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REORGANIZATION OF THE ARMED FORCES

9 May 1947

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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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GENERAL MCKINLEY: Gentlemen, we have with us this morning Major General William E. Hall, of the Air Forces, who is a graduate of the U.S. Military Academy, Class of 1929.

He served with the Seventy-eighth Pursuit Squadron at Halbrook Field in the Canal Zone from 1934 to 1936. In the ensuing five years he held posts as Assistant Operations Officer, Post Adjutant, and Assistant Executive Officer at Bolling Field. In 1942 he acted as Special Assistant to the Air Inspector, Headquarters AAF, and was assigned to the War Department General Staff. Since March 1943 he has served as Deputy Chief of Staff for Air.

This morning General Hall will speak to us on the "Reorganization of the Armed Forces." I take great pleasure in introducing to you-- some of his old classmates, I understand--Major General William E. Hall.

GENERAL HALL: In the process of obtaining my rather limited military education and through a year's kibitzing in a number of armed forces school lectures, I have come to one positive conclusion. That is, that a guest speaker always opens his remarks by explaining why he he is not going to discuss the exact subject which was assigned to him.

Since this never seems to alarm or surprise any of the victims, and since I have already made my apologies in writing to your Commandant, I plan to follow the usual pattern of deviation. Instead of discussing with you my assigned subject which is "Reorganization of the Armed Forces," I shall outline to you the "Activities of the Board of Officers which was Appointed to Determine Army and Air Force Organizational Matters Under Unification."

At the time I accepted the invitation to be with you today, I felt that I was on reasonable sound ground. I thought surely that by May 9 Unification would be an accomplished fact, that my self-assigned subject would be out-of-date and that your faculty would have provided a much more profitable hour's entertainment for you.

Such is not the case, however--and since this document-- "Report of Board of Officers to Determine Army and Air Force Organizational Matters Under Unification"--short title, "Hall Board"--has been distributed as a non-authoritative War Department and Air Force guide for reorganization--and since you are about to graduate and return to duty in the most often reorganized big business in the world, it might serve some useful purpose for me to tell you what this is, how and why it was prepared and what it contains.

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It is probably advisable for me to dispose of the word "non-authoritative," which I have just used, before we proceed further. In its various draft forms, this report was presented to the Haislip Board; the Commanding General, Army Air Forces; the Chief of Staff; the War Department General and Special Staff Sections; the Chiefs of Technical Services and the Secretary of War.

As you can readily imagine, each of these presentations resulted in heated discussions and modifications of portions of the report. Almost without exception, the hub of the argument was the degree of autonomy to be enjoyed by the new Air Force with particular attention on performance of technical services by and for the Air Force.

The result, as I said, has been a limited blessing of the report by the Secretary of War and the Chief of Staff.

I think I can probably best explain this limited blessing by reading it to you. I was directed the other day to insert in each copy of this report a foreword, which is as follows:

"This document is furnished to certain authorities for examination and study, but in no case can it be interpreted to violate either of the following basic provisions:

"1. The Air Force will not set up special services because of their separation.

"2. The support of the Air Force by the War Department will continue as now constituted following unification. The Secretary of National Defense will be in the best position to effect such changes as later prove desirable, just as he will periodically make recommendations to the Congress on means and methods of promoting over-all coordination, efficiency and economy."

The formal indorsement, which is contained in this report, is as follows:

"The basic concept of the board is accepted by the Commanding General, Army Air Forces, the Chief of Staff and the Secretary of War. Copies of full report are referred to agencies of the War Department for appropriate use, including further detailed study."

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In the event that all of you are not familiar with the mission and composition of the Board, I would like to read the two paragraphs of the directive of 20 January 1947 which prescribed our mission. They are:

1. To determine the major organizational and administrative problems within the cognizance of the War Department incident to the implementation of the approved agreement between the Secretaries of War and Navy on Unification.

2. To recommend solutions to the above problems which will give the War Department (both the Army and the Air Force) a sound position in rendering assistance to the preparation of legislation, in testifying before the Congress, and in informing the public.

The other members of the Board were:

- Major General Hugh Knerr, Hq, AAF.
- Major General Charles Bolte, C/S, AGF.
- Brigadier General S. L. Scott, Chief of Plans
Section of SS&P, WDGS.

An analysis of our directive indicated to us that, in plain language we had two tasks to perform, namely:

1. To anticipate and tabulate the major problems facing the Army and the Air Force, in the light of the joint agreement between the Secretaries of War and Navy and the proposed unification legislation, and

2. To recommend solutions to these problems.

In order that every possible source of problems would be exploited, the Board transmitted memoranda to the Commanding Generals of the major forces, the Directors of War Department General Staff Divisions, the Chiefs of War Department Special Staff Divisions and the Chiefs of Administrative and Technical Services, requesting written notification to the Board of their major organizational and administrative problems under unification, their recommended solutions thereto, and the possible increases in effectiveness and economies which could be effected through use of the personnel and facilities of one activity by another.

We called, as witnesses before the Board, representatives designated by the officers just mentioned who appeared simultaneously with the officers performing corresponding duties in Headquarters, Army Air Forces.

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We discussed the problem with them and gave them a chance to discuss at length the problems which they anticipated and to recommend their solution. We then asked them to retire and prepare for the Board a jointly prepared list of plain questions--those things that end up with an interrogation point at the end--which they anticipated might arise as a result of unification, and their jointly agreed answers thereto, where that was possible. They were to submit their separately prepared answers and recommendations where agreement was impossible.

As you can readily imagine, we collected a considerable quantity of material in this manner. Then, with the background we had, and the material which we had on hand, we proceeded to determine what the major problems were in an attempt to arrive at some sound recommendations. The solutions which were recommended by the Board and, in some cases, those which were submitted by the Army and, in some cases, those which were submitted by the Air Forces and, in some cases, those which were submitted jointly, were accepted. In some cases we accepted none and had to fabricate our own.

We felt also that the form of our report was important and that it should provide five things. These are:

1. A general presentation of unification as proposed by the legislation under consideration, designed to answer the basic question, "What is provided for under the National Defense Establishment Bill and how does it improve national security?"
2. A consolidated tabulation of the problems and recommended solutions in order that the War Department would be in a sound position in its support of this legislation.
3. A reference document for the use of individuals anticipating appearances before the congress or the press.
4. A guide for the War Department representatives on a possible joint Army-Navy-Air Committee appointed to resolve problems incident to unification; and
5. A guide for implementation of the provisions of the National Defense Establishment Bill when and if it becomes law.

To meet these requirements, the Board Report is divided into three parts:

- Part I. A general presentation of the National Defense Establishment Bill.

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Part II. A list of general organizational and administrative questions applicable to the National Defense Establishment raised by the proposed unification and the recommended answers.

Part III. A list of specialized organizational and administrative questions raised by the proposed unification legislation and the recommended answers functionally arranged along conventional General Staff lines; that is with the personnel problems grouped together; the intelligence problems grouped together; then training, supply and service, etc.

There are 200 odd pages to this document, so, in an attempt to keep this session this morning within reasonable time limitations, I shall go over the report touching only the high points or those that were of a controversial nature.

As I have said, Part I is a general presentation and attempts to establish the following points:

We have just won a war due to superior performance of our military forces backed by industry, labor and agriculture.

We hope not to become involved in another war but if we are, we must enter that war well prepared to marshal all our national resources promptly and effectively.

Reorganization of our armed forces structure is one step toward this end.

To plan properly for such a reorganization we must determine the weaknesses which World War II revealed and determine what dangers must be anticipated and guarded against for the future.

Some of the weaknesses of our old organization were:

1. Our foreign policy and military policy were not always closely integrated.
2. There was not adequate machinery for the adjustment of our civilian economic life to meet the military requirements of total war.
3. When the war started, there was not adequate machinery for the mobilization of our material resources, productive capacity and manpower.

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4. There were gaps in the translation of strategic plans into plans for materiel and personnel.

5. There were weaknesses in planning of materiel requirements and duplication in procurement both within and between the military departments.

6. The coordination and integration of military and other war budgets were not as thorough and detailed as desirable.

7. Coordination between the Army and Navy was inadequate.

If those mistakes are acknowledged, we must then decide what changes in the present relationships of the military components are necessary and what organizational structure will provide those changes.

The present unification bill has been designed to these ends and provides a basis for the filling of the gaps, which have existed in the machinery of coordinated planning, supply and operation of our Armed Forces.

The general discussion concludes with the following:

1. The War and Navy Departments support the Agreement.

Because the War and Navy Departments strongly believe that the national interest demands a unification measure, and because the departments recognize that such a measure's effectiveness increases with the support of all agencies concerned, as a result of a long study and negotiation between the two departments, this agreement, although a compromise on the part of both, has been accepted willingly.

2. The War and Navy Departments believe this Agreement will work.

a. This agreement adequately integrates our foreign and military policies and considers the over-all problem of security through the National Security Council.

b. It provides a means for the coordination of the civil economy with military requirements in the National Security Resources Board.

c. It establishes permanent machinery for the integration of military plans and programs in the War Council and Secretary of National Defense assisted by the Joint Chiefs of Staff.

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d. It provides a means for the elimination of many unnecessary duplications, overlappings, wastages and other inefficiencies which may exist in planning, logistics and operations among the services in the Secretary of National Defense, War Council and Joint Chiefs of Staff.

3. The War and Navy Departments believe existing ills can be cured under this plan.

a. The framework for necessary improvement is provided. The details must be worked out, by and under the Secretary of National Defense and the Secretaries of the Army, Navy and Air Forces.

b. Success will depend, as in any organization, upon the capability, capacity and understanding of the key individuals.

The powers of the Secretary of National Defense to effect economy and increase efficiency should be broad. In any new organization, the administrators (in this case, the Secretary of National Defense and the Secretaries of the Army, Navy and Air Forces) must be given a free hand in the determination of existing faults and their corrections. It is impracticable and unsound administratively to attempt to fix by statute the details as to how an administrator is to accomplish his task.

Part I of the report also contains a graphical analysis of the bill which is presented by extracting portions of the bill setting up the various offices and prescribing their functions and illustrating them with organizational charts.

The final part of Part I is a series of charts which are functional in nature and which are designed to counter some of the objections to unification which are already on record.

Part II, as you may remember, begins to get into the question and answer field. Before proceeding, I would like to suggest that several factors be remembered.

1. One is that this bill sets up a new, third Executive Department--the Department of Air Force.

2. Another major point is that there is no single military head for the three arms.

3. While we could say that any question on a controversial subject will be resolved eventually by evolution and that the Secretary of National Defense will be empowered to resolve it anyway, this answer

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would indicate that there has been no planning on the implementation of unification. Therefore, the answers in this report are recommended as representing the present Army and Air Forces thinking which may or may not be accepted by the new Secretary of National Defense--and which may or may not represent Army and Air Forces future views. I think it would not be inapropos to say which may or may not be acceptable to our Navy brethren.

As this report has been presented to various agencies, there have been at least two objections which certainly merit attention.

One is that in some places, the report uses words which state substantially, "There will be established within the Air Force" certain activities. This creates the impression that the activities are new, when actually, such activities already exist in the AAF. A notation has been inserted in the report so that its users will be properly guided in this respect.

Another objection is that there are too many agencies established under the Joint Chiefs of Staff. This is objected to on the grounds that the Navy will not agree to exercise of such a high degree of control by the Joint Chiefs. My Board felt that that point can best be resolved by the next step, which set up a board similar to this one, but which will include Navy representation.

At the outset, it should be clearly understood that this board is not recommending that three separate and independent departments be set up with all their organic supply and service agencies. As an underlying principle applicable to any discussion, service and supply are provided by cross servicing and cross procurement throughout this report.

I think the reason for that is obvious. It would be ineffective, in the first place, and very difficult to sell, in the second place, if we did not stick to those principles.

Now I will go through here, hitting, as I said before, what I consider to be the high spots. I will hit only probably thirty questions and ~~answers~~--there are about 170-odd ones here (referring to the report)-- so the coverage will not be anything like complete, but I feel sure it will give you a general idea of the tenor of our recommendations to the War Department.

How will the Office of the Secretary of National Defense be organized? The internal organization of the Secretary's office is considered a matter to be determined by the Secretary of National Defense.

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It is also considered to be to the best interests of national defense that the Office of the Secretary of National Defense be not encumbered by a multitude of agencies reporting directly to the Secretary. Possible exceptions may be Public Relations, Legislative and Liaison activities and Civilian Personnel.

The present legislation prohibits the establishment of a military staff within the Secretary's office but permits detail of officers of the Army, Navy and Air Forces as assistants and personal aids.

The legislation likewise authorizes the appointment of four special civilian assistants.

How should the joint staff be organized and operate?

The duties assigned the Joint Staff by the Joint Agreement and the proposed legislation are to "carry out policies and directives of the Joint Chiefs of Staff" and to "perform such duties as may be directed by the Joint Chiefs of Staff." Since the duties of the Joint Chiefs are, among other things, to "perform such other duties as they (the President and the Secretary of National Defense) may direct, there are at present no prescribed limitations on functions or organization applicable to the Joint Staff other than that its membership shall be limited to 100 officers of approximately equal numbers from each of the three departments."

Therefore, there are a number of ways in which the Joint Staff could be organized. Examples are:

1. A conventional, compartmentized staff in which the members are all permanently assigned to specialized functional sections.
2. A committee-of-the-whole in which there are no compartments and on which each member may function in any capacity in which he is competent and to which he may be assigned by the Director of the Joint Staff.
3. A combination of 1 and 2 in which a minimum number of compartments is provided with representation from each department; the remainder of the Joint Staff to be available as a committee of expeditors for any subjects that may be referred to the Staff. In these cases, the working members of these committees would be detailed from the three departments in such numbers and for such periods as the subject might require.

Due to the limited membership of the Joint Staff and the complete flexibility of the method described in 3 above, this method is considered the most desirable.

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How are budget requirements developed and presented?

Each department, in the light of the role and mission assigned, will formulate its own budget estimates including funds required for discharge of its share of cross procurement and cross service as prescribed by higher authority. Estimates of the three departments will then be reviewed, integrated and presented by the Secretary of National Defense. Expenditures of funds appropriated as a result of this action will be supervised and controlled by the Secretary of National Defense.

Funds for cross service and cross procurement will be allocated by the using department to the procuring and/or servicing department.

Who prescribes the roles and missions of the three departments?

The President as Commander-in-Chief or the Secretary of National Defense within limits prescribed by the President.

Is a common logistics agency prescribed in the Unification Plan?

The proposed legislation neither specifically prohibits nor authorizes the creation of common supply, procurement or distribution services.

The intent of the agreement is to encourage cross procurement and cross services. If common staff agencies are created they shall become established by contribution from the Departments of the Army, Navy and Air Force and not through the creation of independent or common departmental type logistics organizations to support the Army, Navy and Air Force Departments. Likewise the agreement is clear that each department shall make use of the personnel, equipment, and facilities and services of the other departments in all cases where economy and effectiveness will thereby be increased.

Cross service and cross procurement are principles which are actually in application today to a limited extent and which have proven themselves to be sound.

Generally, how will cross servicing and cross procurement be effected? Cross servicing and cross procurement will be effected by agreement between the departments concerned or by direction of the Secretary of National Defense.

What is meant by common items of supply? A common item is one that is used by two or more departments such as most items of food and clothing. The determination that an item is common is made by agreement between the departments concerned or by the Secretary of National Defense.

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Now we will come to General Administration.

How will enlisted personnel be procured under unification? Enlisted personnel will be procured by a joint personnel procurement agency operating under common policies and procedures of the joint personnel agency of the Joint Chiefs of Staff. Operating personnel will be provided by each of the three departments. Field facilities and services will be common with responsibility for their provision being allocated among the departments.

How will officer personnel be procured? Officer personnel will be procured individually by each department under the over-all policies and procedures established by the Joint Chiefs of Staff.

Will there be a common uniform for the Army, Navy and Air Forces? Steps should be initiated to standardize common articles of clothing such as socks, handkerchiefs, etc., and possibly mobilization uniform. The issue allowances for clothing should be standard throughout the three departments for similar situations.

Next is Legal.

Will there be three separate and independent legal systems for the Armed Forces? Legal systems as they pertain to the individual departments will continue to be operated separately by the chief legal officers of the three departments. However, uniformity of policy and standardization of procedure will be accomplished by the establishment of a joint agency of the Joint Chiefs of Staff.

Chaplain--Should there be a Chief of Chaplains over all three departments: No, not under the existing organizational concept. Coordinated and unified action would be obtained by the three Chiefs of Chaplains or their representatives functioning through joint committees or boards. Incidentally, Judge Patterson took direct and violent opposition to that particular finding. His desire was that there should be a Chief of Chaplains serving the two departments of the present Army and Air Forces.

Special Services--Should the Army continue to administer special services activities after unification? Yes, the Army could well continue this operation with the Air Forces furnishing a proportionate part of the personnel and funds. The common service agency thus provided would be subject to over-all policy direction by a joint agency of the Joint Chiefs of Staff.

Public Information--Should there be a Public Information Agency for the National Defense Establishment under unification? Such an agency is necessary to coordinate matters among the three departments

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and establish uniform policy. This agency should be a part of the administrative organization of the Office of the Secretary of National Defense.

Inspector General--How will Inspector General services be provided for the U. S. Army and the U. S. Air Forces under the proposed plan of unification? The U. S. Army and the U. S. Air Forces will each continue to be responsible for Inspector General activities within its command jurisdiction, and each will retain its inspection organization to discharge this responsibility.

Budget--What scope of budgetary control is contemplated at a level above that of the three departments? An agency of the Joint Chiefs of Staff should be established for the purpose of integrating the budgets of the three departments. This office will be assisted by an advisory committee composed of representatives of the three departments. When decisions are required relative to budget estimates and the allocation of funds, such decisions will be made by the Secretary of National Defense.

Provost Marshal--How will the Provost Marshal functions be performed? Each department will have an organization to perform the police function for internal control.

A joint agency will establish common policies and procedures applicable to the National Defense Establishment.

Common Provost Marshal functions will be performed under the principle of cross-servicing on a geographical, functional or other basis. An example of that would be charging plant protection in a certain area to the Navy, in another area to the Army, and in another to the Air Forces.

Intelligence--Why is it necessary that each department possess an intelligence production potential? Under the unification agreement, there are assigned to each of the departments certain functions, the accomplishment of which is the responsibility of that department.

At any level of command, there are two major factors which govern the ability of the commander to accomplish his mission and thus discharge his responsibilities. These concern the forces available to him and the forces which he must overcome. Responsibility for advice on these two factors is charged to specific staff groups by the commander; the function of that staff group concerned with the factor of opposing forces, being intelligence.

Without both the prerogative and the facilities for intelligence activities, the commander has only part of the potential necessary to

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the accomplishment of his job. In recognition of this, therefore, there has been evolved as an axiom of military science the rule that intelligence is a function of command. This applies to each level of command and holds true whether the immediate concern is with operations in war or with preparedness in peace.

Operations--To whom will overseas commanders be responsible? In accordance with the unified command plan, as approved by the President on 14 December 1946, Commanders-in-Chief have been designated for the Far East, Pacific, Alaska and European commands. Each of the commanders already designated is responsible directly to the Joint Chiefs of Staff although the Chief of Staff, U. S. Army, has been designated as the executive agent for the Far East, Alaskan and European Commands, and the Chief of Naval Operations for the Pacific command.

After unification the same system of designated executive agents for the Joint Chiefs of Staff should be followed with the Chief of Staff, U. S. Air Forces being designated the executive agent for certain commands.

Both during the interim period and the final organization, each department will be responsible for administrative matters pertaining solely to his own service in each overseas command. Such administrative matters will include requisitioning, assignment, promotion and demotion of personnel; supply of items peculiar to only one service; and organization and training pertaining to only one department.

Is it contemplated that all overseas commands will be of the "unified" type? Yes.

Will the establishment of a third department disturb the present occupation organization? No. The occupation forces are already operating under unified commands.

Who will have the mission for the defense of the Continental United States? If a single commander is designated for this purpose, will he also command all installations in the United States? It is planned to establish a U. S. continental defense command, under the direction of the Joint Chiefs of Staff. A single commander, assisted by a joint staff, will plan and direct operations of task forces furnished by the departments. The status of the commander will be comparable to that of a theater commander. The scope of his responsibilities will be determined by the Joint Chiefs of Staff. Since he is established for operational purposes, he will not be given administrative functions other than those pertaining to his mission.

Civilian Components--In the event of unification what will become of the National Guard Bureau? Initially, the Bureau should remain with

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the Army. Eventually it will be necessary to have a Bureau of National Guard Section in both the Army and the Air Force Departments to deal directly with the States on National Guard matters.

Procurement--Shall a using department be permitted to use its own judgment in the selection of a procurement agency for a common item? In the general case, procurement will be performed by the agency designated by the Secretary of National Defense in accordance with recommendations of the Munitions Board. If in the interests of time, space and the accomplishment of the mission, exceptions become necessary and are made, these exceptions will be immediately reported to the Secretary of National Defense by the department concerned. When I refer to a procurement agency, by that I mean one of the three departments which was selected by the Secretary of National Defense as a procurement agency for that particular item.

Distribution--What will be the over-all policies for distribution of supplies and equipment to the Armed Forces? Joint authority will review the list of items of supplies and equipment to be distributed and will determine which are in common use by more than one department. In the general case, for each such common item a single department will be designated by the joint authority as the distributing agency above the station and base level. This authority will likewise make exception to this rule where time and space factors make such exceptions expedient. This will require that the distribution system of each department will serve the needs of that department for items peculiar to it, and will also serve the needs of the Armed Forces as a whole for certain common items which may be assigned to that department. Each department, therefore, will be partially dependent upon the distribution systems of the other departments for supply of common items. Common supply procedures should be adopted for the use by the three departments, including the documentation of supplies. This basic policy applies for forces stationed both in the Zone of the Interior and overseas.

What system of depots is contemplated? Distribution should be accomplished through a system of depots serving given areas. The principle of supply independence would be accomplished by the establishment in each distribution area of a depot by each department. Such depots should receive from procurement and distribute to stations the items peculiar to their respective departments. These depots should also receive from procurement and distribute to all users (including other departments) at the station level items common to other departments for which they have been assigned procurement responsibility. These depots are termed area distribution depots. These depots are not necessarily to be separate installations but will be combined under joint management where the full utilization of existing storage space and other facilities requires such combination and when agreed to by

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the separate departments or directed by the Secretary of National Defense. Army, Navy or Air technical and specialized depots should be reduced to the minimum required for the execution of the specialized mission of each department.

Chemical--Will a Chemical Warfare function be required in the Air Force? Yes. The implications of future warfare require a high degree of attention to this function on the part of the Air Force Department. The air chemical function will be performed by personnel organically assigned to the Air Force Department, and/or those detailed from other departments.

Medical--Now that, as you probably know, is the hardest one of all the technical services. I would like to develop this whole section with you because I think it is an interesting one, but time does not permit my doing so. I believe I can give you the general idea by hitting two or three of the highest points.

What type of medical service is proposed for the Air Forces under unification? Under the policy control of a joint medical agency of the Joint Chiefs of Staff, the Air Forces will (a) continue its aviation medicine activities; (b) continue its troop unit and base level medical activities; and (c) participate in the general hospitalization program through its membership on the joint medical agency of the Joint Chiefs of Staff and through detail of its medical personnel to duty in all echelons of the general hospitalization system.

Under this system, how will general hospitals be operated? Under the policy control of a joint medical agency of the Joint Chiefs of Staff, general hospitals for the Army and Air Forces will be operated by the Army, with the Air Forces furnishing a proportionate part of the staff and command personnel through interdepartmental detail.

Over a period of years, it may be found desirable to centralize all general hospitals in one department.

Engineer--Who shall perform military construction? Military construction will be performed by one department for another on the basis of cross service under policies established by a joint construction agency of the Joint Chiefs of Staff.

Construction should meet the requirements of the department that supplies the funds. In the general case, the needs of the Army on the ground will be the greatest and in such case the Army should be charged with responsibility for the furnishing of construction means.

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Quartermaster.--When the Air Force Department is established, how will it meet its initial requirements for officers trained in Quartermaster-type activities? Officer personnel for Quartermaster-type organizations and administrative functions in the Air Force should be provided by Air Force officers currently performing these functions, or being trained for such duties, and by the transfer of officers from the Quartermaster Corps to the Air Force. The Air Materiel Command is currently performing many of these functions.

Communications.--Incidentally, this communications problem happens to be one that has three-way agreement at the moment. As I said at the outset, this is supposed to be a two-way agreement between the Army and the Air Forces, but it is very difficult, when discussing the subject, not to inject the Navy into it. Therefore, I may seem a little inconsistent at times in having made a recommendation which affects the Navy. This communications matter happens to be one with which we tied in very closely with the Navy.

What organizational structure is proposed? No additional organizational structure is proposed. A joint communications agency should be established to function in conformity with policies established by the Joint Chiefs of Staff. This agency should consist of the Chief Signal Officer, the Air Communications Officer, and the Chief of Naval Communications and should be known as the Joint Communications Board.

What authority will the Joint Communications Board have? The Joint Communications Board will, by authority delegated to it from the Joint Chiefs of Staff, provide for the operation, as a single integrated National Defense Communication System serving the Armed Forces, of those parts of the three communication services of the National Defense establishment which can be operated in a common purpose. The Joint Communications Board will, within its authority, direct major components to construct, maintain and operate facilities comprising that network, and it will have power to allocate to the use of any major element which may be operating all or part of the facilities needed. In the interest of integration of communications and of economy, the Joint Communications Board will have authority to recommend the allocations of responsibilities between the three major components in all matters in the field of communication. The Joint Communications Board will control the engineering of the integrated system and will allocate responsibilities for construction among the three major components. This authority is derived from the Joint Chiefs of Staff to which the Joint Communications Board reports. The decisions of the Joint Communications Board, when approved by the Joint Chiefs of Staff, are authoritative.

Ordnance.--Will the Army Department fulfill all of the armament requirements of the Air Force Department? No. The Air Force Department will continue to perform a minimum armament function. This will not

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entail any duplication of existing facilities. Full use will be made of the principles of cross procurement and cross servicing.

Transportation.--Will the Air Force require a transportation function? Yes. This is required on a minimum basis in order to insure that the requirements of the Air Force, from a command point of view, shall be met. This does not require the duplication of any facility now existing in the Army or Navy. It requires only that the Air Force shall have the means to support and operate its organic transportation in units and to participate in the joint policy and operating agencies that may be created above the departmental level.

In view of the fact that I have a minute or two left, I would like to discuss a few more points.

What is the time element involved once the unification plan becomes law? Although the Secretaries of the War and Navy Departments, the Chief of Staff, the Chief of Naval Operations and the Commanding Generals of the Army Air and Ground Forces advocate the adoption of the unification plan, none of them desires drastic action on the passage of the Unification Bill which would upset existing procedures and throw our Armed Forces into an interim state of confusion and resultant ineffectiveness.

The details of reorganization are so numerous and involved that the process will be one of evolution with functions and personnel being gradually adjusted as progress permits.

For this reason, two years from the date of passage has been prescribed in the legislation as the allowable time during which personnel, property, records, installations, agencies, activities and projects may be transferred between the Army and the Air Force. Incidentally, under the provisions of this legislation, it is interesting to note that these things can be transferred only between the Army and the Air Force. The Navy is not involved in any way.

Will economies result from the unification plan? As implementation of the unification plan proceeds there will, over a period of years, be tremendous savings through the elimination of duplicating functions in such fields as facilities for certain types of training, planning responsibilities, procurement, storage, communications and other common services.

Due to the fact that the impact of unification within the departments is not immediate from an organizational or functional point of view and since initial organization will be in status quo, these economies, although real, cannot be calculated until functions have been

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definitely assigned through agreement or through direction of the Secretary of National Defense.

Is this proposed organization the most desirable and effective one that could be created? There are almost as many different opinions on the perfect instrument for national defense as there are military authorities. Certainly there have been basic differences of opinion between the Army and the Navy. In the words of the President, this is a compromise in the interest of providing a structure which can eliminate all unnecessary duplication, which will provide the nucleus for integrated action, which is acceptable to the entire Armed Forces establishment and which will receive the support of the three departments.

Therefore, in the interest of accomplishing the national defense program regarded by the President and the departments as the most effective and presently attainable, the War and Navy Departments advocate the adoption of the proposed plan.

Gentlemen, I know it has been dull. If there is any way in the world to take this subject and keep it from being dull, I believe I would have discovered it by now, for this is the eighth time I have had to do this.

Thank you very much.

GENERAL MCKINLEY: General Hall, we would like to ask a few questions.

In your questions and answers on common items, as I understand you, the consumer is to include the funds in his budget.

GENERAL HALL: That is correct.

GENERAL MCKINLEY: And then he transfers his funds to the procurement agency.

GENERAL HALL: The consumer computes, defends, and is allocated by the Congress, the funds for common items.

GENERAL MCKINLEY: I will tell you the reason I am bringing this up. I have a budget background, as most of these officers know too well. I have done a lot of thinking on this subject. During the emergency, there was a great tendency by the Procurement Assignment Board—you remember such an agency—to press for all budgeting commodity-wise. That is, it wanted the Quartermaster General, to budget and procure all typewriters for the Army. Actually, typewriters were

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included in the budget estimates of the Air Forces Ordnance, and the other services as administrative expenses in connection with their major activities. Procurement of typewriters finally was centralized with the Quartermaster General but there was no centralization of the budgeting for funds.

Now take fuel, particularly petroleum, every Service used petroleum and every Service budgeted for it. The Congress likes to see petroleum requirements beside the activity that it services.

On the other hand, we had one central procurement agency. At one time, there was an order issued which directed the Quartermaster General to budget for all petroleum. But the Budget Officer of the War Department, knowing the Congress would not permit that, had the order amended to provide budgeting for petroleum by each consuming service, just as you recommend.

GENERAL HALL: That is the only degree of control that a consumer can exercise.

GENERAL MCKINLEY: How about subsistence?

GENERAL HALL: The same principle.

GENERAL MCKINLEY: You see, we have always done it the other way. It has always been centralized in one place. Nobody thinks anything about it.

GENERAL HALL: We do today.

GENERAL MCKINLEY: Our thinking is not uniform. Our procurement has not been uniform. We are torn between two ways of thinking on this subject.

GENERAL HALL: Subsistence is the thing that has probably precipitated the fewest procurement arguments. For one thing, it is something in which we have had the most practice. It has gone on in time of peace the same as it has in time of war. It has never stopped. Everyone is more or less satisfied with the way the Quartermaster has performed that function. I believe, actually, today he is purchasing and budgeting for ninety-five percent of the food that is consumed by the Armed Forces, including the Navy.

GENERAL MCKINLEY: He does not budget for the Navy.

GENERAL HALL: I believe he does.

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GENERAL MCKINLEY: The Navy has its own appropriation.

GENERAL HALL: That is correct. I was thinking so far as the Army and Air Forces were concerned.

GENERAL MCKINLEY: Oh yes, the Air Force is entirely dependent.

GENERAL HALL: Food for the Navy is provided on a cross service, cross procurement principle.

GENERAL MCKINLEY: The purchasing offices buy for each other on certain items. It is very closely connected. General Hardigg talked to us on that yesterday.

In our fundamental thinking in the past, we never have questioned subsistence; the Congress has never questioned it. It has been a function which a technical service has performed for the entire Army because it pertained to three meals a day for an individual soldier.

During the course of the metamorphosis of all this thinking, when General Lee Miller was budget officer for the Air Forces, there was one time when we had to put behind every one of our sheets in the estimates an additional sheet showing that part which pertained to the Air Forces. Lee was afraid there was going to be a move made then to separate the Air Forces budget, and all of a sudden he was going to have to budget for subsistence. He would not have known anything about it. He would not have known what to do. He wanted us to prepare those small sheets that followed every big sheet in the budget, presenting exactly the Air Forces' part and showing how it was computed.

Personally, I think that it would be a big mistake for us to break the subsistence estimate down to appropriate subsistence funds to each consumer. I bring up these divergent examples to point out that our current budget is not of a uniform pattern; we vary our treatment, depending upon the nature of the item.

What I want to know is what can the procurement agency do about planning its purchasing program if it does not have control of the quantity and timing of the availability of funds.

GENERAL HALL: That is the No. 1 objection to that type of budgeting. Our Board heard a good deal of discussion on that subject. It was about equally divided, I would say, pro and con.

But written into this Board report is the statement that the procurement agency must be represented in the planning for the budget life of an article, that budget life to begin at the initial computation

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of requirements. In other words, going back as far as you can, to the early stages in the preparation of your requirements.

GENERAL MCKINLEY: In time of peace, when our markets are such that most common items, or a great many of them, are commercial and can be bought on the open market and are available from shelf stocks, there is no real problem. A lot of them we are buying right off the Treasury schedule. But when we get into close procurement, in the congested market conditions of war, we must know the availability of funds sufficiently far in advance. For instance, in connection with materials handling equipment we had an 18-month delay on small motors.

GENERAL HALL: You have certain protective measures in this organization. In the first place, the logical thing for a commander to do would be to select an agency that was actually qualified to perform the service. Second, you have your Munitions Board, which is going to evaluate the productive capacity of each of the three departments and make a recommendation to the Secretary. And, third, you have your Secretary sitting on top of the three departments who, we presume, is going to select that agency best qualified to make a certain procurement, irrespective of how the Chief of Staff, U. S. Air Forces, may feel.

GENERAL MCKINLEY: Actually, the Army and Navy Munitions Board was given that authority recently by the President. He could make an assignment today, if he chose to do so.

GENERAL HALL: I think that is the greatest safeguard you have.

GENERAL MCKINLEY: Going back to the first question I raised, the one concerning petroleum, you will remember that during the war, when the integrity of the budget was maintained, the money appropriated to each one of the consuming agencies was immediately transferred into a common pool. The money was spent without regard to the amounts consumed by the several agencies. That, to me, violates the control that the Chief intends to have by virtue of having the money appropriated to him.

GENERAL HALL: It does.

GENERAL MCKINLEY: If he exercises that control, he ties up the procurement. On the other hand, if he does not exercise the control then there is no reason why the funds should not have been budgeted by the procurement agency. Under those trying conditions the Chiefs could have exercised little or no control if they had so desired. If the Congress had not objected, it would have been better to have secured a single appropriation. It is one of those things that works crosswise.

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I wondered what the thinking of your Board was on that.

GENERAL HALL: The control vested in the Secretary and his action (based on the recommendation of the Munitions Board), I believe, will make cross procurement, cross service work, even to the extent of controlling the use of facilities, which you just mentioned, which is a dangerous thing. You cannot go around switching procurement agents when the Quartermaster Corps has spent five years in building a depot. You cannot turn around and take that procurement authority away from them as soon as they have the depot finished.

A STUDENT OFFICER: Here is one person who is outside of your orbit. I am wondering, as a member of this school, and having been associated with all of the Services, what attempts have the Air Forces made to justify, promotionalize, or in other ways sell, to the rest of the Services this unification? They speak of this autonomy in the Army. Would it not be better for you, of the Air Forces, to justify yourself and your program to your own Service, namely, the Army, of which you are a part, prior to attempting to sell it to the Navy?

GENERAL HALL: You are, in my opinion, just as sound as a rock. Actually, the Army and the Air Forces should have unified quite some time ago.

I talk all the time in the advisory group about parity for the Air Forces. The Ground Force members all scream to high heavens and say, "Here; what we really need is parity for the Ground Forces." (Laughter)

Yes, you are right.

A STUDENT OFFICER: The Navy is much more willing to accept many of your ideas than your own Services. It would seem to us, from where we sit, you are attempting to sell to others something, through confirmation and acceptance of ideas, that you cannot sell to your own Service.

GENERAL HALL: I am sure there is a lot of unification that is perfectly possible today, within the Army and the Air Forces, which would not damage the present so-called "degree of autonomy." In fact, it might make it a much more sound organization so far as Army Ground Forces is concerned.

We have a peculiar thing going on now. The Air Staff is that; the Army Ground Force Staff is not that at all because the Army Ground Force is operating under operational directives of the War Department General Staff. In theory, so is the Air Forces. But the practical application of it is that the coordination between the War Department

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General Staff and the Air Staff is very close, and directives are not always sent down in quite such a strong, direct manner. They are sent down as a result of the coordination between the working levels of the Air Staff and the War Department General Staff.

A STUDENT OFFICER: General McKinley, in providing cross procurement and cross servicing, which agency would provide the funds for the expense of procurement and servicing, that is, the consumer or the Service agency?

GENERAL HALL: The consumer computes and defends the budget for the items which he is going to use. Then he allocates that portion of the funds necessary to the agency which has been designated as the procurement agent for that particular item.

GENERAL MCKINLEY: Laundry service, for instance.

GENERAL HALL: Yes.

A STUDENT OFFICER: Actually the expense of procurement, in spite of the overhead and cost of the procurement, will vary with the amount of money spent.

GENERAL HALL: Yes.

A STUDENT OFFICER: So, would the budget for the item include the expense of procurement, actual expense--pay of officers, inspections, and so on? Where do we include the overhead item?

GENERAL HALL: It is very necessary, as I mentioned a minute ago, for all of your budget preparation to be widely coordinated if we are going to follow this principle of cross servicing. Right in the initial stage of computing budget requirements for a particular item, the branch which is furnishing that service should be pulled in to help the Air Department, or the Navy Department, or the Army Department, whichever one is making the computation. Your overhead would have to be calculated and distributed according to volume among the three departments.

GENERAL MCKINLEY: You know, we experienced some difficulty in that business of demand on overhead with National Guard requirements when the Army was very small. The National Guard had flexibility in spending its money for anything it desired. All of a sudden it would get a surplus and then come in for an extra amount of clothing, or textiles of some kind. That put a load on the inspectors of that little army. The people who perform the procurement function do not know what the volume is going to be.

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They have an overhead difficulty, actually, in having on hand sufficient bodies who are qualified to take care of unexpected peak loads.

GENERAL HALL: Yes. I know that that is basically an objection to cross service and cross procurement.

But the biggest defense for the principle is that you have a commander who has a responsibility. The nicest thing to do would be to give him facilities to produce everything he needs. But that is ridiculous from a financial standpoint. However, you do have to give him some degree of control, so you give him the money and tell him to go ahead and buy it.

GENERAL MCKINLEY: I struggled against the same thing prior to the time when the Air Force became autonomous. It was the same thing between Services. It was a question of how you did it. That is the same thing in this case, but it is more intensified. There was no solution to it before.

A STUDENT OFFICER: What will be the relationship between these various joint boards and the Joint Chiefs of Staff? Will the Joint Chiefs of Staff deal directly with those members, or will each member deal with the members in his own Service? I am particularly interested in what policing or what directing power the boards would have.

GENERAL HALL: Let me see if I can answer your question in this way; I may not have a clear concept of it right now.

Suppose the Joint Chiefs are faced with a personnel problem; some sort of unification in retirement procedures and qualifications has to be resolved by the three Services as the result of pressure from the Hill, we will say. There is a permanent member of that Joint Staff who is an expediter for personnel matters. There may be several. There may be an expediter for personnel retirement matters. But, to make it as simple as possible, there is a permanently assigned man on that Joint Staff who is interested in the subject at hand.

The Director of the Joint Staff directs this particular expediter to form a joint committee and make a recommendation for the resolution of the particular problem. He calls on the military commanders of the three Services, who designate an agent. Probably, if it is important enough, it will be the No. 1 Staff agent in that particular field, your G-1 and your Chief of Bureau. They sit together as a joint committee, under the executive secretaryship of this permanent member of the Joint Staff. That group, in turn, makes a recommendation on that particular subject, through the Director, to the Joint Chiefs of Staff where, we hope, it will be resolved. If it is not the decision is made by the Secretary of National Defense.

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A STUDENT OFFICER: I had in mind some Board that is in existence, that is, a joint board but not a Joint Chiefs of Staff.

GENERAL HALL: Yes, there will be many of those. In fact, probably a lot of the boards which are originally set up to function under the Joint Chiefs or under this Joint Staff may never present a problem to the Joint Chiefs of Staff. We hope they can, and I am sure they will, resolve their difficulties and be able to take back to their three Chiefs a proposed agreement and the three Chiefs will agree, as chiefs of military forces rather than members of the Joint Chiefs of Staff.

Now it may be that a greater percentage of this committee action will never reach the Joint Chiefs of Staff, as such.

I have made reference to the committees of the Joint Chiefs of Staff. As I say, that is one of the common objections to this basic idea of organization. It sounds as though there are a lot of them. . . Actually, I believe there are 34 major committees recommended in that study. Strange as it may seem, that is the number that exists today. It is just a coincidence that the number is the same. But it is not so strange when you stop to think that, irrespective of the type of organization, a military organization has approximately so many major things to do. It so happens it works out to about 34.

A STUDENT OFFICER: Did I understand you correctly, General Hall, that the Board report was not sent to the Army Ground Forces for comment?

GENERAL HALL: That, I cannot say.

A STUDENT OFFICER: You gave the distribution in the beginning. I think you mentioned Chief of Staff, Chief of the Air Forces, General and Special Staffs of the War Department, but I did not hear you mention the Ground Forces.

GENERAL HALL: I do not think I did mention the Commanding General, Army Ground Forces, but a presentation was made to him and his staff.

A STUDENT OFFICER: That was my question. I wanted to know if the Army Ground Forces had been overlooked.

GENERAL HALL: No. You see, the Chief of Staff of Army Ground Forces was a permanent member of the board.

GENERAL MCKINLEY: Charlie Bolte was on that board.

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GENERAL HALL: Actually, General Devers was not there. General Arnold represented him and the principal G's.

GENERAL MCKINLEY: We certainly are indebted to you for giving your time in explaining this study to us so clearly. I, myself, got a lot out of it. I want to say this one thing: I am glad it is your job, and not mine, to try to reconcile the views of these old die-hards.

Thank you so much.

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