mission assigned to the Army.

3. Composition:

This committee, reporting in an advisory capacity to me, will be headed by a chairman and composed of four additional members selected from both civilian life and the Army.

4. Scope:

In conducting its review of Army organization, the committee is requested to consider all elements of the Army, covering field commands and activities as well as the total departmental organization in Washington. Although it is planned

that the committee provide this complete coverage of the Army establishment in its review, it is not intended that it will study detailed operations of individual organizational elements. It is particularly desired that the committee cover, but not limit itself to, the following organizational areas which are of particular current interest to me:

a. The organization of the Army top management to be responsive to the recent organizational changes in the Office, Secretary of Defense resulting from Reorganization Plan No. 6.

b. The organizational adjustments desirable in the Army to manage effectively the executive agency responsibilities for overseas unified commands assigned by the Secretary of Defense in accordance with the President's recommendations in submitting Reorganization Plan No. 6.

c. The organizational requirements to accomplish supervision and coordination of the Technical Services.

d. Organizational structure for the direction of the Army's Research and Development Program.

e. Organization of the department's legal services with particular reference to the proper location of the Legislative Liaison function.

f. The organization and functions currently assigned to the Office, Chief of Army Field Forces and the relationship of that office to other elements in the Army.

5. Reorganization Authority:

In making its recommendations for organizational improvement, the committee is to consider the accomplishment of the recommended changes under the existing authority of the Secretary of the Army or the Secretary of Defense or through use of a reorganization plan submitted by the President under the terms of the Reorganization Act of 1949, as amended.

EXHIBIT "C"

6. Army Assistance to the Committee:

The committee is assured the full support and cooperation from all elements of the Army and, wherever necessary, special Army assistance will be assigned in support of the committee's work.

7. Time Schedule:

In view of the desirability for early accomplishment of the committee's mission, it is requested that the committee submit its completed report to me by 1 January 1954.

(Signed)

Robert T. Stevens
Secretary of the Army

18 September 1953

EXHIBIT "D"

LIST OF MEMBERS AND STAFF
OF THE
ADVISORY COMMITTEE ON ARMY ORGANIZATION

Paul L. Davies, Chairman

Harold Boeschenstein

C. Jared Ingersoll

Irving A. Duffy

Lt. Gen. L. L. Lemnitzer

Staff

John J. Corson, Executive Secretary

W. Gould Jones

Ewing Reilley

Donald C. McVay, Jr.

In addition the Committee was aided by:

Major General Laurin L. Williams
Colonel Donald B. Harriott
Lt. Colonel Frederick C. Weyand;

and by Virgil W. Anderson and other members of the staff of the Office of the Comptroller of the Army.

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