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THE RELATION OF THE PROGRAMMING
TO THE
DETERMINATION OF REQUIREMENTS IN THE ARMY

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29 November 1951

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Brigadier General Marcus Butler Stokes, Jr., USA, Assistant for Planning Coordination, Office, Deputy Chief of Staff for Plans, was born in Richmond, Virginia, 2 July 1902. He was graduated from the U. S. Military Academy in 1924 and attended the Field Artillery School in 1929-1930, the Command and General Staff School in 1937-1939, and the National War College in 1947-1948. General Stokes instructed at the Field Artillery School in 1935-1936 and at the Command and General Staff School during 1945-1946. He served with the 17th FA at Fort Bragg in 1930-1935 and with the 15th FA at Fort Sam Houston in 1938 until he was appointed aide de camp in 1939 to Major General Walter Krueger at Fort Sam Houston. In March 1941 General Stokes was appointed Chief of the Planning Section, Transportation Branch of the War Department General Staff. After serving as chief of the Transportation Branch at Allied Forces Headquarters in London in 1942, he returned to Washington as chief of the Planning Division in the Office of the Chief of Transportation which position he held until 1946. After graduating from the NWC he was appointed chief of Transportation for the Army in the Caribbean area with headquarters in the Canal Zone. He was transferred from the Field Artillery to the Transportation Corps in 1950. In January 1951 he was appointed deputy assistant for Planning Coordination in the Office of the Chief of Staff of the Army which position he held until his recent advancement to his present assignment.

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THE RELATION OF THE PROGRAMMING
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DETERMINATION OF REQUIREMENTS IN THE ARMY

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GENERAL HOLMAN: Gentlemen, our discussion this morning is on "The Relation of the Programming to the Determination of Requirements in the Army." Our speaker is Brigadier General Marcus B. Stokes of the Army. General Stokes's present assignment is the Assistant for Planning Coordination to the Deputy Chief of Staff of the Army for Plans; that is General Bolte's office, in case you want closer identification. General Stokes has served with the Artillery and in the Transportation Corps; he brings to us this morning a wealth of experience in top-level planning.

I hope that during the discussion period each of you will take the opportunity to clarify any doubts that you may have as to the role of the coordinator and top-level planner in the department of programs to meet requirements for strategic and mobilization planning objectives. General Stokes, we feel it is a great privilege to have you with us this morning and we welcome you to the college.

GENERAL STOKES: General Holman, Colonel Matthias, and gentlemen: It is always an honor for anyone to appear before this class, but for me it is much more than that, because I have something to sell. I am not going to try to impress you into buying some particular Army project or idea. My commodity is more nearly a real understanding of our "program system." My heart is really in this subject because I feel the adoption of a programming system has been the biggest advance in planning and management the Army has made in many a year.

Those of you who were in Washington here on the Staff during the war will recall how difficult it was to get agreed long-range guidance. I know the Army Service Forces planners war-gamed the plan of World War II two or three years in advance of operations, based on their own ideas, their own concepts of what was going to happen, because their procurement lead times were so long they had to have advance guidance, and there was no one who could or would tell them what the worldwide score was going to be two or three years in the future.

When the dust of that situation had settled, a group of senior planners decided that the Army should not get caught in that particular box again; so that started the development of a program system. After about two years of growing pains we now feel we have a logical and workable system. It may seem that two years is a long time to take to develop such an idea, but that may be just the general nature of things. One of our senior people once said that it always takes at least two years for any good idea to work its way through the Staff. We have

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found that the biggest difficulty or obstacle in getting this program system working has been a lack of understanding of just what was wanted and why it was wanted. That is the reason I welcome the opportunity to discuss this matter with you this morning.

Before we start I think it is important to try to develop a picture of just what it is we are talking about. If the discussion concerned tanks, ships, or airplanes, it would be easy to visualize the general nature of the subject; but I doubt that many of you can conjure up a picture of what a program looks like. So I want to start with that--to show you a picture of what a program is, before we delve into the whys or wherefores of it.

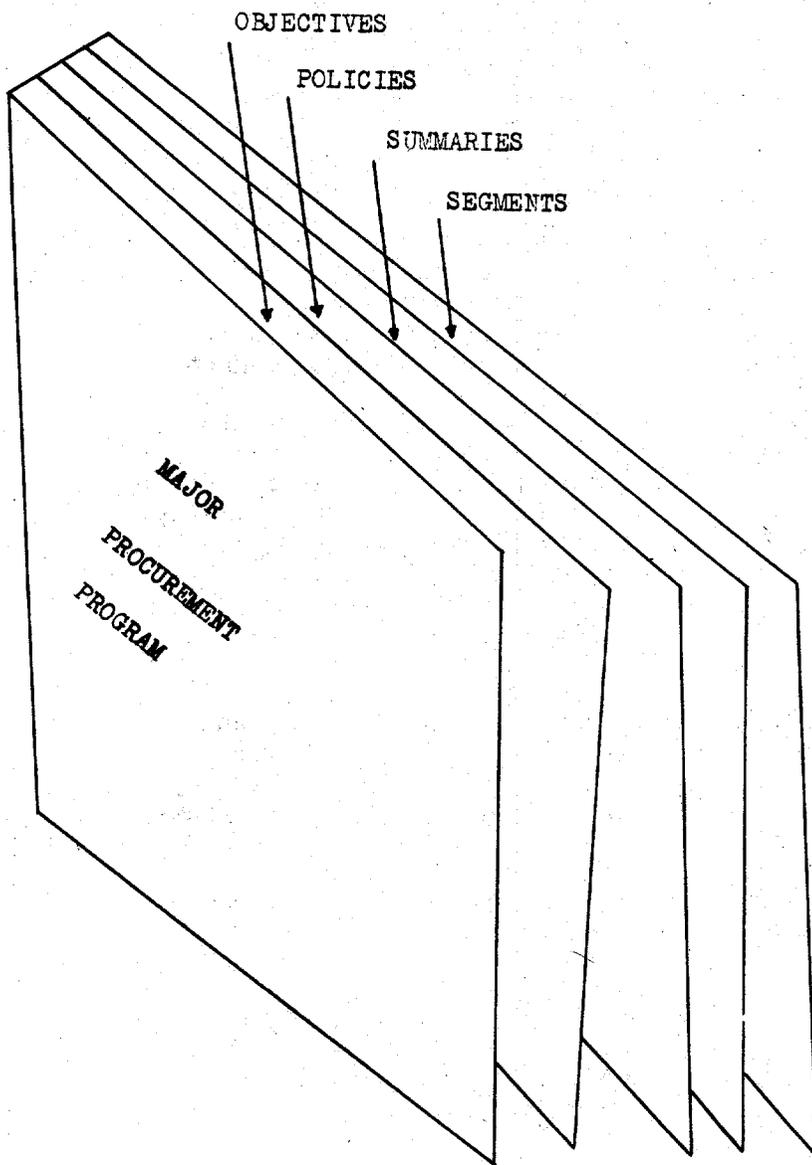
The end result of the programming system we have is a series of documents. There are 14 major documents in the Army's primary program structure. In other words all our activities have been boiled down into 14 primary headings. One of the major headaches of the designers of that system was trying to group the activities in a structure that would make sense.

They had certain guiding principles, of course. One of the principles was that each group of activities should be assigned to a particular agency, which would have a definite responsibility for that particular group of activities. Another guiding principle was that specific objectives could be set for each group. Those targets have been met with a few exceptions in our current system. The following is a list of the 14 Army primary programs and responsible staff agencies:

<u>PROGRAM</u>	<u>RESPONSIBILITY</u>
Troop	G-1
Command and Management	G-1
Military Personnel	G-1
Civilian Personnel	OSA
Intelligence	G-2
Training	G-3
Research and Development	G-4
Industrial Mobilization	G-4
Major Procurement	G-4
Supply	G-4
Services	G-4
Installations	G-4
Construction	G-4
Joint Projects	Assigned by project

For each of these headings there is a particular document that contains the material that pertains to that program.

I have selected the major procurement program as an example. It is shown schematically on the following page.



Item	Unit Cost	Code	Quantity		Value
			FY	1951	
Tank	200,000	Gr IA CPI PO PP	2000		400.0

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In the front part of the major procurement document we have the objectives for that particular program. Then there is a section devoted to policies; another section devoted to summaries. By "summaries" we mean that, instead of listing the 1,100 some-odd items that go to make up the segments of the procurement program, they are summarized. For example, instead of listing 150 mm howitzers, they are grouped under the heading of "artillery." Another heading might be "combat vehicles," and so on. Those summaries are made to provide top management a means of getting a picture of the program without necessarily turning over all the pages and looking at the various items.

The real meat is in the segments. There is a segment for each main activity. Ordnance, Signal Corps, Chemical Corps, and so on, each has a segment. I have extracted a page of one of the segments here, to give you an idea of the type of material contained in the document headings. The columns are "item," "unit cost," "code," "quantity," "value." For example: If you take a tank item, the unit cost is 200,000 dollars; the code is GR, which means gross requirement for that fiscal year, which is 2,000; and the total value is 400 million dollars or whatever figure you have. I don't want to go into too much detail. On the other codes there, IA is initial allowance included in the gross requirement. Procurement requirement is essentially the net requirement, which is the gross minus such assets as are already available. Procurement objective for that particular thing is how it is planned. The programmed procurement is the last line and is not usually filled out until you know how much money you are going to get and what you are actually going to be able to program for in that particular program.

That is just a sample. There would be that type of grouping and expression for each of the items that go to make up this particular program. I have selected this one because it shows you facts, figures, and tables--something you can put your teeth into. Some of the programs, one example is Intelligence, are not so susceptible of being expressed in facts, terms, and figures. They consist mainly of policies and objectives. But wherever possible a specific target or goal is shown in the program so you can see what you are trying to achieve during that particular year.

This, then, is the picture of the house we are trying to build. The next question may logically be--Why? What is the purpose of programs? The basic purpose of programming is to provide a method of managing and administering a group of related activities.

The total of our programs provides for the appropriate development and maintenance of the active establishment and those reserves such as trained manpower, materiel, industrial know-how, stand-by

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facilities, and so on, that must be on hand in peacetime in order to permit post M-day scheduled implementation of the Mobilization Plan.

Programs serve the general staff in directing and supervising the activities of the Army.

They serve the operating agencies as the basis for scheduling and directing the performance of their operations.

They serve as a basis for the preparation of the budget. They show what is established for the program, with quantities having price tags put to them, giving a pretty clear picture of what the budget estimate should be.

They serve as the basis for special studies in problem areas. For example, if tanks or antiaircraft artillery turn out to be troublesome, those parts of the 14 primary programs which apply can be extracted and assembled into a single study that will present the complete picture on tanks or any other element that needs attention.

Another use of programs is to provide in a readily accessible and recognizable form a common orientation and reference point for all Army planning and programming agencies.

Still another use is to insure well-coordinated direction from the Department of the Army to field agencies and as basic guidance and direction to the major commands in the preparation of their programs.

So you can see that programs serve top management and the operators as well. That covers what a program is and in general what it is used for.

I think the next item on the agenda is to discuss how we get the programs. So the remainder of our discussion will be devoted to what we can call program management. There are three elements to program management.

The first is program development, which is the determination of Army objectives, the translation of those Army objectives into program objectives, and the coordinated preparation of the programs in order to obtain the objectives.

The second element of management would be the program execution, which is preparing the detailed schedules of actions and carrying out the program according to those scheduled actions.

The last element is program review and analysis which is the appraisal of the effectiveness of the program execution. The Army

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organization assigns each of these elements to the Deputy Chiefs of Staff level.

The Deputy Chief of Staff for Plans is charged with program development.

The Deputy for Operations and Administration handles program execution, and the Comptroller of the Army is responsible for program review and analysis.

My particular job is in the field of program development, since I come under General Bolte, the Deputy Chief of Staff for Plans, but I will touch on the other aspects of program management as we go through the cycle.

So the first item we will discuss is "program development." To develop a program for the Army for a particular fiscal year, we have to begin with the Army's missions. These missions derive from a variety of sources--the Constitution, legislative enactment, action of the President, joint agreements, and so on. Most of these general missions are relatively fixed, but the Army is left with a considerable quantity of determinations and interpretations of its own to make.

There are numerous considerations that affect the details of the Army missions. To mention a few: We have the Army's share of joint war plans; the international situation and commitments; new developments in the art of warfare; domestic political and economic trends, and so forth.

We have a device that is used to weigh all these considerations and pull them together. That device is the Army's long-range estimate (LRE).

This LRE is really the keystone of our whole program system. It is such a basic document I want to describe it in a little more detail, because I don't believe the other services have a similar document as the basis for their programs. The estimate is produced annually under the direction of the Deputy Chief of Staff for Plans by the work of an ad hoc committee which is composed of representatives from the general staff, the budget officer, the chief of information, and the chief of legislative liaison. The estimate covers an eight-year period and consists of the outline on the following page.

Within its scope, LRE translates the broad statements of Army missions into Army objectives, which have to be achieved if the Army is to carry out its missions during the period covered by the document. The committee report, that is, the ad hoc committee report, is reviewed by the entire top level of the Army and, when it is finally approved by the Chief of Staff, is published and distributed to Army agencies as the basic guidance for planning and programming.

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OUTLINE FOR LONG-RANGE ESTIMATE

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Part 1

- Chapter 1 Assumptions
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 - III United States Position
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 - V Force Requirements
- Chapter 3 Conclusions

Part 2

- Chapter 4 FY 1952 - FY 1959 Army
 - Section I Composition and Deployment of the Army
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 - VIII Construction
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 - XI Levels of Administrative Operation
 - XII Cost Estimates and Budgetary Considerations

I think it is apparent that such a document can exert a tremendous coordinating influence in every field of Army activity because it does give long-range guidance over this eight-year period and covers, as I say, almost every field we can think of. In addition to providing guidance within the Army, when the time comes to submit recommendations as to fiscal year strengths, deployments, and major units to the Joint Chiefs of Staff for approval, the Army's Chief of Staff has readily available a basic document to assist him in arriving at his proposals.

The next step in program development is the conversion into program objectives for each of the 14 primary programs of the Army objectives which we have discussed as being developed in this LRE. I think I can illustrate this conversion process by a very much simplified example:

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Say that one of the Army missions is to provide ground forces for the defense of strategic areas. An Army objective, as expressed in a war plan and reflected in the LRE, might call for two divisions, say, to be ready on M-day to defend some particular tropical area. The program objectives would show up something like this:

1. The troop program, of course, would have to provide for the two divisions.

2. The training program would provide for the necessary jungle training.

3. The major procurement and supply programs would have the objective of providing jungle equipment; and so on down the line of primary programs.

Now, the work of drawing up a statement of these program objectives is performed by a Program Advisory Committee, under the supervision, again, of the Deputy Chief of Staff for Plans. This committee has representatives from all of the interested Staff sections; its job is to study this LRE and pull out from it the Army objectives and convert them into statements of goals to be reached by each one of the primary programs.

The program objectives, when they are developed, are first approved by the Deputy Chief of Staff for Plans, then by the Chief of Staff, and they are finally cleared by the Secretary of the Army.

With this basic guidance (program objectives) established and approved, the next step is to expand the detail--break each objective down into the tasks that will have to be performed by each agency which is going to develop a segment of the program. This part of the job is farmed out to the responsible general staff divisions. These staff divisions produce sets of annexes for each program for which they are responsible. The annexes tell the Quartermaster, the Ordnance officer, the Chief of Engineers, and other organizations the objectives and policies which will be the governing factors in the development of their particular programs. The annexes are reviewed for completeness and form by the Program Advisory Committee, and are consolidated into a formal program directive which, after it is approved by the Chief of Staff, is published for all Army agencies as a basis for their program.

That completes the guidance part of the program development phase of the management system we are speaking about. The next step would be logically the preparation of the programs themselves.

You will recall that the responsible staff division was indicated opposite each one of the primary programs (page 2). These staff division heads are designated as program directors. Their function at

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this stage of the preparation is to insure that such supplemental instructions go out regarding details as may be necessary to make sure that their subordinate agencies have a common point of view and will work towards producing an integrated program. So these instructions, together with the formal program directive I mentioned, will go out to each of the segment directors.

At this point let me explain that a program generally is made up of a group of segments. For the training program we mentioned that the program director was G-3. The basic part of the program will include Army-wide objectives, policies, and activities for which G-3 is responsible. It will also have a segment for the engineers, the Quartermaster, and so on. The Chief of Engineers will be the segment director of his particular engineer segment in the training program. In addition to the over-all guidance which he will receive from the program directive, he has to establish certain objectives and policies of his own for engineer training. So that is his first task in the preparation of his segment of the training program.

His second task is to project the work that has to be accomplished to obtain the objectives.

His third task will be to project the men and dollars and other resources that are necessary. Here, of course, he will make full use of consumption rates, usage and replacement factors, and whatever appropriate methods he has for the computation of requirements.

His fourth task will be the recording of these data in a program document in some recognizable and organized form. This is facilitated by the fact that we have developed preprinted forms for each program so that, after the pick-and-shovel work of determining requirements has been completed, the last step is simply filling in all the blank spaces.

That, in a very general way, is how a program segment is prepared as part of the basic program that we mentioned. There will be several other steps before you can say you have a completed program document. As each segment is completed it is forwarded to its program director, who reviews it to see that it carries out the intent of the objectives and is otherwise complete. When all of the segments are in, the program director must review them as a group to insure that the objectives for the entire program are covered and the program is a coordinated and balanced piece of goods. Following this review, the program director summarizes the bits and pieces in the front part of the document so as to present an over-all picture for management purposes. You will recall I mentioned summaries when we discussed the program.

Having assured himself that his particular program is OK, the program director forwards the assembled document to the Deputy Chief of Staff for Plans for final review.

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Here the Program Advisory Committee takes over. It checks individual programs in essentially the same way that the program director checks them, but its biggest job is to see that all 14 of the programs marry up into a coordinated whole. That sounds like a tremendous job; it really is. The Program Advisory Committee, of course, has to develop certain ways of handling that job. It has certain criteria that it uses during this check. It checks for scope, for timing, for balance, and for obvious omissions. It develops a check list so that it can take key items and follow them through the whole program structure to see that wherever one item has some bearing on another program, provision for that item is actually picked up in the other programs.

Checking for balance is a very important part of this review. By balance we mean things like these: Say the troop program projects the deployment of certain units to Alaska. Does the construction program provide for the necessary construction and facilities in phase with the proposed deployments?

You can take similar examples and follow them through the program structure.

Upon the completion of this review by the Program Advisory Committee, the program documents are forwarded to the Adjutant General for publication and distribution to all the agencies that have to use them.

That completes the development phase of the program management system. In other words we have provided the guidance development, prepared the programs, and the next step is execution. But before I come to that, let's see how long this has taken so you can get some idea of the timing involved.

1. The committee is allotted three to six months for the preparation of the LRE. As it gets more experience, the time can be cut down.
2. Two months are set up for formulating the program objectives and for publishing the actual program directive itself.
3. Two and one-half months are allowed for preparing the program segments.
4. One month is allotted for review by the program directors.
5. One month is set up for review by the Program Advisory Committee and publication.

So there is a total of 9 to 11 months altogether to go through this whole cycle of program development and actual preparation of program documents.

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Let's see how this fits into the fiscal year cycle. If we take 1954--the target date for completion of the fiscal year 1954 primary program documents is December 1951; that is 18 months ahead of the beginning of the fiscal year. You might wonder why there is so long a lead time. You will recall that one of the purposes served by the document is to provide a basis for budget estimates. The budget planning cycle for the fiscal year 1954 is supposed to begin early in the calendar year 1952. So, if the system is to work properly, the program documents have to be available at the beginning of the budget planning cycle.

Actually, we have not been able to catch up with that cycle yet, but the 1954 programs are in the mill and will be out in time to play their prescribed role. That is, to assist in preparing the fiscal year 1954 budget estimates.

Now, the next element is program execution, and you will recall that I mentioned that the Deputy Chief of Staff for Operations and Administration was the responsible staff agency for the over-all supervision of execution.

By program execution we mean the preparation of the detailed schedules of all the actions that have to be done during the fiscal year, acquisition of the necessary resources to accomplish those actions, and carrying out the program according to the schedule.

Although the over-all supervision is charged to the Deputy Chief of Staff, it must be emphasized that each program director is of course responsible for the execution of his own program. The work of carrying out the various activities involved is done by subordinate agencies through normal command channels. Every effort is made to hold the program director specifically responsible for his particular program. I indicated that was one of the major objectives of this system, to map activities in such a way that the responsibility could be assigned to some individual or some headquarters or staff section.

In order that all concerned will know who is responsible for what in this system, and to insure that we have a uniform approach, a series of special Army regulations is being prepared. There will be one regulation covering each primary program. These regulations will indicate what schedules have to be prepared and will describe the format; but, they will allow as much latitude as possible for the subordinate agencies that have to carry out the execution.

As soon as the program document is published, a stage which we call implementation planning begins. We mentioned that programs are used as the basis for budget estimates so it follows logically that the budget is designed to provide the resources that are necessary to carry out the execution of the programs. As soon as they are published, the program documents are furnished to the Army budget officer for his use in preparing the budget directive for the fiscal year under consideration.

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Other steps in implementation planning include the issuance by the program directors of such detailed instructions as are necessary to cover the phasing and policies regarding the preparation of the detailed schedules. These schedules show how the work load is to be spread throughout the fiscal year. They show the quarterly distribution of requirements for material, and so on.

The schedules tabulate for the operating agencies what they have to accomplish throughout the year, and also serve two other major purposes:

1. They provide the means of measuring progress.
2. They furnish guidance for the distribution of funds after the final appropriations for that year have been received.

I won't go into the details of budgeting funds, but this is a good chance to bring into the discussion the question of changes in the programs. Naturally, any set of documents prepared as far ahead of time as our system calls for is subject to numerous changes. The system recognizes two major control points for these changes:

First, after the Bureau of the Budget has given some indication of how much money the Army is probably going to get.

Second, after the Appropriation Act is finally passed by Congress.

In addition, the procedure provides for a system of "change orders" to pick up changes whenever they occur so they can be reflected in whatever programs are affected by the change. Important changes can be announced at any time. Minor changes are usually collected and held, with consolidated change orders being published quarterly.

This particular change procedure applies except when it is necessary to do a job of major reprogramming. When Korea struck, a complete redo of all the programs was necessary. Another similar large-scale action would have a like effect.

The next element of program management to be covered is review and analysis. The objective here is to provide information to all levels which will facilitate the development and execution of programs, increase the efficiency of performance, and achieve economy in the use of the available resources. If you boil it down, it is a periodic comparison of actual performance with the performance that you schedule plus an analysis of the whys and wherefores of variations.

Staff responsibility for this review and analysis is charged to the Comptroller of the Army. However, each operating level, right up through the program director, is responsible for the review and analysis of its own program.

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The prime factor in this phase of management is a system of reports. We have already mentioned how schedules are drawn up to show the spread of a particular program over the fiscal year. Each organizational element and each program director knows what is supposed to be accomplished by quarter or by month and, by designing reports to produce the proper information, it is readily possible to follow the progress of performance through the use of such reports.

As the reports pass up and down the chain of command, they are analyzed at each level and appropriate comments or explanations are entered to show the true status of a particular program. Corrective action can be taken anywhere up and down the line, wherever such action can be localized, but it is not until all reports are funneled into the Comptroller that a composite picture can be drawn of the status of the whole program.

That is the primary function of the Comptroller in the field of program review and analysis. He assembles and highlights for the Chief of Staff the status of each primary program and the entire Army Department picture. Imbalances and discrepancies are detected and the need for corrective action is pointed out at this stage.

I think it can be seen readily how the function of review and analysis, with its system of progress reports, gives the Deputy for Operations and Administration his principal means of checking on the execution of the programs. Also, review and analysis assists in future program development by showing where objectives may need to be modified.

So you can see that, while the responsibility for the three phases of program management is divided three ways under our organizational setup as a sort of A-B-C concept, the three functions actually are interdependent, each one contributing something and receiving something from the others.

There is just one more facet of Army programming that I should like to mention. You have noted that the bulk of our previous discussion has dealt with program management on the level of the departmental headquarters; and the system was designed actually for that particular purpose. It was not planned that the major commands or the continental armies, and so on, would be directed to set up similar systems. However, most of them are rapidly establishing parallel or similar systems of their own.

The Second, Third, and Sixth Armies, EUCOM, USARCARIB, and Hawaii have program systems under way. Recently SHAPE called for a team to come over to help it get a program system organized.

All in all, there can be no doubt that at least the Army members of this class are going to run into the program system no matter where they go from here.

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That ends the formal part of my presentation.

COLONEL NIEMI: General Stokes, what guidance do you get from JCS to set up long-range and then subsequent shorter-range plans?

GENERAL STOKES: The Army LRE is based on the JCS long-range war plan. That is the starting point of Army's part of the JCS war plan, and included also, as I mentioned, are any additional considerations or factors that apply to the Army itself. The JCS war plan will give more or less generalities, like force deployments, but it won't tell you how you arrive at those forces. It will tell you when you will have them, what the phasing will be, but the problem of how Army insures that it will be able to support the plans put out by JCS is up to the Chief of Staff of the Army. He determines what is essential to have, whether reserves must be on the shelf prior to D-day or whether the production rate is enough for us to gradually catch up with requirements. That type of consideration is up to the Army itself. The JCS says, "It doesn't care how you do it. Just be able to do this when the time comes."

COLONEL NIEMI: JCS also puts out what is called the budget guidance plan. Does that affect your long-range estimate, or will it affect the current budget?

GENERAL STOKES: I would say it affects the current budget. I do not believe there is a formal JCS budget plan. It does put out a statement of objectives.

QUESTION: General Stokes, you indicated that getting the money was part of the execution of the plan, and certain allocation of resources seems to be part of the execution of the plan. Under the Air Force, I know both are carried on by the Comptroller, who supervises the preparation of the budget, and he tells you how many people you can have. Is there an overlapping or has there been a recent change in that?

GENERAL STOKES: No, it is the intent of our whole system. We feel the object of the budget is as a service. The Chief of Staff of the Army indicates what he would like to get done, what his requirements are for a particular year, in the form of program objectives. He hands those to the budget officer or the Army Comptroller and he says, "You find a way to provide the money to accomplish my objective. If somebody else puts a limitation on you so that you can't do it, you come back and tell me and I will have to change my objectives." So far as the Chief of Staff is concerned, the budget officer provides a service. His job is to provide resources which the top of the Army says are necessary to accomplish what it figures as its objectives, so it will be sure to fulfill the JCS plans or any other plans established. That is the way we look at the budget aspect of this thing. There are other angles to it, depending on which side of the house you sit.

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QUESTION: Referring to this budget a little bit more. Say that the programs are turned over to the budget officer to be included with the Army budget. If so, why do the services that have all those programs have to go up and defend their end of the budget? They have to, all the way through. The budget is defended within the Army, not up there with the Army's budget.

GENERAL STOKES: The programs form the basis for the budget directive. The budget directive indicates to the various technical services how the estimates will be put together and assembled. By the budget directive, the budget officer indicates guidance as to what its budget estimates will include.

For example, if the services are told to provide tanks for so many armored divisions, the Chief of Ordnance will estimate that so many tanks, at such a cost, are necessary. The budget officer does not take the programs and make the budget estimates himself. The operating agencies as well as Ordnance, Engineers, and the various other technical services have already, through the program, determined them, and have a pretty good basis for the budget estimates. They have done those estimates, as we indicated on the chart, based on the objectives. The budget directive will include limitations. If there are any changes due to Office, Secretary of Defense (OSD) guide lines, any limitations placed on the Army, he says, "You have your programs; you have to modify your programs on the basis of this budget directive, which includes all the latest limitations."

While stated objectives are the starting point with every program, we have to assume, before we start to use the programs, that there will be lots of additional guidance. The technical services have to modify the programs to conform with the additional guidance the budget officer puts out, and then come up with their estimates.

QUESTION: Would you explain the significance of the eight-year period which the long arrangement covers?

GENERAL STOKES: I will try to explain. The first four years we can account for. We have a current fiscal year or any part of it that is in existence. We are now working on the 1953 budget estimates. That process should have been started some time ago. We have prepared the program objectives for the fiscal year 1954. They are going out to the operating agencies that are to prepare the programs for the fiscal year 1954, while we are still in the calendar year 1951. Long before fiscal year 1954 comes around, we will be working on 1955. So we have 1952, 1953, 1954, and 1955. The procurement people have to look ahead for a couple of years. They have to plan their production on their lead time. So I think we can follow it through for six or seven years anyhow, and whether it is seven or eight years, somebody has to decide somewhere along the line. We picked eight to be sure to get it out as far as we can.

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QUESTION: General, as I understand the program, the development of the program is what you plan to carry out if authorized and if there are no major conflicts. What is the relation between this program and the program you would have to develop and put into effect if Russia drops a bomb the day after tomorrow?

GENERAL STOKES: The system is designed to work in either peacetime or wartime. Long-range estimates would be based on the going war plan, which would be the one you are actually working under. Matching that war plan would be a mobilization plan and the programs would have to be geared to that mobilization plan. You would have to modify your program system; you might have to abbreviate it to some extent. But this same system you have today has application to wartime as well as peacetime. If you want to have a balanced program for mobilization and to have guns to meet it, I think you can visualize this system or some modification of it as applicable in a war situation. It might be shortened up. Short cuts might be taken but so far as the principle is concerned, we think it is sound for either situation.

QUESTION: With respect to the programs, if a war started tomorrow, you would be talking then about a program somewhat different from the one you are talking about now. Is there one developed for the contingency of war starting tomorrow?

GENERAL STOKES: It is developed on the principle of having the resources available, or producible, so whenever M-day comes what you have on hand plus what you can produce will meet requirements of mobilization on the basis of the joint war plan. In times of peace you progress slowly toward those objectives. If war comes many limitations are removed, so you start over again on a different basis. When Korea came we had a set of program objectives in the mill. Korea caused such a rapid expansion in the Army that it was necessary to reprogram.

QUESTION: General, at what point in your program do you insert the requirements of the other services?

GENERAL STOKES: Wherever they happen to come. The procurement program would say, for example, "Tanks"--so many for the Army, so many for the Marines. Whatever part of the program was specifically Army's responsibility would be included in that program, but it would be shown separately, so you could see how much you could count on, and how much was allotted to someone else. That would be picked up wherever the Army had a specific responsibility in the field. It would be broken out and highlighted, so you could tell how it was.

QUESTION: Sir, where does the Munitions Board review come into this, and the correlation of this plan, that is, the assumptions and that sort of thing with the other services? Was this an integrated plan of the Department of Defense?

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GENERAL STOKES: The Munitions Board comes into it through the guidance we have rendered to our G-4. Our G-4 works directly with the Munitions Board in presenting the requirements developed by the programs. On the other hand when the G-4 representative reports to serve on one of the program committees, he has the benefit of the guidance he has received from the Munitions Board, so he can reflect, in studying the objectives and in drawing up schedules, what the Army is going to be allowed to have. The way it works now is, the long-range estimate and the programs start out on the basis of what we think we may be able to get. It is not a pure requirements basis. A lot of people think it should be pure requirements only, military consideration--pay no attention to the national economy. One school of thought says the long-range estimates and our initial statement of requirements should be pure military requirements. This is not the way it has worked so far; the current procedure is that top level does a little juggling with those requirements and makes its best estimate of what probably can be supported in the JCS or Munitions Board or national economy.

QUESTION: Isn't it true that on your long-range estimate that goes out seven years you are not relying too much on JCS guidance on that--it is more or less an estimate so when JCS asks what you want you are in a position to tell what you need?

GENERAL STOKES: Yes, it picks up JCS guidance as far as it goes.

QUESTION: How far does it usually go?

GENERAL STOKES: Right now we have the joint midterm war plan. That is our basic plan and the Army's part of that particular plan is the basic ingredient of this long-range estimate. If the JCS had a really long-range plan or went out with some eight-year estimates, I think we would have to pick that up. We pick the longest one they have in existence and that is the one we usually name.

QUESTION: General, in the segments of the plan, what accuracy do you foresee in the 1959 requirements, let's say, for a tank and all the cost of the tank?

GENERAL STOKES: It would be very broad. You would not be able to fill out any of the details but you could make a case. You would have to take advantage of what you thought Research and Development would give you. Let me get something straight. The program does not go out that far. The programs generally cover only the next fiscal year.

QUESTION: 1959?

GENERAL STOKES: A few programs cover several fiscal years where certain advance guidance is needed by other programs. Segments--they correspond to the programs.

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QUESTION: General, at what point, or how, does the Army Comptroller exercise his veto? Is it on programs or on the Chief of Staff?

GENERAL STOKES: Why should he exercise a veto at all, other than the veto that is imposed on him? He has to insure that the Chief of Staff is advised of such limitations that OSD or anybody else puts on him; on the way they say, "You think you need 22 million dollars, but all you are going to get is 14.5 or 15.2 million." It is not the Comptroller. We have a Budget Advisory Committee supervised by the Comptroller. The Budget Advisory Committee consists of responsible advisory representatives of all the general staff sections. I sit on it, representing my boss. The Budget Advisory Committee has to take the programming guidance it receives and try to reduce it into any arbitrary ceiling placed upon it. The committee members have to tell the Chief of Staff as a result of this limitation: "This is what you tell us you want to do. This is all you are going to be able to do. We think you should change your plans, or possibly go to the JCS and say it can't do it." But the Comptroller by himself does not exercise any veto.

QUESTION: General, would you care to discuss how well we are meeting our fiscal 1952 requirements?

GENERAL STOKES: I think we can discuss that simply. We have not caught up with 1952. In order to have something as a basis, we developed a set of programs which started from the funds we were going to be given. It was a question of checking slippage, and the starting point was what we knew we were going to get. We don't have to do much adjustment. Schedules were drawn on the 1952 budget action. It is just a matter of seeing that you are doing what you have been authorized to do. The only thing that would affect that would be slippages or lack of material, or something else. I think we are familiar with the fact that there have been slippages in production. We are not producing at the rate which was scheduled. I heard the philosophy expressed the other day that when you are working on a very low level, when the curve is just starting to go up, a slippage of a few items affects very much the percentage. When you are making only 4 and you lose 2, that is 50 percent; when you make 1,000 and lose 5, it is not so much. Slippages are not so serious as they appear at first glance. When we come into the full production stage, it is possible that slippages can be made up.

QUESTION: Going back to segments, are the items as put down in the segment what you are going to budget for in a fiscal year or what you are going to deliver in a fiscal year?

GENERAL STOKES: In some cases it would be some of both. Since it is based on money, it is what you are going to budget for. You get some after 9 months, some after 12 months.

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QUESTION: If you go into a tank program you don't get your contract down until the fiscal year. No delivery is going to come out until two succeeding fiscal years.

GENERAL STOKES: Yes; that is why I say you cannot add the segments and get a "true" cost of any program. Some of the things you will get in 1953 you ordered a couple of years ago. On the other hand only part of the resources acquired or contracted for with funds requested for the given year will become available for use during that year, delivery on the balance being made at later dates.

QUESTION: You have to go into a subsequent fiscal year and determine what you are going to budget for this year?

GENERAL STOKES: Yes; that is why we are so much ahead. You have to determine what you are going to get from last year's budget estimate and what you need the next year.

COLONEL NIEMI: You mentioned this is only one year. How about mobilization programs, don't they have to go into another period in making programs for them?

GENERAL STOKES: Well, we are out pretty far into the future now. We are dealing with 1954. Before 1954 gets here we are going to be dealing with 1955. Some programs, such as the troop program, show projections for two or more years beyond the fiscal year under consideration. So far, we do not have programs to match a particular mobilization plan.

QUESTION: General, on your LRE, do you give a figure on the number of personnel that will be made available to each of your technical services, or does the technical service in each instance figure how much it must have in each fiscal year in order to accomplish the mission you have laid out to be accomplished by that particular program structure?

GENERAL STOKES: I don't believe the LRE will go into quite that much detail. It will indicate table of strengths; distribution of strengths between combat, ZI operations, and so on. The staff will break it down. The detail as to whether the Corps of Engineers gets the 5,000 it wants, or whether the Quartermaster Corps gets 250 or something like that, it is worked out between the Army staff within the over-all allocation. It is give and take between G-3, G-1, and G-4. The LRE would not go down into that detail. We would set it out in bulk, and within that program the staff will argue about the detail.

COLONEL NIEMI: General Stokes, I am sure you have sold the group here on programming in the Army. On behalf of the entire class and the college, I thank you very much.

(31 March 1952--750)S/ekh

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