

THE SINGLE MANAGER CONCEPT FOR SUPPLY MANAGEMENT

20 November 1956

CONTENTS

	<u>Page</u>
INTRODUCTION--Rear Admiral H. T. Deutermann, USN, Deputy Commandant, Industrial College of the Armed Forces	1
SPEAKER--Mr. Robert C. Lanphier, Jr., Deputy Assistant Secretary of Defense (Supply and Logistics)	1
GENERAL DISCUSSION	40

Publication No. L57-71

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

Mr. Robert C. Lanphier, Jr., Deputy Assistant Secretary of Defense (Supply and Logistics), spent his early childhood in Springfield, Illinois. He graduated from the Choate School, Wallingford, Connecticut in 1923 and from Yale University in 1929 with a Bachelor of Science degree in electrical engineering. He joined the Sangamo Electric Company in October 1927 as a student engineer. Five years later he was named factory manager of Sangamo Weston, Ltd., at Enfield, England. He returned to the United States in 1939 and was appointed vice president in charge of manufacturing at the Springfield plant. From 1943 until his leave of absence from Sangamo to accept his Defense Department position, Mr. Lanphier was a director of the company. Prior to joining the Department of Defense, he served on the board of the Central Illinois Light Company and was active in community affairs. During this period he served on various local boards, the Community Fund, local and State Chambers of Commerce, Board of Education, the Lincoln Library Board, and as a trustee of Southern Illinois University. This is his second lecture at the Industrial College.

THE SINGLE MANAGER CONCEPT FOR SUPPLY MANAGEMENT

20 November 1956

ADMIRAL DEUTERMANN: Good morning. A study of logistics leads inevitably to the terms "common servicing and supply", "cross servicing and supply", "joint servicing and supply" and, more recently, "The Single Manager Plan".

The Hoover Commission concluded that steps must be undertaken to eliminate unnecessary waste, duplicate stocks, distribution systems, facilities, and overhead personnel. The Commission recommended a fourth service to accomplish these objectives.

The Office of the Secretary of Defense developed and implemented the Single Manager Plan, in lieu of the fourth service, to improve supply management.

We are fortunate in having with us today the Deputy Assistant Secretary of Defense (Supply and Logistics), Mr. Robert C. Lanphier, Jr., to discuss this plan.

Mr. Lanphier.

MR. LANPHIER: Thank you very much, Admiral Deutermann. Gentlemen: It was just over a year ago this week that I appeared before the Industrial College to present the Single Manager Plan. At that time it was in the course of development in the Office of the Secretary of Defense and the military departments. I was able to present it, therefore, as a concept in the course of being born. Where it was going to go, we were not too certain about, but we certainly had our faith in it.

Today I am able to come to you and say that it has been successfully started and it is in being. To those of you who have not been exposed to the basic principles of the plan, I would like to tell you something about the studies and the assignments that have been made, and make a few comments concerning other aspects of interservice support. I think it is important to keep in mind that plans are a question of faith and that the "will" is a necessary ingredient to the success of any mission.

When the Department of Defense, and particularly the Office of the Secretary of Defense, was organized, one of its principal objectives was, of course, to coordinate the activities of the military departments and to eliminate, as much as possible, duplication and overlapping of activities in supply and services. Undoubtedly there are many tools and facilities available for this job. Surveys have been made by congressional committees, and there are the Hoover Commission's recommendations for a fourth service of supply. They all contributed possible solutions, but nothing seemed to have quite accomplished the job.

I therefore would like to begin by reviewing with you some of the criticisms that were lodged against the military supply systems and how we attempted to solve the problem of providing a more common method of interservice support, in particular in the field of common-use supplies and services. Let us turn to some of these criticisms that have been made with respect to the Department of Defense supply systems.

Chart 1, page 3. --We found that, for years, it had been alleged that the requirements of any one military department frequently ignored the available supplies on hand in the other departments. The supply systems, particularly in the common-use areas, were constantly expanding without regard for the available facilities of other departments, and the services' facilities overlapped one another or were widely duplicated among the military departments. Such separate supply systems were interpreted by some to be in conflict with a law which requires that no department may start up a system which is a duplicate of a system already in existence.

In the light of these criticisms, the problem resolved itself simply down to this question: What shall we do about these supply systems?

Chart 2, page 4. --In answer to this question let us turn first to the organization of the Department of Defense. This chart shows the Office of the Secretary as it was constituted in 1947 and subsequently revised with Reorganization Plan No. 6 of 1953. There are nine Assistant Secretaries of Defense, a General Counsel, the Joint Chiefs of Staff, and a direct staff organization consisting of the Secretaries of the Army, Navy, and Air Force and their organizations. For our purpose today we have accented the Supply and Logistics, Manpower, and Comptroller functions, as these three are primarily concerned with supply and with services matters. It is in these three areas that probably the greatest responsibility for such matters exists. The primary assignment for implementing the Single Manager Plan is in the Supply and Logistics area. Now I would like to show you our organization within this Assistant Secretary's Office.

CHART 1

CRITICISMS AGAINST PRESENT SUPPLY SYSTEM

1. REQUIREMENTS OF ANY ONE MILITARY DEPARTMENT FREQUENTLY IGNORE THE AVAILABLE SUPPLIES-ON-HAND OF THE OTHER DEPARTMENTS.
2. SUPPLY SYSTEMS IN THE "COMMON-USE" AREAS ARE CONSTANTLY EXPANDING WITHOUT ADEQUATE REGARD FOR AVAILABLE FACILITIES.
3. EFFORTS, AS WELL AS FACILITIES, OVERLAP OR ARE WIDELY DUPLICATED AMONG THE MILITARY DEPARTMENTS.
4. "PERHAPS" SEPARATE SUPPLY SYSTEMS CONFLICT WITH LAW (O'MAHONEY AMENDMENT).

CHART 2 ORGANIZATION OF DEPARTMENT OF DEFENSE

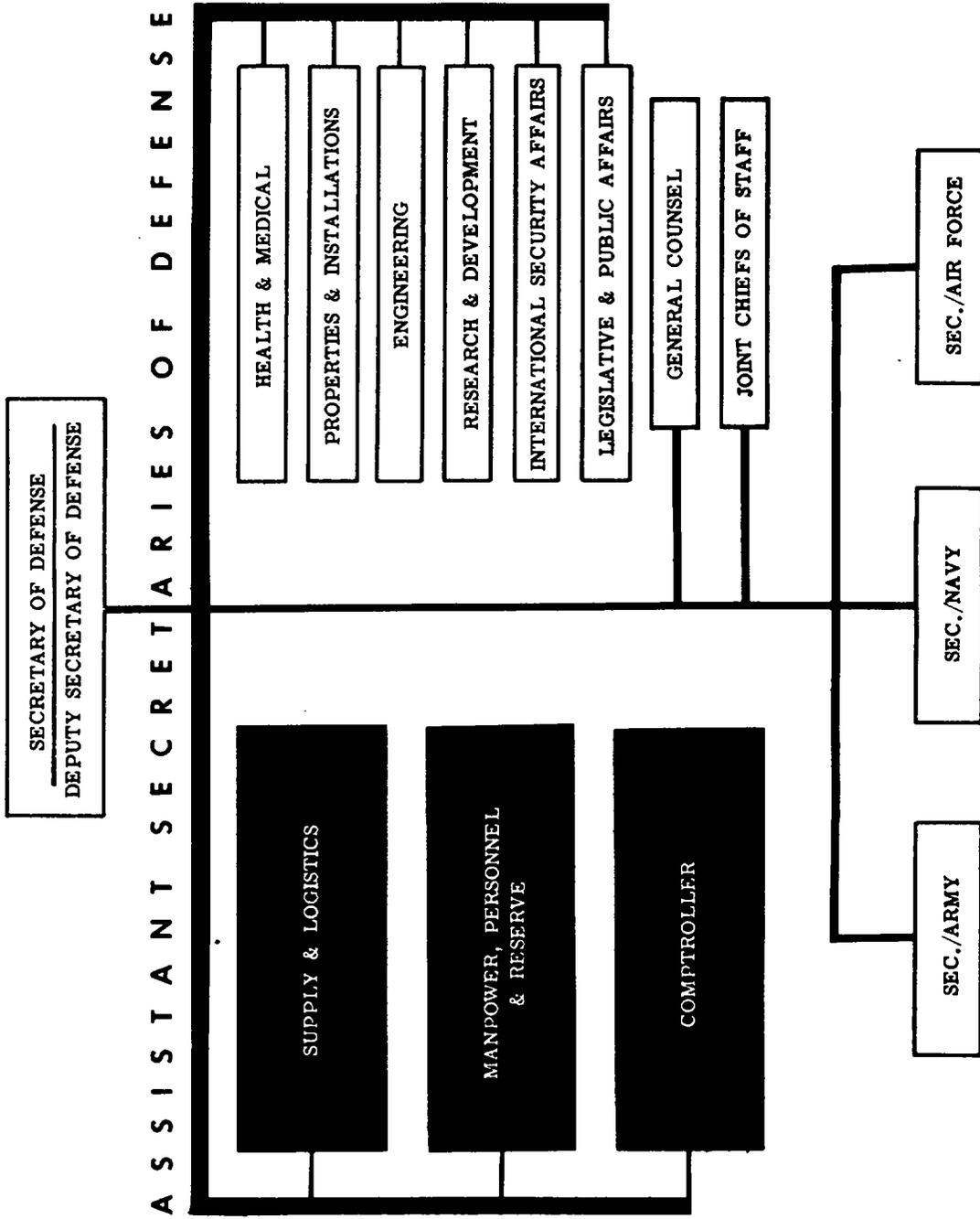


Chart 3, page 6. --Our organization is divided into five directorates. You will note from their titles that they cover the gamut of supply. Starting with the Directorate of Requirements, Procurement, and Distribution, there are the Directorates for Production, Communications, and Mobilization Planning; Cataloging, Standardization, and Inspection; Transportation and Petroleum Logistics; and Small Business Programs. Associated with the latter is the Commercial and Industrial Activity for getting the Government out of competition with commercial business.

As a first step to developing an improved supply setup, we formed a task force with a representative from each of these directorates to consider the problem.

Chart 4, page 7. --We found that our three military departments were all separately administered, each with its own supply system, each handling substantially all of the items used by that department, whether they were common-use or technical types. The weakest link in these supply systems was the duplication and overlapping, particularly in the field of common-use items.

We therefore directed our attention to this field of common-use items and services.

Chart 5, page 8. --First, we set about to define our problem. We felt that we had to devise a plan for managing common-use items and services in order to eliminate, as much as possible, the duplication and overlapping in the three departments and throughout the entire Department of Defense, and to use all the facilities and tools which were mutually available.

Chart 6, page 9. --At this point I would like to deviate from the subject for a moment in order to make sure that we are all using certain basic terms in the same way.

What do we mean by "supply"? Supply is a complex operation which includes, among other responsibilities, research and development, cataloging, standardization, requirements determination, procurement, production, inspection, storage and distribution, transportation, issue, maintenance, repair, and disposal.

I wish to stress this wide range of interest, because many people have been under the delusion that a single-management assignment is purely a procurement assignment. It is not. It covers the gamut of all the responsibility outlined in this definition of "supply".

CHART 3

**ORGANIZATION OF
OFFICE, ASSISTANT SECRETARY OF DEFENSE
SUPPLY AND LOGISTICS**

ASSISTANT SECRETARY
—
DEP. ASST. SECRETARY

D I R E C T O R S

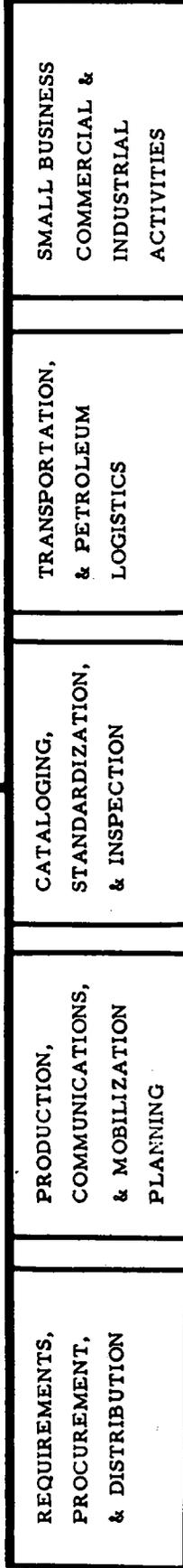


CHART 4

MILITARY SUPPLY SYSTEM

SITUATION

WE HAVE THE THREE MILITARY DEPARTMENTS,
SEPARATELY ADMINISTERED,

EACH WITH ITS OWN SUPPLY SYSTEM,
EACH HANDLING PRACTICALLY ALL ITEMS
USED BY THAT DEPARTMENT, WHETHER
COMMON-USE OR TECHNICAL TYPE.

WEAKEST LINK OF THE PRESENT SYSTEM IS
THE DUPLICATION AND OVERLAPPING IN THE
FIELD OF COMMON USE ITEMS

WE NOW, THEREFORE, DIRECT PARTICULAR ATTENTION
TO THE FIELD OF COMMON-USE ITEMS,

PROBLEM

DEVISE A PLAN FOR MANAGING:

- COMMON-USE ITEMS
- COMMON-USE SERVICES
- TO ELIMINATE DUPLICATION AND OVERLAPPING
- THROUGHOUT THE DEPARTMENT OF DEFENSE

CHART 6

SUPPLY

A COMPLEX OPERATION WHICH INCLUDES:

RESEARCH & DEVELOPMENT

INSPECTION

CATALOGING

STORAGE & DISTRIBUTION

STANDARDIZATION

TRANSPORTATION

REQUIREMENTS DETERMINATION

ISSUE

PROCUREMENT

MAINTENANCE & REPAIR

PRODUCTION

DISPOSAL

Chart 7, page 11. --By "common-use items and services" we mean the class or category of items or service, generally of the commercial type, nontechnical, and usually used in both the military and civilian economy.

Chart 8, page 12. --In this chart we have carefully attempted to portray the supply systems existing in all military departments before the Single Manager Plan was placed in effect. We have divided the chart into vertical bands which represent the full sweep of supply management activities, starting with the logistics plan of the Joint Chiefs of Staff. From this plan each military department independently develops its program requirements for peacetime consumption and for mobilization reserves. The departments then compute their net requirements for procurement, taking into account the material in the pipeline and the inventories which may be in existence. A procurement may be greater or less than the program requirement. Collation of requirements, wherein the departments pool and compare their net requirements so as to make use of one another's assets, is depicted on this chart, although not performed under the present system. We will come to that later. The remaining bands show procurement contracting and administration, followed by production by the contractor, and then wholesale distribution from depots. Finally we come to the point of retail issue within each service.

So we find that each department starts with the JCS plan, develops its program requirements, based upon its own knowledge of its system, develops its net requirements, and makes its purchases from the contractor. The item is shipped into the system of that particular service through a wholesale or depot system and so it goes into retail issue. Each service has cognizance of its own inventories, but has no basic knowledge as to what might exist in any other department. Hence there arises the opportunity for duplication and overlapping in supply management.

There are some variations in this basic concept which I would like to discuss.

Chart 9, page 13. --First of all, the Single Service Procurement Assignment is generally what many people felt the Single Manager Plan to be. This assignment system has been in existence since World War II, when there was born the need for central management at least with regard to procurement. Under this Single Service Procurement Assignment system, the Army, for instance, buys all the automotive

CHART 7

"COMMON - USE"

ITEMS AND SERVICES

- A CLASS OR CATEGORY OF ITEMS OR SERVICES
- OFTEN COMMERCIAL-TYPE
- LARGELY NON-TECHNICAL
- GENERALLY USEABLE BY EITHER MILITARY OR CIVILIAN

CHART 8

THE PRESENT SUPPLY SYSTEM

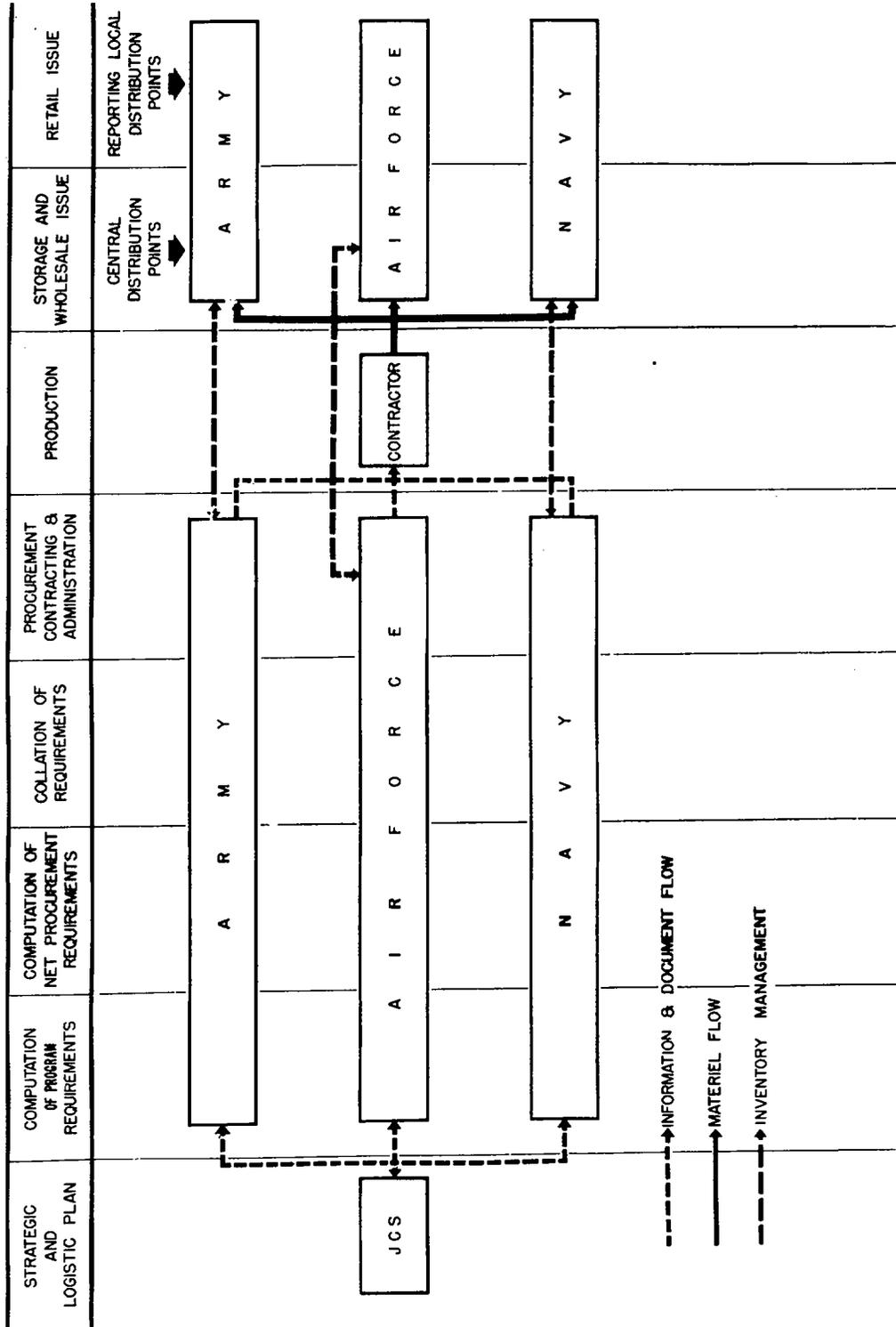
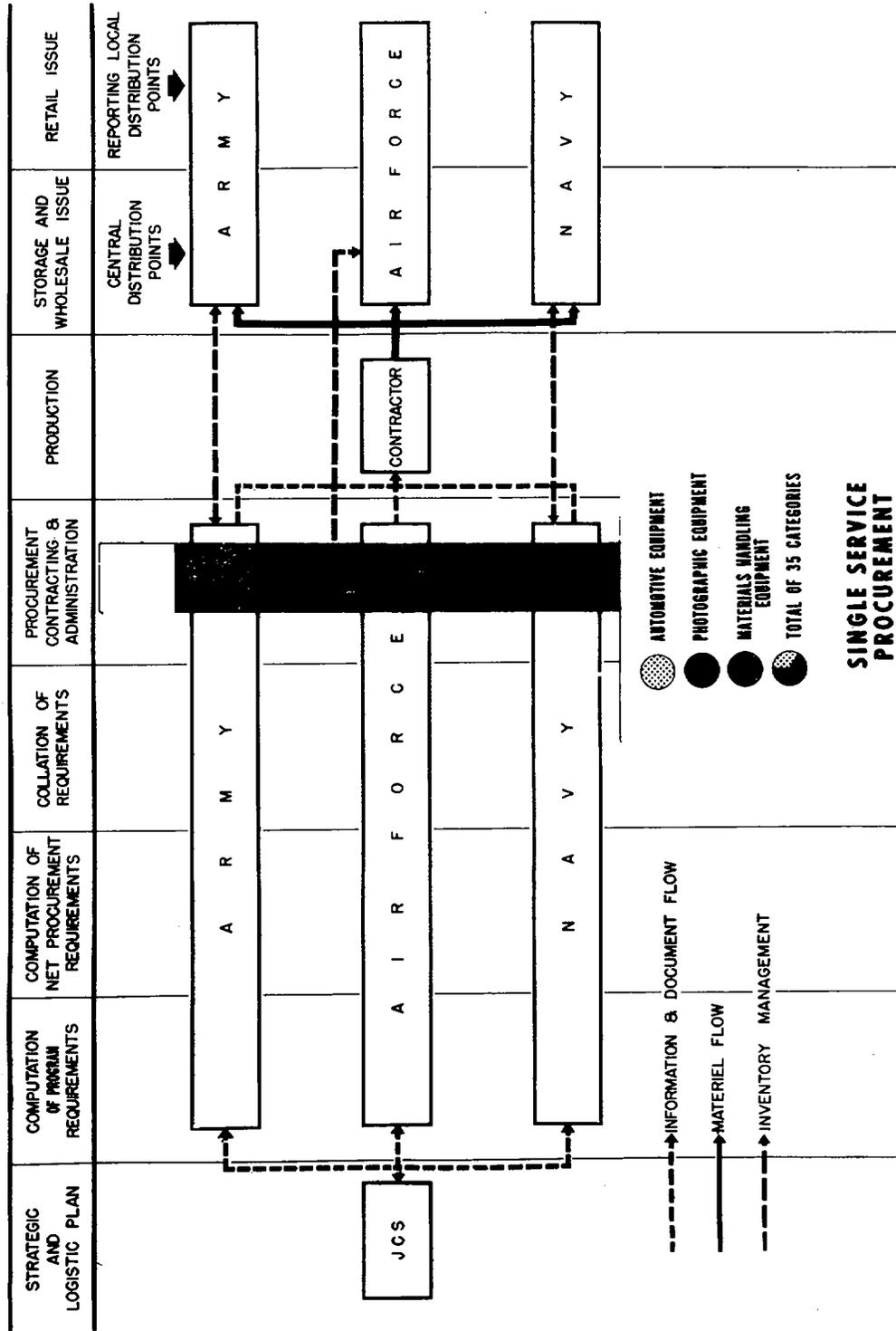


CHART 9

THE PRESENT SUPPLY SYSTEM



equipment; the Air Force buys all the photographic equipment; the Navy buys all the materials handling equipment; and so on, for 35 such categories. The department doing the buying, based upon the request from the other departments, orders the item from the contractor. Shipments are made directly into the system of the using department. The weakness in this arrangement is, primarily, that the Single Service Procurement Assignment contains no responsibility for checking the inventories, the pipeline supplies, or the stocks-on-hand of any of the departments. This is purely a purchase function.

Chart 10, page 15. --Another variation in the basic military supply system is in the case of subsistence, where the Army has the Single Service Procurement Assignment. The Chicago Market Center procures food for all three departments. It also acts as the wholesale distributor for the Air Force. This is the result of the 1947 National Security Act in which the Army retained these functions for the Air Force when the Air Corps was separated and became a separate military department. The Navy receives procured items into its own system and performs all distribution down through the retail level.

Again there is no central responsibility for all assets or for determination of the net amount of subsistence items needed by all.

Chart 11, page 16. --Still another variation is in the field of clothing and textiles, in which there is informal coordination before procurement is made, primarily to anticipate the demand on the market, so that there will not be competition between the Navy and the Army for production capacity. In this case the Army buys for the Air Force also, but the clothing and textiles are shipped to the Air Force depots, wholesale and retail. The Navy purchases its own clothing and textiles, which go into its own supply system.

Chart 12, page 17. --Then we come to the case of petroleum. We have the Armed Services Petroleum Purchasing Agency, a joint agency staffed by personnel from all the military departments. Again this arrangement was established during World War II when the petroleum supply situation came to such a desperate point that it was necessary to coordinate all the needs of the Armed Forces. This Agency was born during the war and contributed significantly to the military effort.

In this case we have a joint collation of net requirements as independently determined, and the joint agency does the act of procurement of the item. Receipts go into each respective supply system.

CHART 10

THE PRESENT SUPPLY SYSTEM

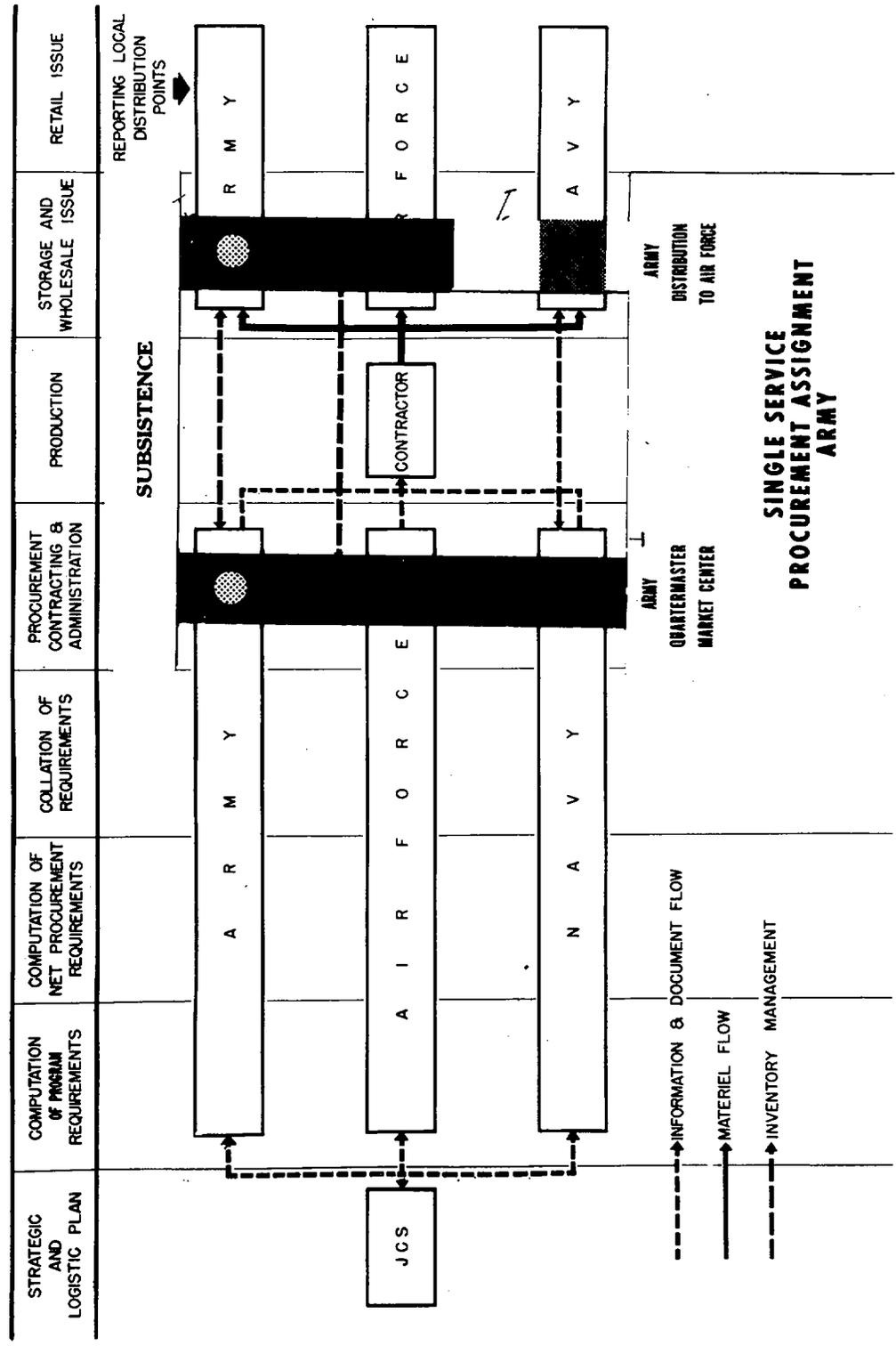


CHART 11

THE PRESENT SUPPLY SYSTEM

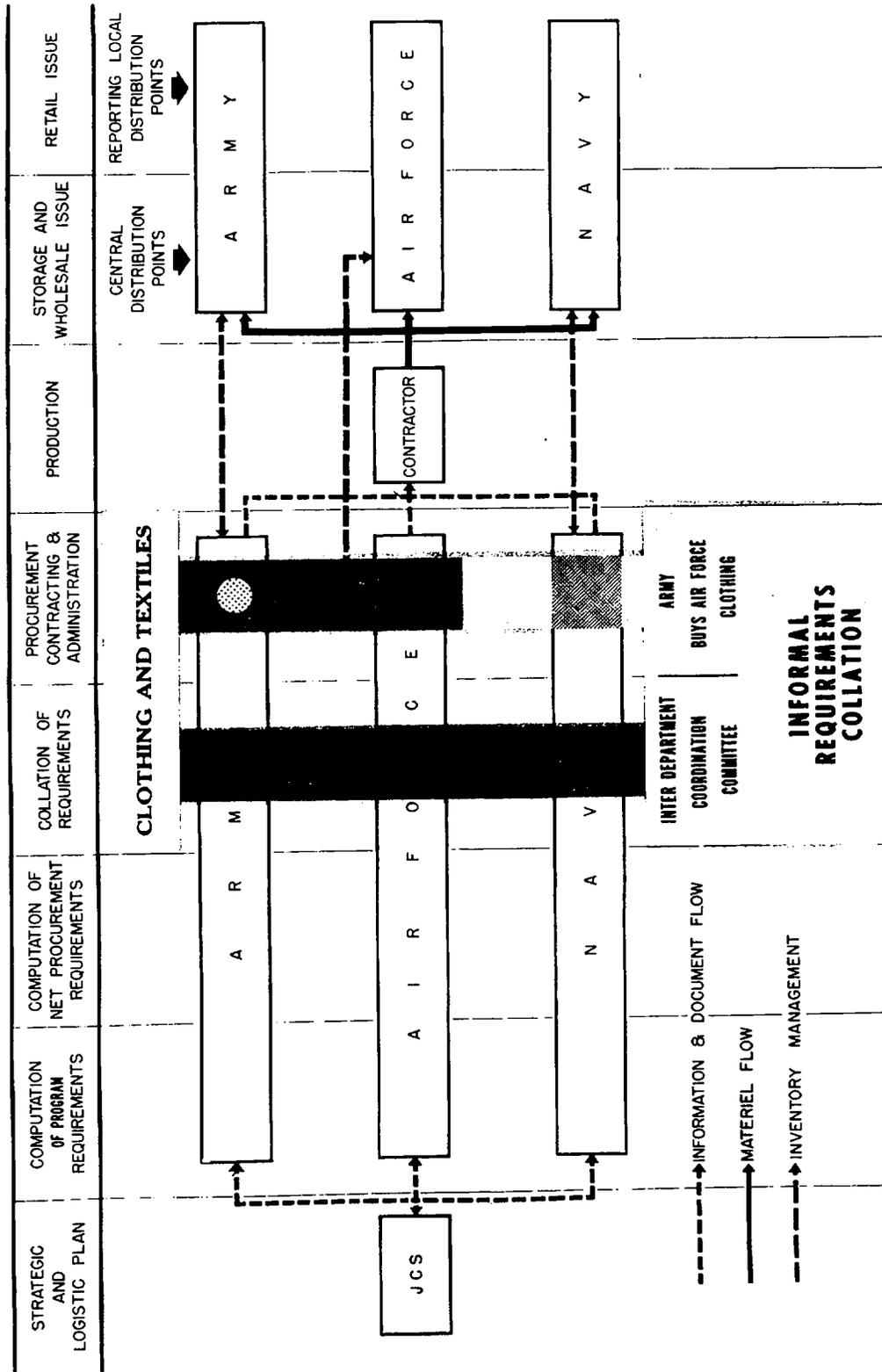


CHART 12

THE PRESENT SUPPLY SYSTEM

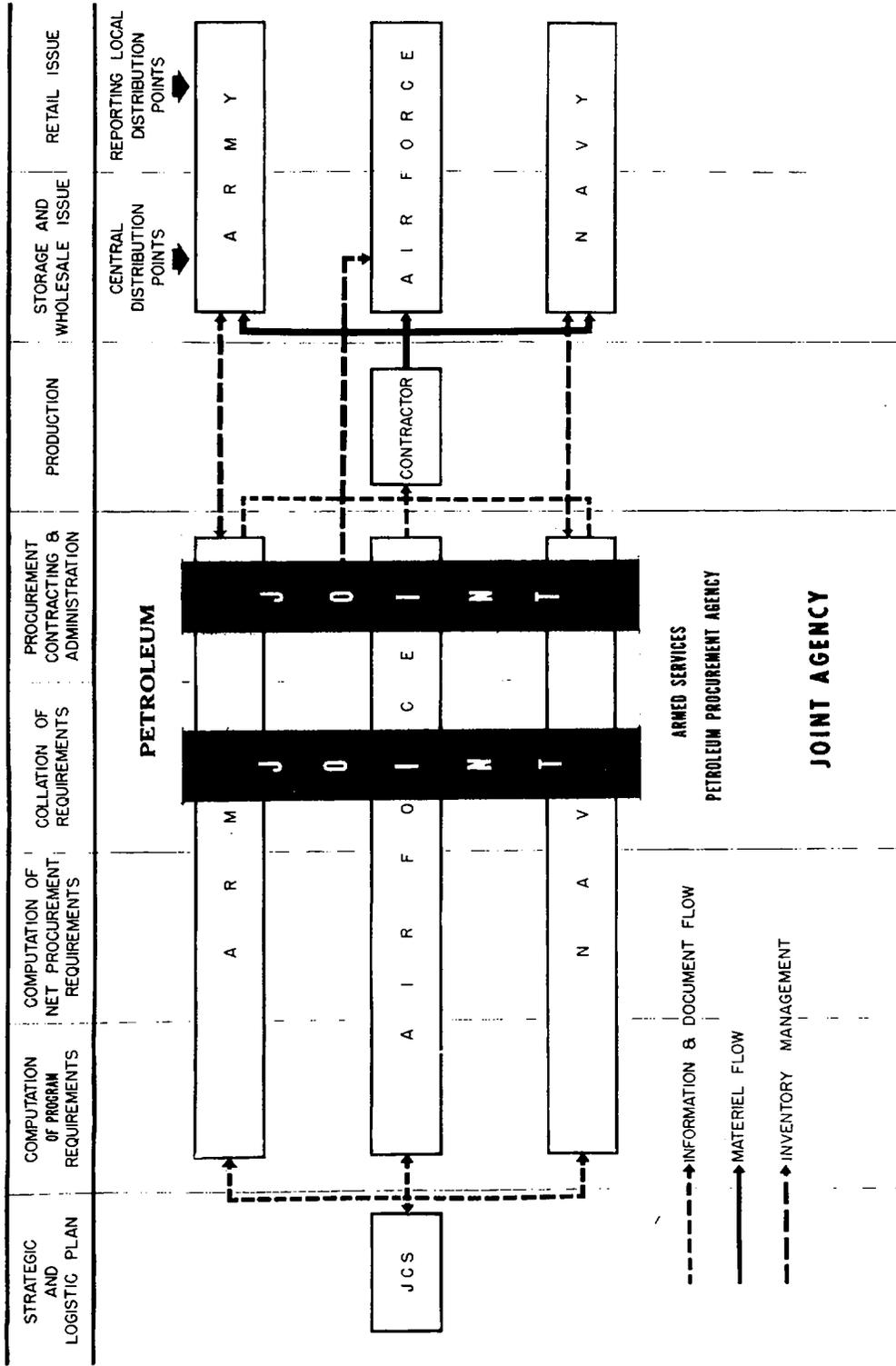


Chart 13, page 19. --Another variation is in the case of medical and dental supplies. Here again we have a joint agency, the Armed Services Medical Procurement Agency, quite similar to the Petroleum Agency. There is a joint collation of requirements and joint procurement. A variation in the medical and dental supply system is that these supplies go into every military department system, but the Army acts as the wholesale distributor for both the Air Force and the Army. The Army keeps the Air Force inventory separate from its own.

Chart 14, page 20. --The question of distribution and cross-hauling has been one of the big criticisms of the present supply systems. We will show you why the medical distribution plan, which is a typical example of other commodity groups, was that way. The Army, with wholesale depots, distributes from Schenectady, Louisville, and Stockton, going to these radial points throughout the country where there are Army camps and stations. With respect to Army distribution of these supplies, we see that the pattern of distribution is pretty good, working away from the area of principal supply.

Chart 15, page 21. --We will now superimpose on this the Air Force supply plan. You will recall that the Army has responsibility over some points at which there are Air Force bases. Owing to the high concentration of use by the Air Force in the southern regions of the United States, in July 1955 we approved at the Gadsden and San Antonio Air Force installations the establishment of a wholesale depot for some 1, 100 items that were fast moving and that would increase the effectiveness of supply to the Air Force bases in those locations. However, these bases have no responsibility for supplying either the Army installations in the same area or the Navy installations.

Chart 16, page 22. --We now superimpose on the distribution plans of the Army and the Air Force the Navy's distribution plan. The Navy has a depot at Schenectady, one at Newport, one at Bayonne, one at Norfolk, one at Oakland, one at Seattle, and so on. The confusion of this chart is illustrated by the long shipments which one service may make across the country though supplies are readily available nearby from a depot of another service. Compare some of these distances to much closer shipping points that might be available. Here is the Navy with a base at Seattle, yet the Army, in shipping to the Air Force and Army bases, comes from far down in the San Francisco area; and the Navy has a wholesale supply nearby. It is obvious that each military department, when considered alone, has an adequate supply distribution pattern. It is when these are reviewed collectively that it is realized that the crosshaul and backhaul criticisms have some foundation.

CHART 13

THE PRESENT SUPPLY SYSTEM

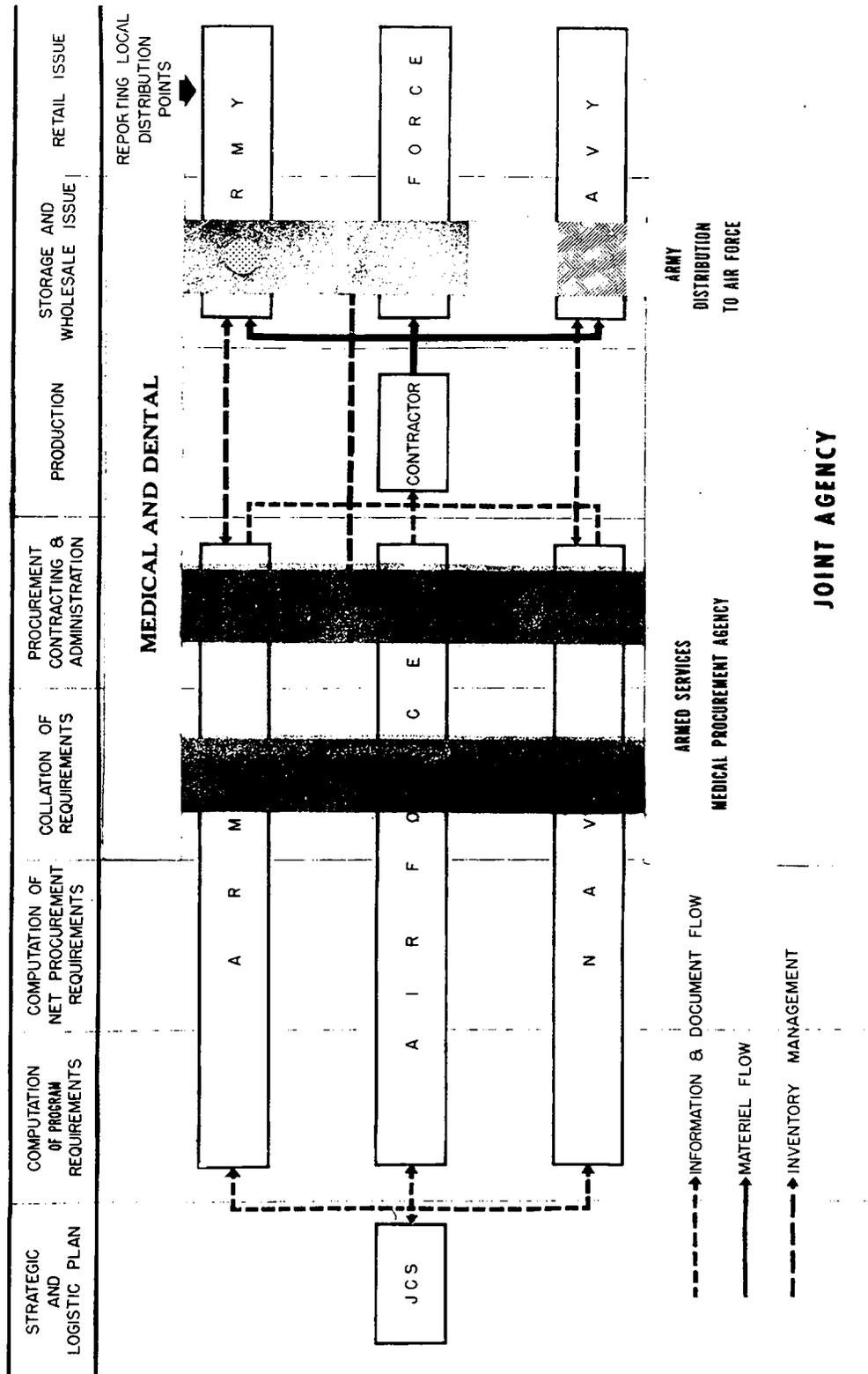


CHART 14

THE PRESENT SUPPLY SYSTEM

MEDICAL DISTRIBUTION

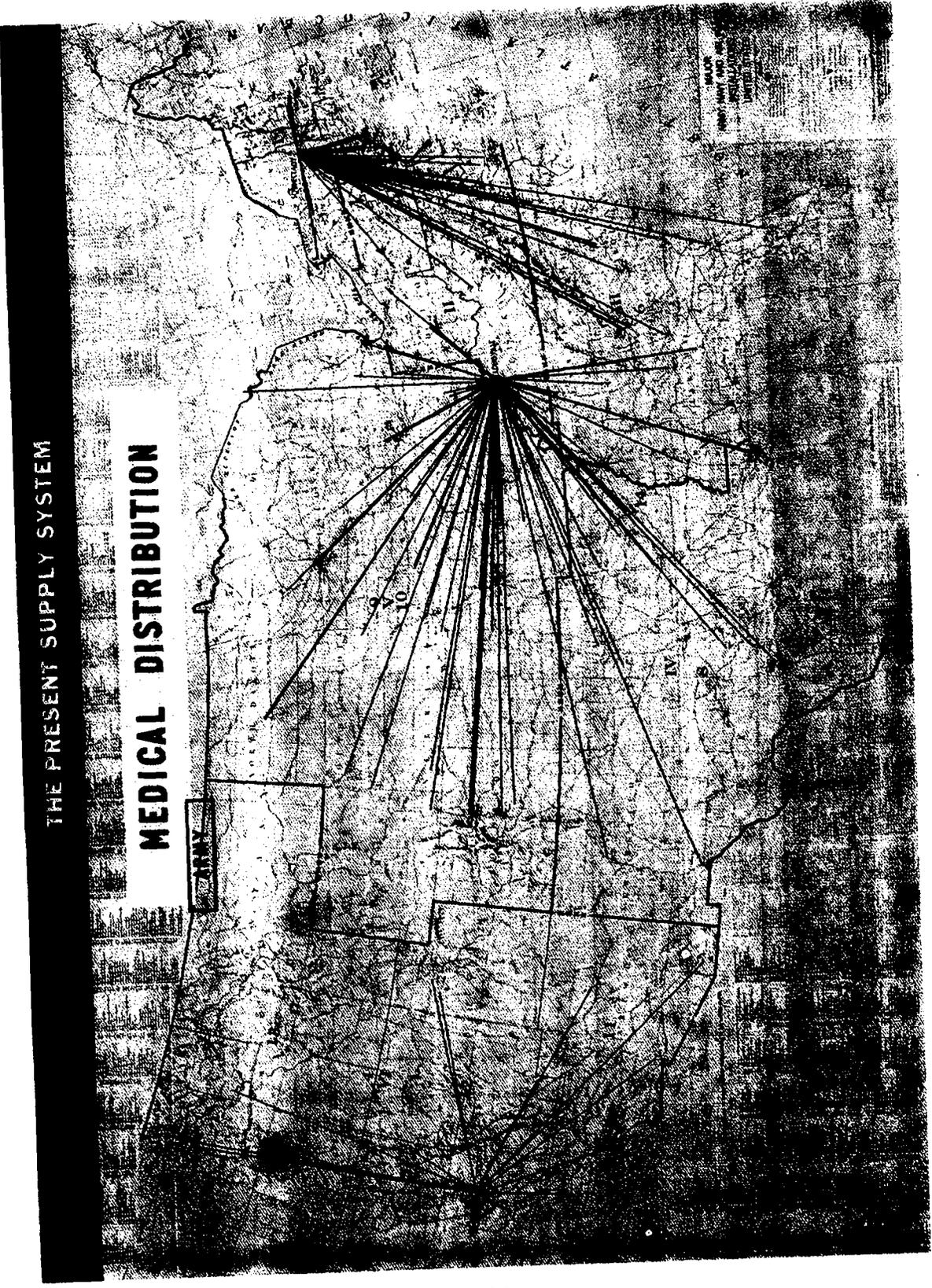


CHART 15

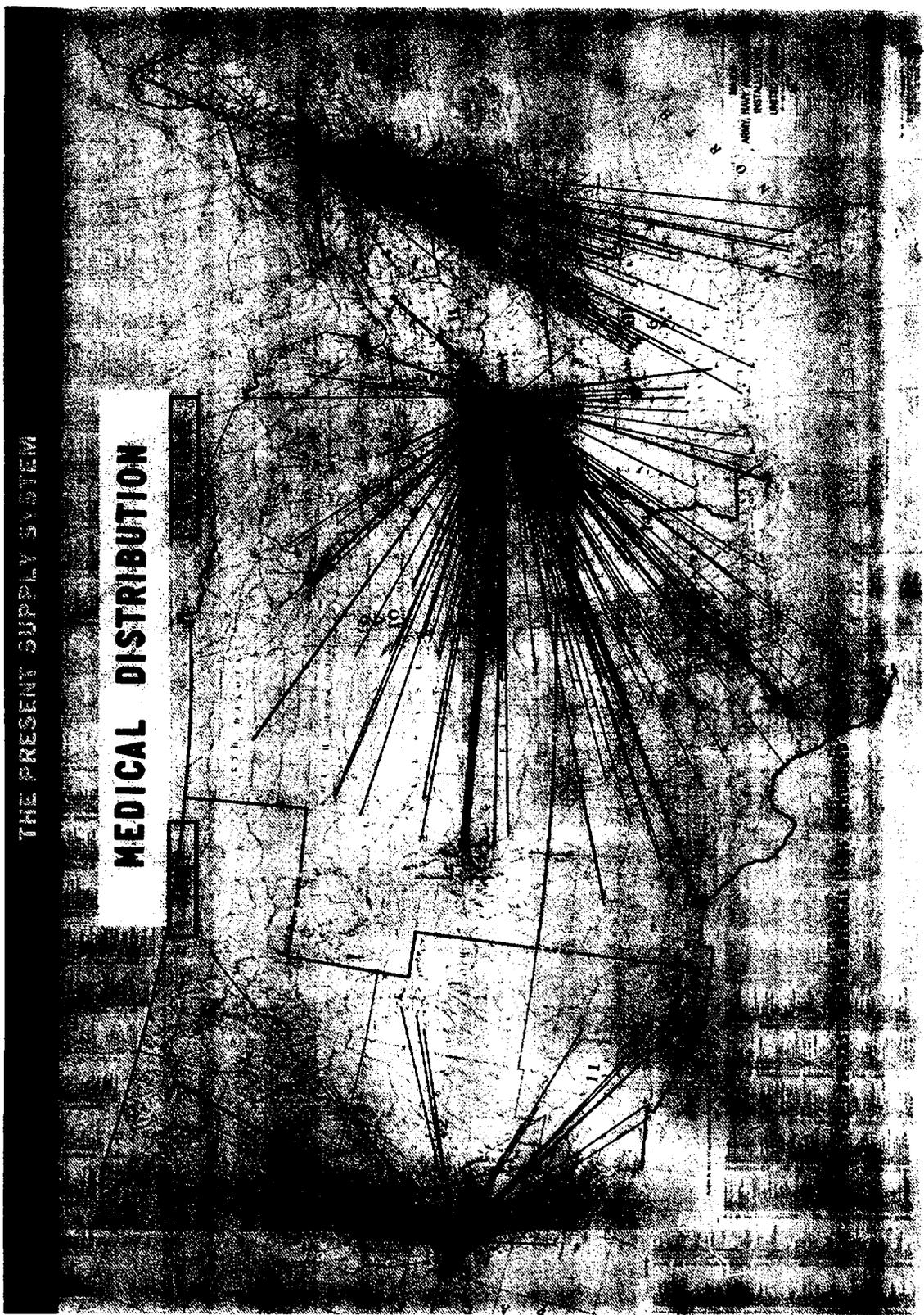


CHART 16

THE PRESENT SUPPLY SYSTEM

MEDICAL DISTRIBUTION

AIR FORCE

NAVY

ARMY

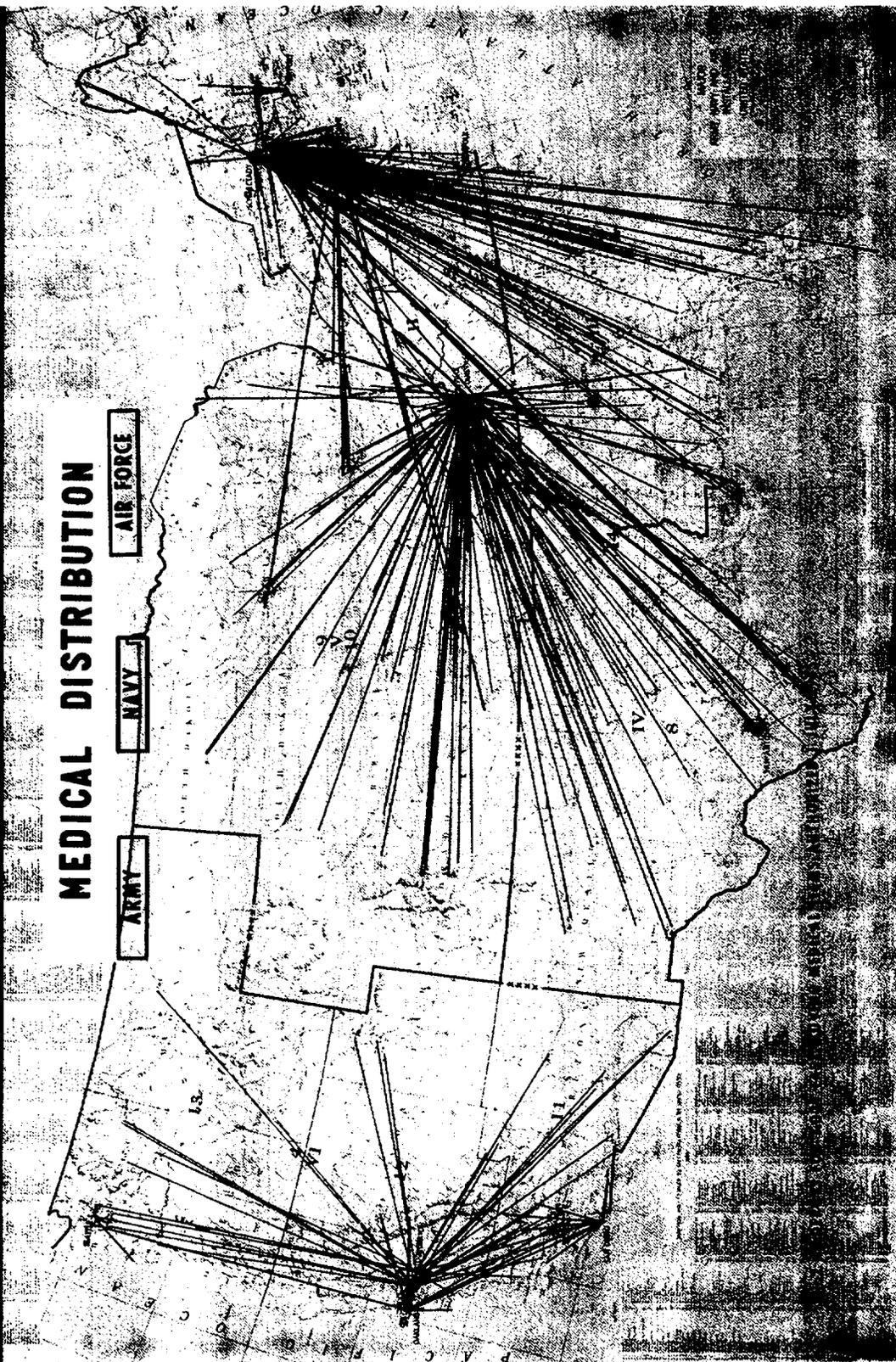


Chart 17, page 24. --The most appropriate categories for single-manager handling have proved to be these, where a high degree of integration has already taken place: in the medical field, with some 7,000 items; with over 1,000 items of petroleum; with 34,000 items of clothing and textiles; with 1,800 items of subsistence--or a total of approximately 44,000 items which we consider to conform very generally to our definition of common-use items. They are completely cataloged at this time and have been converted to Federal numbers in the inventories of all the military departments.

I wish to emphasize that I do not feel that the single-manager plan, a fourth service of supply, or any alternate scheme can work successfully until we have common identification within the Federal Catalog System, completely implemented for that segment of the inventory. It is for that reason that other commodity groups will probably not be selected for assignment for maybe another year or a year and one-half.

In our review we found that these categories contained many duplicating cross-haul situations. Only 2 percent of the total inventory items contribute 20 percent of the line-item receipts and issues. They involve an expenditure of 2.5 billion dollars a year.

Chart 18, page 25. --We come now to the single manager system, based on the same phases of supply management that we reviewed before. Again we start with the Joint Chiefs of Staff plans. Each department independently must develop its program requirements, based upon its troop strength and its mission. These program requirements will then be given to the appropriate single manager, who will be the Secretary of one of the military departments. He will take on all aspects of supply management from that point down to, but not including, retail issue. The single manager will develop the net requirements, based upon his knowledge of all inventory throughout the system, collate these requirements into net procurement, secure the items from the contractor, and deliver them into an area distribution depot system--which is controlled by the single manager--for subsequent delivery to the retail issue points of each department.

An area distribution depot need not necessarily belong to the department of the single manager; it can belong to any military department. It is chosen because of its central location with respect to distribution and transportation to both the source of manufacture and distribution to the using units. You might visualize this as somewhat of a commercial warehouse, such as the Busch Terminal in New York. It may receive deliveries from any manufacturer and make deliveries to its customers upon instruction.

CHART 17

SINGLE MANAGER SYSTEM

THE MOST APPROPRIATE CATEGORIES FOR SINGLE MANAGER

ASSIGNMENT ARE:

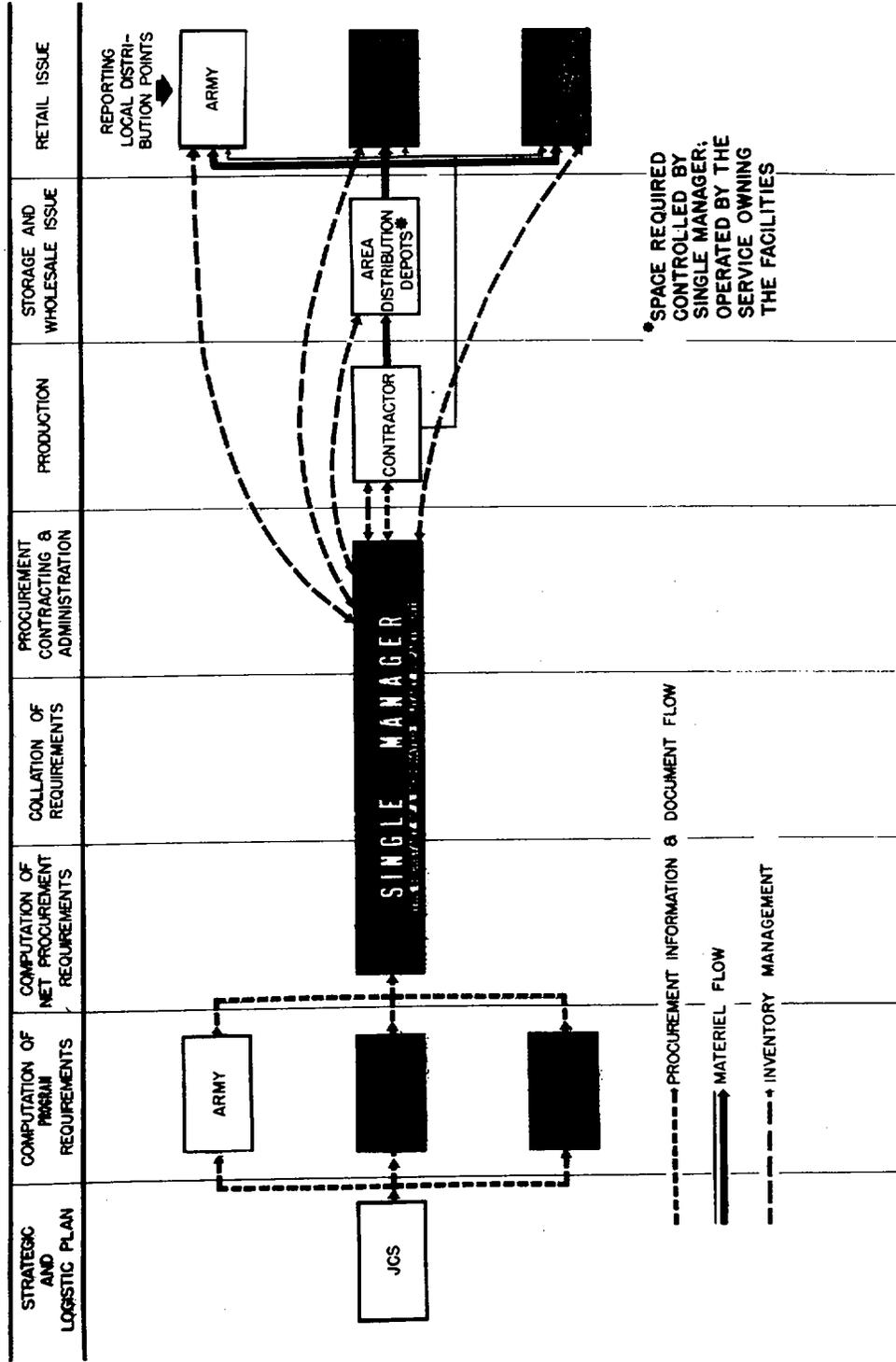
● MEDICAL - DENTAL	7,062	Items
● PETROLEUM	1,046	
● CLOTHING & TEXTILES	34,295	
● SUBSISTENCE	1,861	
TOTAL	44,264	

THESE CATEGORIES:

- ✓ ARE LARGELY COMMON-USE ITEMS.
- ✓ ARE COMPLETELY CATALOGUED.
- ✓ HAVE HAD SOME COORDINATING ATTENTION.
- ✓ CONTAIN MANY OF THE DUPLICATING-STOCK, CROSS-HAUL TROUBLEMAKERS.
- ✓ ARE 2% OF TOTAL SUPPLY SYSTEM ITEMS BUT 20% OF LINE ITEM RECEIPTS AND ISSUES INVOLVING EXPENDITURES OF ABOUT \$2.6 BILLION PER YEAR.

CHART 18

SINGLE MANAGER SYSTEM



For example, the Army might be the single manager. The area distribution depot, shown on this chart, might be an Air Force depot, staffed by Air Force personnel, but with full responsibility for receiving material and delivering it, upon instruction from the single manager, to whatever using unit might require the commodity involved, regardless of whether the customer is Army, Navy, Air Force, or Marine Corps.

Reports (as indicated by the dotted lines) on inventory status will flow to the single manager so that he can exercise inventory management of all the assets in the stock. It is a recognized fact that ownership is the key to control of materiel. The single manager holds that key; he owns, in a revolving stock fund, all wholesale stocks of his commodity, regardless of where it is held. It remains under his ownership and control from the moment of purchase until it is sold to the retail level.

Chart 19, page 27. --Going back to the four cases we reviewed, this chart illustrates, in a simple manner, the extent to which interservice coordinated action has been applied in the past and how all these efforts fall far short of the Single Manager Plan.

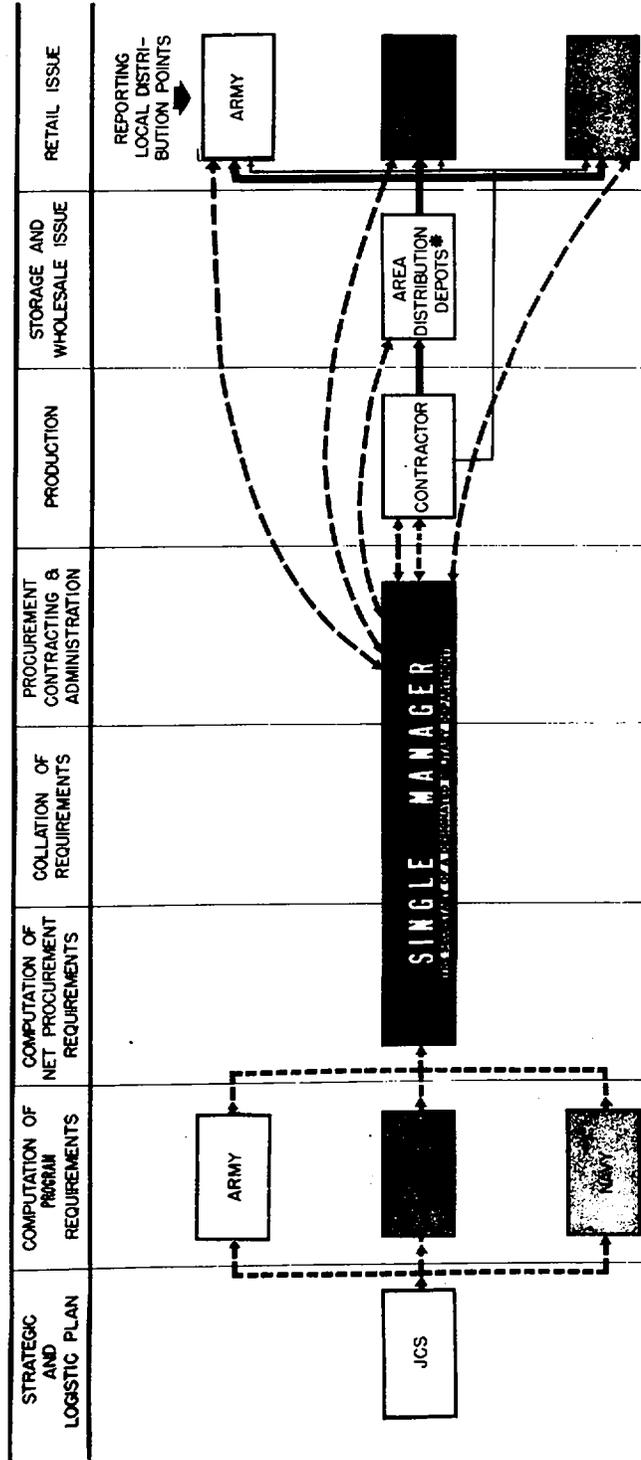
Note that not one of these commodities enjoyed a consolidated approach to the computation of net procurement requirements; there was little collation of requirements; and, while the situation was pretty good with respect to procurement, it was pretty bad with respect to distribution.

This chart makes it immediately apparent that, by extending single manager control all the way from computation of net procurement requirements down to wholesale distribution, the Single Manager Plan is far more advantageous than any consolidated supply plan ever invoked before.

Chart 20, page 28. --Reverting to the consolidated distribution chart of medical and dental supplies, this on the right is the distribution pattern in the eastern part of the United States. Over here on the left we have a hypothetical example of how a distribution pattern might be determined under the single manager concept. We retain the Army depot in Schenectady. We retain the Navy depot in Bayonne. We establish a depot in Atlanta and retain the Army depot in Louisville. Now, the black lines you see here go to all the same points that are shown in this present distribution pattern. It becomes obvious that

CHART 19

SINGLE MANAGER SYSTEM



SUMMARY OF EXISTING STEPS TOWARD A SINGLE MANAGER SYSTEM

CLOTH. & TEXT.	NO	NOT NAVY
PETROLEUM	NO	
SUBSISTENCE	NO	NO NAVY
MED. & DENT.	NO	NOT NAVY

0477

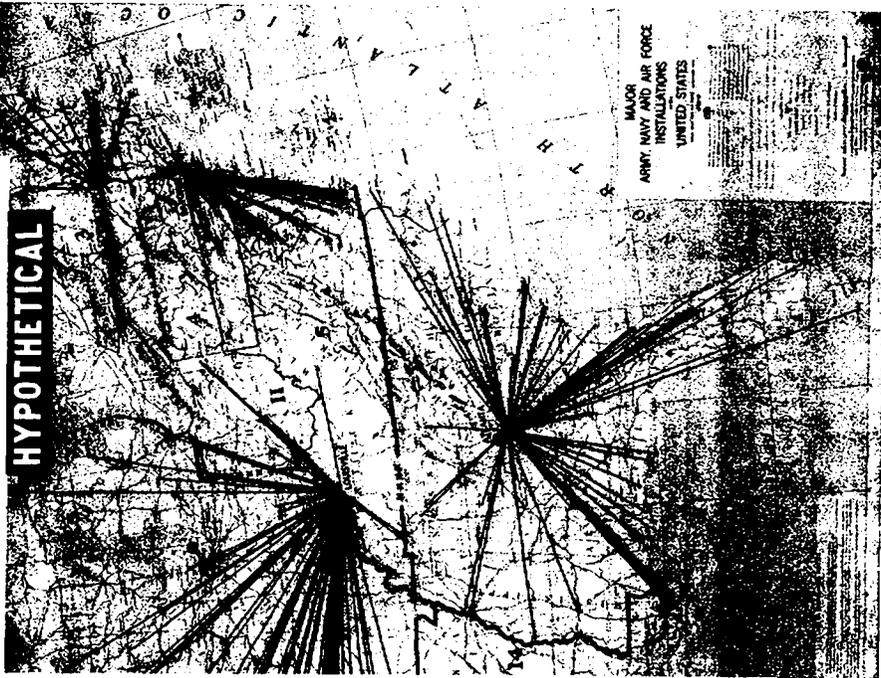
CHART 20

MEDICAL SUPPLY DISTRIBUTION PATTERNS (EASTERN STATES)

TOTAL MILEAGE "AS THE CROW FLIES"
DEPOT TO 130 STATIONS HERE SHOWN

PRESENT: 59,290 MI
HYPOTHETICAL: 33,280 MI
DIFFERENCE 44%

PRESENT: 5 DEPOTS
HYPOTHETICAL: 4 DEPOTS



the centers of distribution are closer so far as the distances they will have to ship are concerned. The total distance is reduced from 59,000 miles to 33,000 miles, a reduction of some 44 percent. In all fairness, I should say that the transportation cost would not necessarily be reduced by 44 percent, since the tonnage amount would have to be taken into consideration. But there is obviously a substantial gain in both cost and time for distribution under this concept of ownership and distribution of stock. Moreover, in this example, we are doing with only four depots what it took five depots to do before.

Chart 21, page 30. --Following the presentation I made here a year ago, Secretary of Defense Wilson raised the question as to how this single manager assignment would fit into the organization of the Department of Defense. He felt that we had to have a consistent pattern for establishing this new single manager responsibility; and that each commodity which would be assigned to a single manager should follow an overall standard format, clearly setting forth the general authority--otherwise it would become a matter of justifying the entire system with each new assignment.

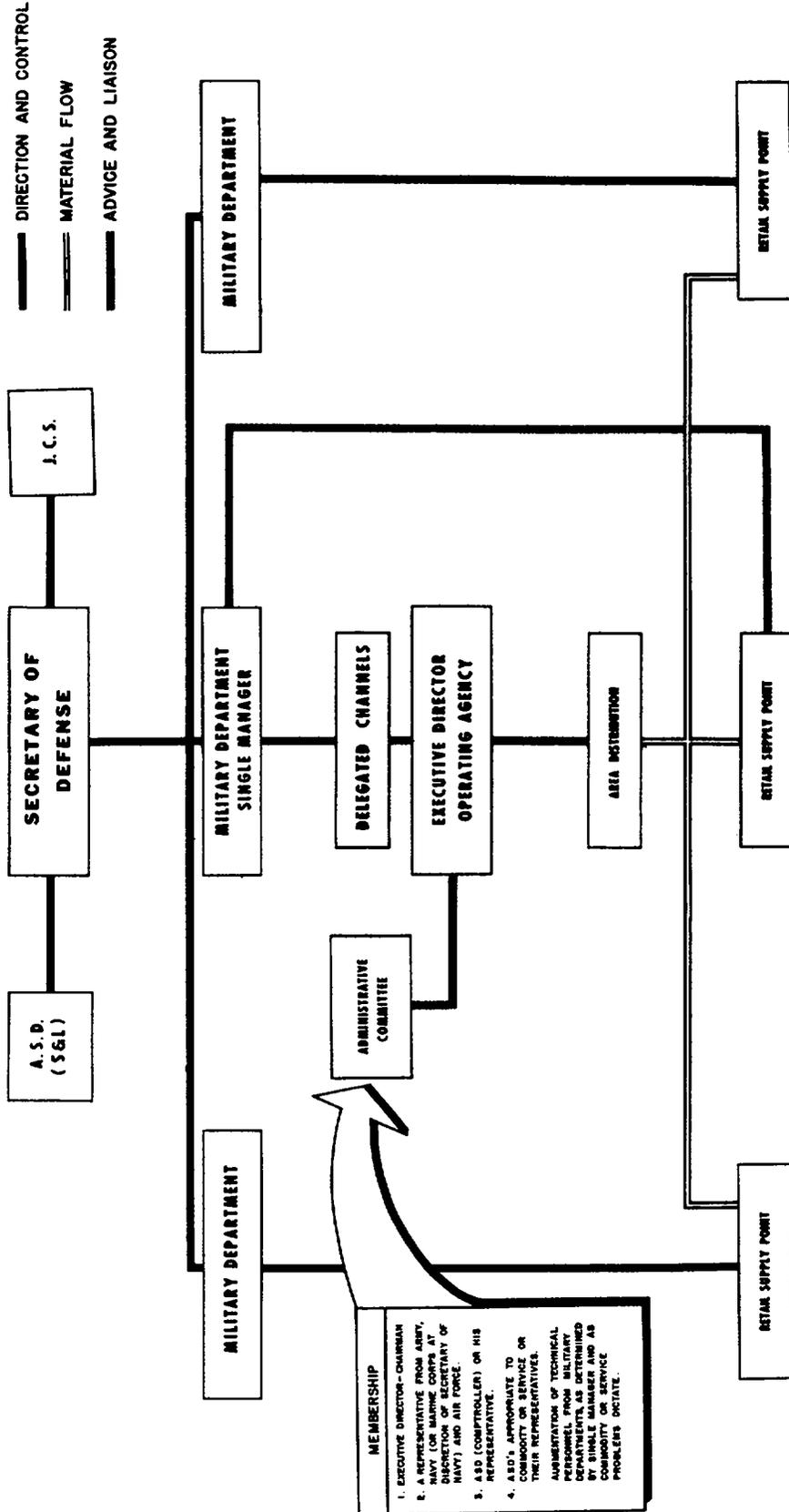
So we worked out a basic organization with the Secretary of Defense, the Assistant Secretaries of Defense, the Joint Chiefs of Staff, and the three military departments. The appointed single manager is, in each case, the Secretary of a military department. He retains responsibility even though he delegates the task. Through channels designated by that Secretary, an executive director is appointed, with responsibility for operating the agency. The executive director must be approved by the Secretary of Defense and must have no other duties. Assisting him is an Administrative Committee with representatives of certain Assistant Secretaries of Defense and of each military department. They are, in effect, a Board of Advisors; they have no directive authority, and they act merely as a council to assist the executive director in the conduct of his assignment, bringing to him the problems and needs of the departments which the members represent.

Through this operating agency the executive director controls the area distribution points, which may be those of any department. From these, the materiel flows down to the retail distribution level in each military department. Ownership by the single manager ceases when materiel leaves the wholesale level; thus each department owns its retail stocks at supply points.

Chart 22, page 31. --The single manager will direct within his assigned commodity area all wholesale inventories. To start with,

CHART 21

SINGLE MANAGER ORGANIZATION



SINGLE MANAGER SYSTEM

THE SINGLE MANAGER WILL . . .

DIRECT (within his assigned commodity area) :

- WORLD-WIDE INVENTORIES
- RESEARCH
- PROCUREMENT
- STOCK FUND OPERATION
- SCREENING EXCESSES
- TRAINING
- NET REQUIREMENT COMPUTATION
- CATALOGING AND STANDARDIZATION
- INSPECTION AND QUALITY CONTROL
- DISTRIBUTION AND REDISTRIBUTION
- STORAGE AND TRANSPORTATION
- MAJOR MAINTENANCE AND REPAIR

RELY ON THE DEPARTMENTS FOR :

1. PROGRAM REQUIREMENTS
2. TECHNICAL ADVICE THROUGH ADVISORY GROUPS
3. OPERATION OF AREA DISTRIBUTION DEPOTS
4. OPTIMUM UTILIZATION OF EXISTING DEPARTMENTAL SKILLS AND FACILITIES

we agreed to restrict this plan to the Continental United States until arrangements could be thoroughly developed for extension to world-wide operations. The single manager coordinates research, procurement, stock fund operation, screening of excess through the system, net requirements computation, cataloging and standardization, inspection, distribution and redistribution within the system, storage, transportation, major maintenance, and repair. He will rely on the military departments for program requirements (his effectiveness can be no better than the requirements which are given to him) for technical advice from advisory groups, for the operation of area distribution depots, and for the optimum utilization of the skills and facilities of all departments.

Chart 23, page 33. --Does the Single Manager System meet the criticisms of the Hoover Commission Report (which came out, incidentally, just about the same time that we finished our work, in the Spring of 1955)? With respect to making all purchases through a central agency, we believe it does. In computing requirements, controlling storage, accomplishing inspection, establishing training, and maintaining progress in standardization of items of supply, we believe it does.

Does it meet the criticisms of certain elements of Congress, based upon multiple assignments of some items, unnecessary duplication, overlapping, costly crosshauling, duplication of pipelines, and duplication of storage facilities, particularly in adjacent areas? We believe the answer is a positive "Yes" to each of these questions.

Following our presentations in January of 1956 to the Secretary of Defense, he approved this plan and ordered that assignments be developed so that the Army would be assigned the single manager responsibility for the management of food, clothing, and textiles, and would be established as the single manager for Military Traffic Management in the Continental United States. Navy was assigned the responsibility for medical and dental supplies, for petroleum, and for a Military Sea Transport Service, the present MSTs being put under this organizational pattern. The Air Force would have the Military Air Transportation System, taking units other than the present MATS into a unified military airlift system, and the Air Force would also receive the assignment for single management of photographic material.

So, following that, in the spring and summer of this year, the assignments were developed and made. I am happy to report that, as of 22 October, the Secretary had briefings from each of the Executive Directors on these assignments indicating that splendid progress had been made.

SINGLE MANAGER SYSTEM

DOES THE SINGLE MANAGER SYSTEM MEET THE RECOMMENDATIONS OF THE HOOVER COMMISSION FOR CENTRAL AGENCY CONTROL?

WITH RESPECT TO:

- MAKING ALL PURCHASES?** YES
- KEEPING CENTRAL INVENTORY RECORDS?** YES
- CONTROLLING STORAGE SPACE?** YES
- ACCOMPLISHING INSPECTION?** YES
- ESTABLISHING TRAINING PROGRAMS?** YES
- STANDARDIZATION OF ITEMS OF SUPPLY?** YES

DOES THE SINGLE MANAGER SYSTEM MEET THE CRITICISMS OF CERTAIN ELEMENTS OF CONGRESS?

WITH RESPECT TO:

- MULTIPLE SYSTEMS FOR THE SAME ITEMS?** YES
- UNNECESSARY DUPLICATION AND OVERLAPPING?** YES
- COSTLY CROSS HAULING?** YES
- DUPLICATION OF PIPELINES?** YES
- DUPLICATION OF STORAGE FACILITIES?** YES

I would like to review briefly what has happened with respect to these single manager appointments.

Chart 24, page 35.--Subsistence, as I said, was assigned to the Army. There had been a preliminary assignment in November 1955, with the operation getting under way on 1 April of this year. The full pattern of distribution is not in effect, but it will be by spring, next year. This installation is located in Chicago at the Market Center. Major General Marshall was the Executive Director. Unfortunately he passed away. His deputy, General Laux, is carrying on at the moment. This assignment of subsistence should eliminate many of the crosshauling criticisms and that sort of thing. Even reductions in inventories have already been effected.

The clothing and textile assignment to the Army actually started operation in September. The center will be located at the Army Quartermaster Depot in Philadelphia, under Major General Anderson, the Executive Director. Gradually the wholesale clothing and textile business of the Marines, the Navy, and the Air Force will be taken on. The assignment should be in full operation by the first of July 1957.

It is interesting to note that to date, through screening, some 285,000 dollars worth of requirements have been located in the systems of the departments, obviating the need for procurement of new stock.

The medical assignment went to the Navy. Admiral Knickerbocker is the Executive Director of this installation. It is located in Brooklyn and it will go into operation as of 1 January when the Armed Services Medical Procurement Agency is dissolved. Already a staffing program has eliminated 81 spaces; and something in the neighborhood of 21 million dollars worth of long stocks of medical supplies in one department will be reallocated to give medical reserves where there is a shortage in other departments, without additional expenditure of funds.

The photographic material assignment to the Air Force has not been officially issued by directive, since we found that catalog conversion and extent of standardization would not make it feasible to implement this assignment at the present time. We have had a report that progress is being made in alleviating this situation and I expect that the assignment will be activated during 1957. The agency probably will be located in Mobile. Mr. Rimkus (a civilian, it is interesting to note) has been appointed Acting Executive Director.

CHART 24

STATUS OF SINGLE MANAGER ASSIGNMENTS

COMMODITY OR SERVICE	STATUS AND DATES	SINGLE MANAGER	LOCATION OF AGENCY
1. SUBSISTENCE	IN OPERATION APRIL '56	SEC/ARMY	CHICAGO
2. CLOTHING - TEXTILES	ASSIGNED	SEC/ARMY	PHILADELPHIA
3. MEDICAL MATERIEL	ASSIGNED	SEC/NAVY	NEW YORK
4. PHOTOGRAPHIC MATERIEL	UNDER STUDY - REVIEW IN JAN '57	SEC/AIR FORCE	(MOBILE)
5. PETROLEUM	ASSIGNED	SEC/NAVY	WASHINGTON
6. MILITARY TRAFFIC MGT.	ASSIGNED	SEC/ARMY	WASHINGTON
7. SEA TRANSPORTATION	ASSIGNED (MSTS - 1949)	SEC/NAVY	WASHINGTON
8. AIR TRANSPORTATION	UNDER STUDY (MATS - 1948)	SEC/AIR FORCE	WASHINGTON

The petroleum assignment to the Navy will become effective when the Armed Services Procurement Agency is dissolved. It is located here in Washington and Admiral Lattu is Executive Director. I wish to comment that petroleum varies from the basic pattern. The single manager will not "own" any petroleum products in wholesale quantities, owing to the peculiarity of petroleum distribution as distinct from dry warehouse storage. So the basic pattern cannot be followed whereby the single manager would "own" petroleum stocks.

Military Traffic Management, assigned to the Army, started operation 1 October and is located in Washington, with Major General Lasher as the Executive Director. That agency has already announced a reduction from 16 regional offices in the United States to 8; 5 principal ones and 3 auxiliary offices. The proposed pattern is to have under 1,000 personnel, which will be a 20 percent reduction of personnel now assigned by the four military services.

The Military Sea Transportation assignment to the Navy is a re-issue of the assignment of the MSTS charter of 1949, with Vice Admiral Will as Commander of MSTS, in the same capacity as the Executive Director. The principal change here is in the assignment of the administrative committee, which has already been helpful in ironing out some of the problems of the departments for military sea transportation. It is significant to note that MSTS has been, for several years, a living example of the single-service assignment operating on industrial funds very economically and to the great benefit of the entire military system.

The Military Air Transport assignment is still not set. I anticipate assignment will be made before the end of this month.^{1/} There have been many problems in connection with fiscal and industrial funding associated with the air transport, problems primarily regarding the ratios of such funding. This agency undoubtedly will be located in Washington and will probably still be called the Military Air Transport Service.

That is a brief rundown on the status of the single manager assignments. None of the improvements inherent in the Single Manager Plan could have been accomplished without the fine work that each military department has done toward improving its inventory control practices,

^{1/} DOD Directive 5160. z, "Single Manager Assignment for Airlift Service" was issued 7 Dec 1956.

0407

toward bettering its procedures of warehousing and material handling, and toward standardization of its methods and procedures. If that had not happened, I feel that these proposals would not have been successful.

In addition to the Single Manager Plan, we have done a number of other things to improve supply management. Last July, agreement was reached and a directive was issued in relation to supply forms, wherein some 14 approved standard forms will eliminate 52 forms used in headquarters (plus hundreds of forms outside of Washington) and will become standard as of 1 January 1957. These will contribute greatly to the intelligence between departments and between elements throughout the system.

Then there is the interservice supply-support directive which was issued in August 1955. The Joint Chiefs of Staff approved this interservice supply support in a memorandum sent to the departments, and this practically makes interservice supply-support mandatory, wherever possible. This establishes an interservice supply committee of the supply managers of the four departments and establishes committee coordinating groups, of which nine have now been assigned.

Chart 25, page 38. --These commodity-coordinating groups review the items which are suitable for interservice supply and, through the supply-demand control points, maintain an inventory cognizance as to quantity, item, and location, for mutual interservice assistance. So we have an electronic and electrical products group; groups for rope, cable, chain; chemicals, and chemical products; and so on, as indicated on this chart. We will continue to appoint such groups as the need for them becomes apparent. Other groups are being considered. These groups cover some 1,500,000 different items in our supply system.

Chart 26, page 39. --Briefly, as to how this interservice supply-support works in practice, we show here each of the military departments, with its camps, posts, and stations--each department maintaining constant intelligence with every other department on inventory status; and also, of course, within their own departments.

A typical example might be, we will say, that up at that black circle of the Army which, we will say, is Fort Lewis, an unexpected demand for rope happens to arrive. Army is asked for rope, but Army has no such quantity of rope of that size within a thousand miles. But, through its intelligence with Navy, they know that Navy has rope at Seattle in the Navy Supply Depot, and Army requests Navy to have it shipped from Seattle to Fort Lewis and billed back to the Army.

INTERSERVICE SUPPLY SUPPORT

COMMODITY COORDINATION GROUPS WHICH HAVE BEEN CHARTERED

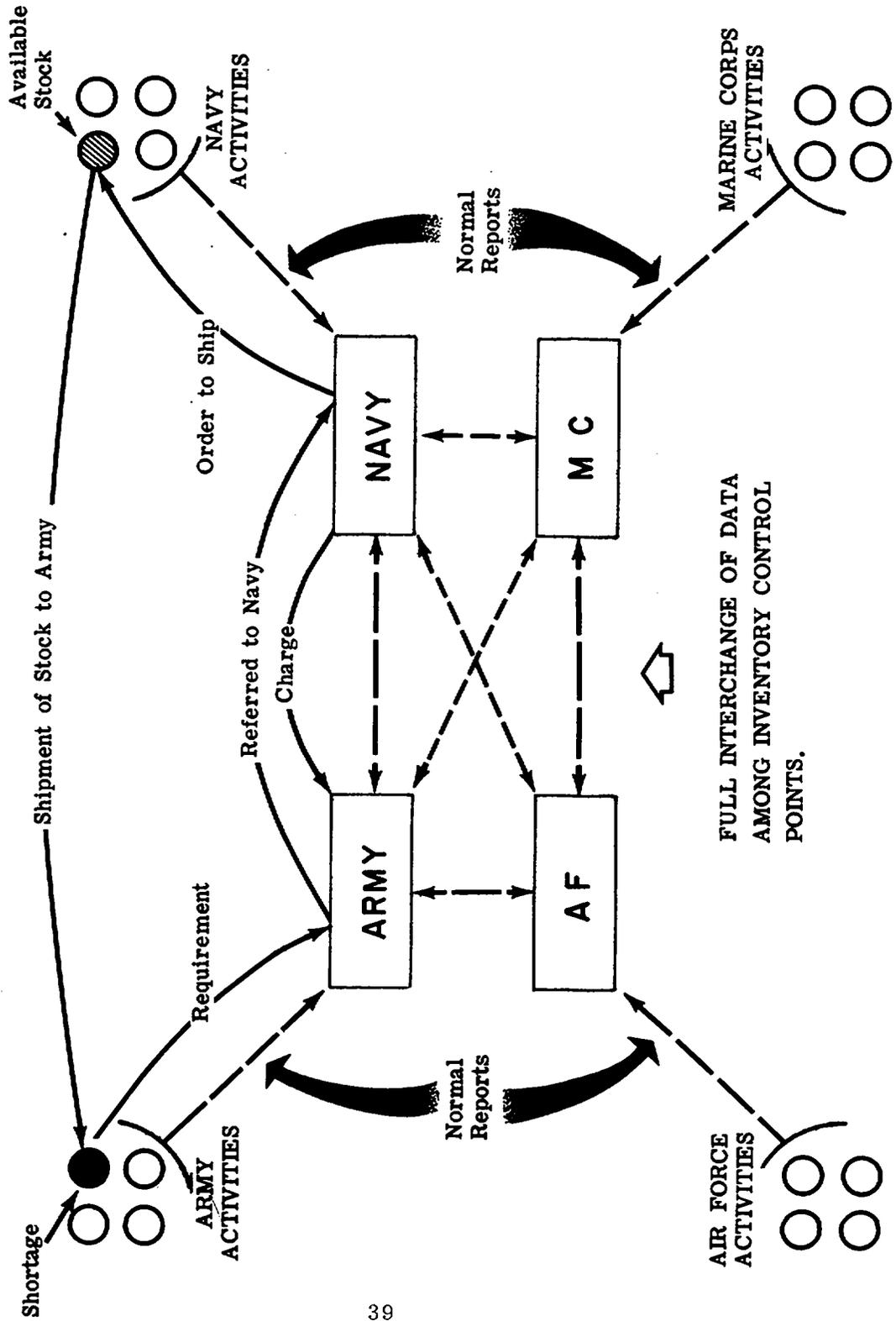
- ELECTRONIC AND ELECTRICAL PARTS
- ROPE, CABLE, CHAIN
- CHEMICALS AND CHEMICAL PRODUCTS
- MOTOR VEHICLES, PARTS, TIRES
- BEARINGS
- PIPE, TUBING, HOSE, HAND TOOLS, HARDWARE, PAINTS
- LUMBER, BUILDING MATERIALS
- FURNITURE, OFFICE MACHINES, CONTAINERS, MISCELLANEOUS HOUSEKEEPING ITEMS
- PHOTOGRAPHIC MATERIEL (UNTIL SINGLE MANAGER ASSIGNED)

Other Groups To Be Chartered As Appropriate

Similar Groups Exist In All Overseas Commands

CHART 26

TYPICAL INTER-SERVICE SUPPLY SUPPORT ACTION



Another example might be that the Air Force, with Air Force stations along the coast of California, would receive spare parts and repairs from Army depots in that area, instead of awaiting delivery from distant Air Force supply depots.

In conclusion I wish to say that single managership, or interservice supply-support, within the normal systems of supply, will move much faster if we do not attempt to plant a new scheme with its roots in an old scheme which cannot keep pace. Hay has given way to jet fuel and commensurate progress is apparent in the field of supply. If we build new ideas and use new tools on top of old systems, I believe we are doomed to failure. This is going to come more strikingly to our attention when we go into automatic data processing, a procedure with which each department has done such magnificent work in developing it to its own specifications. Once automatic data-processing procedures can be unified to the point where each department may "talk" into the machine and "ask" for information, that system can be put in; but not on top of what we have. But I believe the ability and imagination of you men will help to make this system work.

I am sure that we can make our whole supply technique more effective, more efficient, and, what is more important, more ready if the bell should ring.

Thank you, gentlemen.

COLONEL LACKAS: Mr. Lanphier is now prepared for your questions.

QUESTION: Mr. Secretary, do we still maintain within the departments ownership of the mobilization stock, or does that go to the single manager?

MR. LANPHIER: It goes to the single manager.

STUDENT: I have a second question. How about research and development? Is that maintained within the service, or does it go to the single manager?

MR. LANPHIER: Research and development will be under programs of the Assistant Secretary for Research and Development, using the facilities of each department. For instance, the departments have duplicated in many cases the same facilities. We will use the best of

them. A single manager function is to coordinate research so that we are not duplicating. We do know and we do appreciate the problem. In any supply system we need to have research and development.

QUESTION: Sir, this plan evidently is going to result, and is resulting, in considerable relocation of facilities. I just wonder if up to now there has been any amount of congressional criticism on the closing down of facilities in various places.

MR. LANPHIER: Yes, there is. We received, for instance, some congressional comment about closing eight of these regional traffic management offices throughout the country. They had, roughly, 100 to 200 people in each office. Where we might close down at Memphis and let out 150 people, we will add on at Atlanta. Either there will have to be movement of the people to Atlanta, or they will have to find other jobs and we will hire at Atlanta. Wherever it is possible, we are going to try to move the people associated with the office, both civilian and military, who are presently doing the type of work involved. There is no doubt about it--despite what savings can be effected, we anticipate that we will get congressional objection.

QUESTION: Sir, when is it contemplated that other items may be placed under the single manager concept?

MR. LANPHIER: First of all, as I believe I stated, we do not believe that it is appropriate to put any commodity group under single management until we have completed its Federal Catalog identification and the conversion of inventories throughout the military system. The Federal Catalog will be completed the end of this year, for the original identification. Conversion will not be completed until about two years from now. Some other groups will come in about the middle of next year and will be phased in during the year following. So that I believe that, roughly, a year from, say, July will be about as soon as we can make any other assignment, except photographic material, which is identified.

We are finding that in the use of the Federal Catalog, there are many identifications, and, owing to the way they were turned in, we have given two or more numbers to the same item. In the case of photographic material, we have already eliminated something over 1,600 items that we found were duplications. The work that is being done in that area is quite extensive. We are also finding in the original identification that the model cards are different on items. That has to

be expected. I believe our catalog section is experiencing something like 8,000 changes a week coming in from the original identifications. So purification of the catalog, I imagine, will take at least through 1957, if not into 1958, to bring out catalog standardization and such. This won't preclude making single manager assignments in some service areas.

I certainly feel that, when we have completed the cataloging job, a very good single manager service assignment that we will make will be the operation of the Federal Catalog itself. There are numerous other areas which undoubtedly will come out. I think the services as well as the supply functions are going to be equally important.

QUESTION: Mr. Secretary, with reference to your last chart on the interservice supply-support question, if the supply levels in the several services are to be based on projects and programs and long-range plans, how does this apparent long program demand from another service affect the stock level of the supplying service and its position with reference to supporting its own service?

MR. LANPHER: Using my representative example, a response to the request will certainly not be made if it is detrimental to the demands and current needs of another department. It would be made only in a case in which there was an excess or where there was sufficient stock that one department could let another department have in an emergency and still have time to replace its inventory. Or, more important, with a continued understanding that one department is going to consistently draw on another department, all departments would be given programs that would be part of the inventory picture.

QUESTION: This question is similar to the last one. Suppose, under the single manager plan, that requirements at any one time exceed the supply--who decides the priority of furnishing the service, and what recourse does a service have if it feels it is not getting a fair share of the distribution?

MR. LANPHER: For instance, in time of war, the Joint Chiefs of Staff would have the responsibility of deciding which requirement would be given priority. To put your question another way, if the requirements exist and the single manager does not have the supply, if the military department responsible for its program requirements in the first place did not state enough, it is the department's fault, just the same as it would be if we continued under the present system. If the single manager failed to have enough stock on hand to meet the department's program requirements right, he would be failing in his duty.

STUDENT: There is also the matter of timing in releasing the program. If the items are not coming fast enough, all three services will claim the first ones coming off the line.

MR. LANPHIER: That would have to be on the basis of allocation. I presume that question would have to go back to the Joint Chiefs of Staff, if we had such troubles at the same time. In fact, in pooling the assets of the three services, the chances of being able to take care of an unforeseen, sudden request are greater than they would be if you were relying on three isolated inventories.

QUESTION: Mr. Secretary, are there any methods being worked out whereby there is standardization of reporting methods? I am thinking of reporting particularly in the area of single service management; where one service has been assigned one particular commodity and it likes a certain type of reporting, and another service has been assigned another type of commodity, and it requires an entirely different type of reporting. Shouldn't these methods be standardized? Are they being standardized?

MR. LANPHIER: Yes, they are. I mentioned to you, I believe, standardization of the supply form, where we report on receipts, requisitions, and issues. That is one of our most significant developments. That will assist in the reporting of inventories and the reporting of supply decisions.

STUDENT: Sir, do you have any idea when that might come about?

MR. LANPHIER: The first of January 1957.

QUESTION: Mr. Lanphier, one of the advantages of the single manager plan is the consolidation of procurement. How do you reconcile the huge procurement with the needs of small business?

MR. LANPHIER: Well, the fact that we are buying 3,000 of one item instead of 3 of 1,000 items does not preclude small business. We have large procurement, particularly in the field of common-use items, but we set aside an amount of large procurement to be used exclusively for small business in the event that they are ready for it. That is a standard procedure in clothing and textiles.

STUDENT: They have made offers?

MR. LANPHIER: Yes, but we break it out into smaller lots of big procurement so that they can get it. In the set-aside program small business is given more business than it ever had before when each department might be buying individually some item.

QUESTION: Is there thought of putting GSA into the common-use item supply?

MR. LANPHIER: We have arrangements with GSA where a local camp, base, or station may turn to GSA, and does, in the Air Force, particularly, to obtain common-use items from GSA supply. I believe the Air Force is currently buying, in many of their bases, something over 100,000 different items from GSA. This also does not preclude local procurement as authorized by local camps, but it is not anticipated that this will conflict with GSA as such.

QUESTION: Mr. Secretary, you mentioned an electronic data-processing system. It is my impression that the different departments have been actually selecting systems that do not necessarily work together. Has your office done anything to insure that, whenever it comes, this overall system can be made to work together, and that it will be able to work electronically?

MR. LANPHIER: You are quite correct. We have at the moment about six different languages in our development of electronic data processing in the different departments, and different concepts have been developed. We feel that up until now that has probably been a healthy development, in which we have examined many types of equipment and many methods of management. After all, electronic data processing is one of the greatest forces for taking a good look-see at how you are managing your business and whether you are doing it in a streamlined manner. We are at the point where, if we continue to go on independently, so that one department, or even one bureau, or one tech service of the Army, for instance, can't talk to another one, which is happening, we will probably be in more confusion than we would be if we were doing it by some manual method.

We have now developed, at the present time, directives for establishing a central group, with military and OSD representation, to monitor the types of equipment and make certain that we will develop the use of a common language in our automatic data processing. If we do not have that, and also, by some means, the conversion of other systems, I am quite sure we will be worse off than we were before, so far as any service support is concerned. We are very aware of that problem.

QUESTION: Mr. Secretary, my question relates to personnel procurement in management for these systems. For a case in point, let us suppose that in the subsistence Single Manager System the officer in the subsistence level would have to go overseas. It seems to me that there would be a conflict of personnel training problems, management, and development of procurement. Have we come up with any solution of this problem? We have always had it to some extent.

MR. LANPHIER: Maybe I don't quite follow your question. In a commodity group such as subsistence, and in some of our clothing and textiles, we have anticipated that over a period of time we might develop a higher civilian employment in it than officer personnel, on the basis that civilians are not particularly needed on overseas activity. In the case of petroleum and traffic management, for instance, we feel that there should be officer personnel, because of the peculiar characteristics of handling it, and because of the overseas duties which would have to be handled by the military. The types of personnel and the assignment methods within these agencies are being very carefully watched in the OSD manpower and personnel survey. We feel that the training elements we bring out for civilians and military are very important.

QUESTION: Sir, you mentioned personnel savings in various areas. I would be interested in knowing what savings we have made to date and what we might expect to make in subsistence and clothing.

MR. LANPHIER: Neither the subsistence nor the clothing staff pattern is entirely completed. As of the present time the preliminary staffing pattern on subsistence is some 1,760, if I recall, which is, roughly, as near as we could count, 50 more than were engaged in this business in the three departments. At the time they had a ceiling of 1,700. The clothing and textiles field was the most complicated, in trying to identify in each of the departments, where it has been on a functional basis, how many lawyers or how many stenographers or how many people of a certain character were engaged in just clothing, as compared to some other commodities in that office. You get into a question of counting a tenth of a body and trying to add up the replacement factor.

The departments are now engaged in a very careful resurvey of the allocation of personnel in both the clothing and textiles and the subsistence fields. It was pretty clean as far as petroleum and medical fields were concerned, because they were general agencies already.

0478

But it is a real problem to say how many we have today as compared to how many we will have later. In all cases the Executive Directors expect a reduction after this has gone through an initial period of shakedown in their offices. They are all optimistic on that point.

QUESTION: Mr. Secretary, how does the budget fit into this picture of single management in regard to the four services? Who actually controls and handles the funds for this?

MR. LANPHIER: Each service will budget for what it intends to buy from the single manager from a stock point. Each service has a stock fund for food, clothing, and medical supplies, and would buy them, or would buy transportation, as the case might be. The single manager will have a stock fund from which he replaces as he issues, and he will budget for the management of the organization; that is, the housekeeping administrative end of it.

QUESTION: Mr. Secretary, in the present system in the Army and in the Air Force, at a reasonably low level, compared to what you are talking about here, they have a man in command of their army or major command who is responsible for the operation. He has also quite a bit of direction over the supply channels. If an operator could not get a job done because supplies do not come through, that commander is in a position to put pressure on the supply system. In the one we are talking about now, it seems that, if an operator in the station, post, or camp can't get his supplies, the first place he can get supply direction is at the Secretary level. Would you like to explain how there might be pressure exerted at a lower level than the Secretary's office?

MR. LANPHIER: We would expect that the normal requisition or request for service would be made; but, if it were not made, the operator would report that to his departmental headquarters and, in turn, the device of this administrative committee would be a liaison for taking that matter up with the executive directors. Each department will have representation on one of these single manager staffs, and through those channels there will be a direct contact with the staff. If they perceive, then, that the service or supply is not forthcoming, it will have to come through secretarial action. We do not expect that will be a normal channel in the event of a single camp, post, or station failing to receive what it requested.

QUESTION: Mr. Secretary, in this question about air transportation, you are aware, I am sure, of the National Security Act in which

there was provision for the Navy to have its own transportation, and Navy has recently reaffirmed its requirement for that to carry out its mission in time of war. There has been, I understand, a difficulty in working out the single manager concept on that. Can you tell me how it is being resolved?

MR. LANPHIER: There is some question about the Navy having its own transportation. In the air transportation that we are talking about, it will be the type of transportation that can be on a scheduled point-to-point basis. We are not talking in connection with transport that will go from Asia to Europe, for instance. There is no thought of putting that into the Military Air Transport. This primarily has to do with what amounts to point-to-point service which could be put on a schedule basis. We are also talking about putting on troop carriers, and that type of equipment. There are parts of flog wings that can be operated on a point-to-point schedule basis. There are also parts that can be operated with a fleet or with a ship. These portions will not be included. Does that answer your question?

STUDENT: Yes, sir, particularly with reference to wartime. Flog wings are not kept busy in peacetime, but in wartime they are, or are put in training for war conditions as an air fleet in combat to accomplish movement to the airfields.

MR. LANPHIER: We expect that some of the planes loaded at the central agency will also be available for other purposes. We will not tolerate the continued use of a flog wing and a MATS plane leaving from the same place at the same time with a half load and going to the same destination. That's the kind of thing we can't put up with. There is the old story of how much the MATS has to operate to be in a state of readiness. Currently they run something around 2-1/2 as compared to what might be efficient around 8. The same thing is true of the flog wing. At least we are going to find proper use in funding and charging that. We are doing it for training purposes. In the use of the system dependence on air supply has been greatly aggravated by the fact that the plane was going anyway. It won't be going anyway come mobilization.

QUESTION: Mr. Secretary, if this Single Manager Plan should prove to be highly successful, is it conceivable that you might extend it to other than common-use items?

MR. LANPHIER: I would like to see it. It would be practical in some types of what may be called technical items. You might take

ammunition for instance. The next thing to it is Army's procurement on ammunition now. But certainly, for the moment, we are not talking in terms of technical items. The problems are quite different. I won't say it is not possible, but I think we have plenty to digest in some of the spares and the common-use items, before we talk about technical items.

QUESTION: Mr. Secretary, sir, I wondered a little about your first slide, in which you showed the organization of your own office. This indicated that procurement and production were under two different directorates. I wonder if you will comment on that.

MR. LANPHIER: I will be very glad to. The original organization of that office, as it was constituted three years ago, after Reorganization Plan No. 6, when the Munitions Board was abolished, had production and procurement in the same office, thinking of production and procurement in the same breath, as you would in the industrial concept. We had the requirements review and analysis and mobilization planning as a directorate, and we had research and distribution in another directorate. When you come to a procedure or a policy that has to do with, for instance, single manager supply, or interservice supply-support, you are basically dealing, from the military standpoint, with what you require, how we buy it, how we store it, how we distribute it, and how we dispose of it. The production aspect of it, as part of any directive of instructions, as you gentlemen will see, is a supporting issue to that basic chain. So a year ago right now we changed our directorate alignment and put the consecutive functions of requirements, procurement, and distribution into the same directorate; and, believe me, this has paid off and has been very successful, so far as we are concerned. We had petroleum logistics associated with the production and procurement directorate before. It was rather a stepchild, so far as real relations were concerned. As recently as three months ago I changed petroleum logistics and put it with transportation. Ninety-five percent of our petroleum logistics is transportation. That again has been a very helpful arrangement. It may not follow what you call industrial or commercial channels, but it does follow our military pattern of relationships. In the same way we put communications back with production and mobilization planning; and we find that that, too, has a greater affinity, so far as the relationship of the staffs and the people that worked on those problems are concerned.

QUESTION: Sir, is there any plan under foot to bring some aspects of construction or communications under the single management plan?

24 3

MR. LANPHIER: To answer you directly, there is not. There is some possibility of it, though.

QUESTION: Under this single manager concept will this result in any realignment of the functions of the Assistant Secretaries? I am thinking particularly of research and development. They have at least three Assistant Secretaries now.

MR. LANPHIER: No, we do not contemplate any change in the responsibilities of the Assistant Secretaries. I don't see just why you would feel that would happen.

STUDENT: Well, under the Assistant Secretary for Research and Development there is an overlap with the Assistant Secretary for Engineering, and part way down the Secretary for Supply and Logistics gets into the act. Also, each one of those Assistant Secretaries, if he wants to, can either help with or study the research and development program.

MR. LANPHIER: We think that overlap and mutual interest goes through anything, whether it is common-use items or the field of highly technical items. We do not believe our problem there is any different from basically having three Assistant Secretaries specializing in those fields. We are not so much basically concerned about research and development in the different details of what it goes into. We are interested in finding something that will improve standardization, or logistics, or the life of the equipment. Engineering is the same. We will stop off where our responsibility ends. We have some overlap, but not too much.

QUESTION: Mr. Secretary, what were the considerations involved in making the assignments, particularly medical?

MR. LANPHIER: Well, frankly, some of the assignments were rather obvious, like assigning subsistence and clothing to the Army. Procurement of these commodities by the Army was already going. One of the reasons was to give each department some job to do in the single manager concept. For example, the Navy was well equipped to handle the medical and dental field.

COLONAL LACKAS: Mr. Secretary, we are sincerely appreciative of your taking the time away from your demanding responsibilities

to come and give us a most clear and understandable lecture and a most responsive and forthright question period. On behalf of the College, I thank you.

MR. LANPHIER: Thank you very much.

(12 Feb 1957--3, 750)O/ljt