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THE ORGANIZATION OF THE NAVY DEPARTMENT
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THE ORGANIZATION OF THE NAVY DEPARTMENT

There are in the files of the Army Industrial College, available to its students, several previous lectures on the subject of The Organization of the Navy Department, in which are described at great length the historical development of this Organization on the one hand, and on the other, a detailed description of the duties and responsibilities of the Navy Department's existing Offices and Bureaus. It has been found by experience that in the limited period allotted for this lecture there is inadequate time to go into detail in regard to the historical development of the Navy Department's organization or to describe fully the functions of its Offices and Bureaus, and still have time to give the class a general idea of how the existing organization actually functions. On this occasion, therefore, I am going to omit any discussion of the historical development of the Navy Department organization, touch lightly on the functions of the Offices and Bureaus, and dwell principally upon the means and methods by which the work of its Offices and Bureaus are oriented and coordinated to insure efficient preparation of the Navy for the conduct of its functions in the defense of our national policies.

Orientation and coordination within the Navy Department are attained primarily through the enunciation of policies and the formulation of plans which, when approved by the Secretary of the Navy, become common directives to all Offices and Bureaus. Naturally during the course of events there arise many cases which being inadequately covered by policies and plans or necessitating changes in such policies and plans, require immediate decision. Many of such cases definitely lie within the cognizance of some one Bureau and are acted upon by the respective Chief of Bureau, but if the required decision involves any vessel or aircraft, the military characteristics or capacity of any shore establishment, the coordination of two or more Bureaus, or cooperation with any other Government Department, the case generally comes under the cognizance of the Chief of Naval Operations.

There exists no act of Congress enunciating an authoritative national naval policy. The Vinson-Trammell Act is the nearest approach to such a statement of policy as by this act the Navy Department is authorized to submit annual budget estimates for the replacement of overage naval vessels within the limits set by the Treaties for the Limitation of Naval Armament.

Other laws affecting the Naval Establishment pertain primarily to restrictions upon the number of enlisted and officer personnel and to the organization of the Navy Department, etc.

Now we all know that a definite naval or military policy was materially in orienting and coordinating the activities of a Navy Department or a War Department. The Navy Department, therefore, decided that the formulation of a Naval Policy was essential to the effective administration of the Navy and the General Board was charged by the Secretary with the formulation of such a Naval Policy.

I will take this opportunity to quote from the Navy Regulations pertaining to the General Board before proceeding with a statement of the Naval Policy which this Board evolved.

The Regulations in regard to the General Board, in part, are as follows

"The General Board shall be composed of such officers not below the rank of captain as the Secretary of the Navy may designate. There shall be not less than five members who are line officers of the Navy, a majority of whom shall be of flag rank.

"The General Board shall consider and report upon such subjects as the Secretary of the Navy may direct. Neither the Board nor any of its members shall have any executive or administrative duties.

"The General Board shall consider the United States Naval Policy, that is, the system of principles, and the general terms of their application, governing the development, organization, maintenance, training and operation of a Navy. It shall from time to time recommend changes in the policy which may have become necessary.

"It shall recommend to the Secretary of the Navy the number and types of ships proper to constitute the fleet and such building program as may be requisite to be submitted annually to Congress.

"It shall consider the number of naval districts, Navy Yards, naval stations, operating bases and other shore activities and shall advise the Secretary of the

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Navy respecting the general policy to be adopted toward the same".

From this statement of the duties of the General Board you will see that it is a non-administrative agency directly under the Secretary of the Navy provided for the purpose of advising the Secretary on certain specific subjects and upon such other subjects as he may submit to it for study and recommendation.

The reports of the General Board are submitted direct to the Secretary but he invariably forwards such reports to the Chief of Naval Operations for comment and recommendation before taking final action in approval or disapproval. Normally there is complete concurrence by the Chief of Naval Operations in the recommendations of the General Board, but if there is a difference of opinion the Secretary may refer the General Board's recommendations back to the Board for further consideration, or he may himself decide the point at issue.

The latest statement of Naval Policy was prepared by the General Board and approved by the Secretary of the Navy in 1933. Due to the termination of quantitative naval limitation by the expiration of the Limitation of Naval Armament Treaties on 31 December of this year, a new situation has arisen and the General Board is now engaged in a study to determine whether any material changes in our Naval Policy are essential.

The complete statement of Naval Policy is too long to be incorporated in this short lecture. I will read, therefore, only those portions contained under the headings "Fundamental Naval Policy" and "General Naval Policy". These policies are as stated on the mimeograph sheets which have been distributed to you.

The Fundamental Naval Policy reads as follows

"To maintain the Navy in sufficient strength to support national policies and commerce, and to guard the continental and overseas possessions of the United States".

The General Naval Policy, flowing from the accepted Fundamental Naval Policy and the existing Treaties for the Limitation of Naval Armament, is as follows

"To create, maintain, and operate a navy second to none and in conformity with Treaty Provisions.

"To develop the Navy to a maximum in battle strength and ability to control the sea in defense of the nation and its interests.

"To organize the Navy for operation in either or both oceans so that expansion only will be necessary in the event of war.

"To maintain the Marine Corps at strength sufficient to furnish detachments to vessels of the fleet, guards for shore stations, garrisons for outlying positions, and to provide expeditionary forces in immediate readiness,

"To make war efficiency the object of all development and training and to maintain efficiency at all times".

The other provisions of the General Naval Policy, which you may care to read at your leisure, are stated on the mimeograph sheets attached (Appendix A), but as they are of a more general nature I will omit reading them in order to economize time.

Fundamental and General Naval Policies to be effective must be supplemented by detailed minor policies and plans. The complete statement of Naval Policy, therefore, contains further minor policies under the following sub-heads.

Fleet Building and Maintenance Policy,
Fleet Operating Policy,
Shore Establishment Policy,
Personnel Policy,
Communication Policy,
Information Policy.

It will be apparent to all that these policies are but general directives and that their effectiveness is dependent upon the preparation and execution of efficient plans for their accomplishment. For example the effective execution of the Fundamental Naval Policy requires the formulation of War Plans outlining the forces to be mobilized and the operations to be undertaken to make the policy effective in the event of any war which, from the study of the international situation, appears to be possible.

No nation can be fully prepared during peace for all possible wars, but Navy Basic War Plans formulated in conformity with Joint Army and Navy Basic War Plans for various most probable wars studied together in relation to the maximum requirements, permit the determination of that general state

of development of the fleet and of the shore establishment which, were adequate money available, would put the Navy in a satisfactory state of readiness to meet any probable emergency.

It is in the preparation of such Joint Army and Navy Basic War Plans that effective cooperation between the War and Navy Departments begins, all further decisions as to means and methods to insure cooperation between the Army and Navy being dependent upon the flowing from such Joint Basic Plans.

As you know the agency charged with the formulation of Joint Army and Navy Basic War Plans is the Joint Army and Navy Board, composed of:

For the Army

For the Navy

Chief of Staff of the Army
Deputy Chief of Staff
Assistant Chief of Staff,
War Plans Division

Chief of Naval Operations
Assistant Chief of Naval
Operations
Director War Plans Division,
Office of Naval Operations

The Joint Board has as a working committee, the Joint Planning Committee composed of three or more representatives of each of the respective War Plans Divisions.

You of the Army are familiar with the duties of the Chief of Staff of the Army and of the various Divisions of the General Staff and, therefore, realize the appropriateness of the above stated assignments for Army representation on the Joint Board. The Navy Department does not have a General Staff type of organization but I shall demonstrate the appropriateness of the stated Navy representation by quoting from the Navy Regulations extracts from the assigned duties of the Chief of Naval Operations

"The Chief of Naval Operations shall, under the direction of the Secretary of the Navy, be charged with the operation of the fleet and with the preparation and readiness of plans for its use in war.

"The duties of the Chief of Naval Operations shall include the direction of the Office of Naval Intelligence and the Division of Fleet Training, the operation of the Communication Service, of naval districts, of vessels

assigned to the Naval Reserve and of mines and mining, the operations of the Marine Corps, except when operating under the Army or on other detached duty by order of the President, and the operations of Coast Guard vessels when operating with the Navy, and the direction of all strategical and tactical matters, organization of the fleet, maneuvers, gunnery exercises, drills and exercises, and the training of the fleet for war.

"He shall so coordinate all repairs and alterations to vessels and the supply of personnel and material thereto as to insure at all times the maximum readiness of the fleet for war.

"He shall keep all bureaus and offices of the Navy Department informed in regard to action within their cognizance that is at any time necessary or desirable to improve the war efficiency of the fleet, and shall arrange for the coordination of effort of his office and of the bureaus and other offices of the Navy Department in relation thereto.

"He shall, under the direction of the Secretary of the Navy direct the movements and operations of vessels of the Navy, including the time of their assignment for docking, repairs and alterations, and shall prepare schedules and issue orders in regard thereto.

"He shall advise the Secretary in regard to the military features and design of all new ships and as to any alteration of a ship which may affect her military value, as to the location, capacity, and protection of navy yards and naval stations, including all features which affect their military value, also as to matters pertaining to fuel reservations and depots, the location of radio stations, visual signal stations, reserves of ordnance and ammunition, fuel, stores, and other supplies of whatever nature with a view to meeting effectively the demands of the fleet.

"In preparing and maintaining in readiness plans for the use of the fleet in war, he shall freely consult with and have the advice and assistance of the various bureaus, boards and offices of the Department and Marine Corps Headquarters, in matters coming under their cognizance. After the approval of any given war plans

by the Secretary it shall be the duty of the Chief of Naval Operations to assign to the bureaus, boards and offices, such parts thereof as may be needed for the intelligent carrying out of their respective duties in regard to such plans and their maintenance in constant readiness".

From the above quoted regulations the similarity between the duties of the Chief of the General Staff of the Army and those of the Chief of Naval Operations are apparent, but due to the fact that the Navy Department does not use the General Staff system the organization of the Office of Naval Operations differs materially from the organization of the War Department General Staff.

The organization of the Office of Naval Operations comprises the Assistant Chief of Naval Operations, and, in addition to administrative aids and technical assistant, ten divisions among which the work of the office is divided.

These Divisions with their primary duties are as follows

- | | |
|------------------------------|--|
| <u>War Plans Division</u> | - Preparation of Basic War Plans
Preparation of the Annual Estimate of the Situation
Development projects in support of War Plans. |
| Ship Movements Division | - Directs movements of vessels and aircraft
Operates the Naval Transportation Service
Prepares the Operation Force Plan, Naval Air Operating Policy and Naval Aeronautical Organization. |
| <u>Intelligence Division</u> | -- Collects, evaluates and disseminates information in relation to foreign navies. Supervises Public Relations activities. |
| Communications Division | -- Administration, organization and operation of the Communication Service. |
| Fleet Maintenance Division | - Coordinates the activities of the material Bureaus in relation to repairs and alterations to vessels and supply of material thereon. |

- Fleet Maintenance Division - Prepares plan of tentative availability of vessels at Navy Yards and the Plan for the Material maintenance and improvement of vessels.
(Cont'd)
- Naval Districts Division - Naval District and Shore Establishment matters coming under cognizance of the Chief of Naval Operations.
Prepares Shore Establishment Operating Plan.
- Inspection Division - Conducts inspections and trials of newly constructed vessels and aircraft, and periodical material inspections of all vessels.
- Fleet Training Division - Cognizance of tactical, gunnery, engineering, damage control, chemical warfare, and communication training. Prepares instructions and manuals governing operations of naval forces.
- Secretarial Division - Files, mail, records of civil personnel, etc.
- Control Division - Immediate Staff of the Chief of Naval Operations. Coordination with other Government Departments. Administration of Island Governments, etc.

From the above statement you can see that the Office of Naval Operations has agencies which in general, perform the duties of General Staff with one exception, namely the duties of G-1 in relation to personnel. The War Plans Division and the Intelligence Division correspond closely with similar Divisions of the General Staff. The Ship Movements Division, Fleet Training Division and a portion of the duties of the Naval Districts Division combined, approximate to the duties of G-3, and the Fleet Maintenance Division, combined with some of the duties of the Ship Movements Division and of the Naval District Division, are comparable to the duties of G-4. Most of the duties of the other Divisions of the Office of Naval Operations are, in the Army, divided among

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the Inspector General's office, the Signal Corps, and the Adjutant General's Office. The absence of any control over the personnel is more apparent than real for by the Operating Force Plan, Aeronautical Organization, and Shore Establishment Operating Plan, the Chief of Naval Operations practically determines the personnel requirements. This fact will be more apparent to you when, later, I describe more fully the nature of the plans referred to above.

to return to a further consideration of policies and plans.

Upon the approval of a Joint Army and Navy Basic War Plan by the Secretaries of War and Navy it becomes the duty of the Chief of Naval Operations (War Plans Division) to draw up the corresponding Navy Basic War Plan.

All Navy Basic War Plans are formulated upon the premise that war will be initiated upon such short notice that there will be little or no opportunity to improve the Navy's state of readiness after it appears that war is imminent, but naturally all such plans contain decisions as to the required rate of development of naval strength and of the other elements of the naval establishment adequate to insure a successful outcome. As previously mentioned, these decisions as to the required development for wars for which plans are made, permit the determination of that general state of development of the fleet and of the shore establishment which, if attained, would put the Navy in a satisfactory state of readiness to meet any probable emergency.

From the studies of the naval requirements for the most effective execution of the various Navy Basic War Plans there have been developed a series of Standards of Readiness which constitute objectives toward the attainment of which are directed the plans for maintenance and for the further development of the naval establishment. These standards of readiness are of four categories, namely,

- a. Naval strength,
- b. Operating readiness,
- c. Logistic readiness,
- d. War Plans readiness.

The Basic War Plan of the Navy contains a specific allocation of task assignments to the various commanders of fleets and independent naval commands, commandants of naval districts, and to the Bureaus and Offices of the Navy Department for the attainment of these standards to the maximum extent possible.

Standards of readiness of naval strength involve a consideration of the naval strength of possible enemy navies, but standards of readiness relating to the other elements of the naval establishment state requirements to insure the satisfactory operation of our existing naval forces within the various possible theaters of war.

Thus certain naval strength may be adequate to conduct effective operations in either the Atlantic or Pacific Oceans, but a development of the naval shore establishment adequate to meet the requirements of the fleet for war in the Atlantic would under no circumstances be adequate to meet the operating or the logistic requirements of the fleet operating in the Pacific.

Except in the case of aircraft operations it is generally assumed that shore establishment development can proceed in the event of war, at a higher rate than that at which naval strength can be augmented.

In the Standards of Readiness are found definite statements as to the desired ultimate peacetime development of the naval shore establishment within such areas as Hampton Roads, San Francisco, and the Hawaiian Islands. Even a hasty reading of these standards will indicate the impracticability of their early attainment. However, such standards crystallize opinion in regard to development, act as yard sticks by which to measure comparative development, and tend to prevent the diversion of appropriations to the accomplishment of items inconsistent with the attainment of such standards.

As the fleet exists only to defend our national policies by war if necessary, and as the naval shore establishment exists primarily to support the war operations of the fleet, it is logical that the Chief of Naval Operations should be required to make this annual Estimate of the Situation which, in effect, is an analysis of the existing condition of the naval establishment with a view to determining how most effectively to approach the approved standard of readiness of naval strength, or operating readiness and of logistic readiness for the conduct of what appears to be the most probable war.

The Secretary of the Navy, therefore, has directed that the first step in the preparation of the annual budget shall be the preparation of an "Estimate of the Situation,"

by the Chief of Naval Operations, and that the decisions of such "Estimate" when approved by the Secretary of the Navy shall constitute the bases for the formulation of plans and policies, which in turn, become common directives to all Bureaus and Offices of the Navy Department, thus orientating and coordinating the preparation of their respective budget estimates.

The instructions relating to the preparation of the annual "Estimate of the Situation" and "Budget Estimates" in general are as follows

The U. S. Naval Policy approved by the Secretary of the Navy on 10 May, 1935, is effective, and together with consideration and regard to international naval and political situations and other approved plans and policies of the Navy Department, serves as a guide for the preparation of the Estimate of the Situation.

The U. S. Naval Policy as interpreted by the decisions of the Estimate of the Situation, will control in the determination of the Budget estimates.

Upon the approval by the Secretary, of the decisions of the Estimate of the Situation, the several plans, programs and minor policies necessary to the preparation of the budget estimates and upon which they depend, will be prepared for the approval of the Secretary by the designated Offices and Bureaus, and when approved by him, will be promulgated by such Office or Bureau to the other agencies of the Department requiring such plans, programs, or minor policies for the preparation of their respective budget estimates.

The plans, program, and minor policies flowing from the decisions of the Estimate of the Situation are as follows

- a. Operating Force Plan.
- b. Naval Air Operating Policy.
- c. Naval Aeronautical Organization.
- d. Shore Establishment Operating Plan.
- e. Marine Corps Operating and Development Plan.
- f. Fleet Employment Plan.
- g. Plan for material maintenance and improvement of vessels.
- h. Plan of tentative availability of vessels at Navy yards.
- i. Policy for Industrial Navy Yards.

- j. Building Program (Vessels).
- k. Base Development Program.
- l. District Craft Construction Program.
- m. Legislative Program and flowing from a, c, d and e, above.
- n. Personnel Plan, Navy.
- o. Personnel Plan, Marine Corps.

The Operating Force Plan is prepared by the Chief of Naval Operations, (Ship Movements Division). It states the naval vessels to be maintained in commission, to be commissioned, or decommissioned during the fiscal year for which the Budget is being prepared, and gives the organization and distribution of naval forces, and the personnel requirements of such forces. It is a guide to the Bureau of Navigation in formulating that portion of the Personnel Plan pertaining to the personnel requirements for service afloat, and to the other Bureaus in determining estimates for commissioning and decommissioning vessels, and for the normal operation of the naval forces within the strategic area to which they are assigned by the plan.

The Naval Air Operating Policy is prepared by the Chief of Naval Operations. It sets forth the policy in relation to the operation of both heavier than air and lighter than air craft, as to the operation and construction of aircraft, carriers, tenders, fleet air bases and minor air facilities.

The Naval Aeronautical Organization flows from the Air Operating Policy, states the organization of air commands, makes a definite assignment of planes, thereto, and states the personnel requirements of such aircraft and the essential aircraft operating facilities.

The Shore Establishment Operating Plan is prepared by the Chief of Naval Operations (Naval District Division) and indicates the general operating capacity of various elements of the naval shore establishment to be employed during the year. Naturally its capacity varies with the number of vessels to be maintained in commission and their strategic distribution. From this plan flow estimates of the naval personnel required to perform such duties as are performed by naval personnel on shore, with the exception of the activities of training stations, schools, recruiting, etc., which are under the jurisdiction of the Bureau of Navigation.

The Marine Corps Operating and Development plan is prepared by the U. S. Marine Corps, in conformity with decisions in relation to the Marine Corps contained in the Annual Estimate of the Situation. This plan states the vessels which are to carry marine detachments, the number and approximate size of garrisons for outlying positions, and the size and organization of the Fleet Marine Force units at Quantico and San Diego, proposed for the coming fiscal year. From this plan and its own estimate of the personnel requirements for administration and training the Marine Corps General Headquarters prepares the Marine Corps Personnel Plan.

The Marine Corps Operating and Development Plan based upon the Estimate of the Situation also contains other decisions in relation to the Marine Corps pertaining to the maintenance and procurement of operating equipment, and to methods and extent of training required to prepare for effective coordination of Marine Corps and Naval forces in the conduct of such operations as the war plans indicate to be probable.

The Fleet Employment Plan is prepared by the Chief of Naval Operations (Ship Movements Division). It states the general plan of operations, fleet exercises, target practice and engineering competitions, upon which are based the schedules of operations and the computation of the requirements of fuel, of target practice ammunition, and other supplies.

The Plan for Material Maintenance and Improvement of Vessels and The Plan of Tentative Availability of Vessels at Navy Yards, are prepared by the Chief of Naval Operations (Fleet Maintenance Division). The first of these plans determines the general policies for modification or improvement of the material condition or effectiveness of vessels of a type and specifically for any one vessel the major repairs or alterations to be accomplished to bring such vessel up to the desired material efficiency. The second plan indicates, subject to changes in case of emergency, the period to be assigned to navy yard overhaul or modernization of such vessels of the fleet as will be made available for navy yard work during the fiscal year.

The normal interval between navy yard overhauls of naval vessels is 18 months, consequently to determine estimates of cost of the work to be performed in any one fiscal year it is

necessary to make a definite allocation of availability of vessels at navy yards, and to determine what work other than normal routine overhaul of a vessel has been fairly accurately determined by experience, for each class of vessel.

The Material Bureaus (Construction and Repair, Engineering, Ordnance and Aeronautics) are the ones primarily concerned with making the estimates of cost of the various alterations and repairs, but most of the requests for such alterations and improvements originate from the personnel operating the vessels, and must be recommended by the Chief of Naval Operations.

The Plan for Material Maintenance and Improvement although emanating from the Chief of Naval Operations is actually developed in conference with the Material Bureaus using as a general guide the recommendations of the forces afloat and applicable decisions of the Annual Estimate.

The order of priority for improvement is based upon decision contained in the Estimate of the Situation for important items, and for less important items upon the recommendation of flag officers of the fleet.

The Policy for Industrial Navy Yards is formulated by the Shore Establishment Division of the Office of the Assistant Secretary of the Navy being guided by the Operating force Plan, The Fleet Employment Plan, Shore Establishment Operating Plan, Plan for Material Maintenance and Improvement of vessels and the Plan of tentative availability of vessels at Navy Yards. This policy determines the assignment of ship building and other industrial work not immediately concerned with the repair and alteration of naval vessels, thus adjusting the work load at the various industrial navy yards, and recommends as to the industrial equipment and civil personnel required by Navy Yards to perform the work to be assigned to them.

All of the above plans apply primarily to the maintenance of the naval establishment. There is another phase of naval activity which is of equal or greater importance, I refer to further development of the Naval Establishment.

Previous to the World War the characteristics of our naval vessels, the strategic distribution of our naval forces and the location of the principal elements of our shore establishment, were governed by the conception that the major theater of naval operations in any probable war would be in the Atlantic.

Today conditions are quite different. The Pacific has become the most probable theater of operations and our shore establishment on the Pacific coast is inadequate to meet the fleet requirements.

Charges, too, in the nature of naval operations require the development of new types of vessels or changes in the characteristics of new vessels of old types. Because of absence of naval building from 1922 to 1933 the United States Navy fell far behind in naval strength but since that time the increase in new construction has been such that within a few years we will have regained the relative strength allowed under the treaties.

War Plans, as has been pointed out, are based upon operating initially with the existing naval establishment augmented as may be possible by conversion of merchant shipping. Such plans, however, state the building program to be undertaken immediately upon the outbreak of war and indicate the nature and extent of the development of the Naval Establishment required to assist most effectively in the attainment of victory.

The Building Program prepared annually by the General Board contains recommendations for the replacement of overage vessels and, if necessary for a further increase in our naval strength to better insure victory. The number of vessels to be constructed in any one year must, however, be limited to the capacity of our ship building plants, and further perhaps by probable budgetary limitation, and a desire to prevent too large a portion of our fleet from becoming obsolescent at the same time in the future.

The General Board is the agency charged with the formulation of the Building Program. In the performance of this duty it holds hearings at which all Bureaus and Offices concerned are invited to present their ideas. The Board naturally studies the War Plans with a view to determining the numbers and types of vessels which will add most effectively to the chance of victory.

During recent years due to the treaties for the limitation of naval armament the types of vessels which could be constructed were limited and the Board's chief duty became the determination of the military characteristics of vessels of the types we were authorized to build. With the expiration of quantitative limitation except in the heavy cruiser class,

the Board in the future will have the more difficult duty of determining priority among vessels of various classes.

The recommendations of the General Board in respect to the Building Program are referred by the Secretary to the Chief of Naval Operations for comment and recommendation before approval or modification.

The second most important phase of the development of the material of the Naval Establishment is the development of the Shore Establishment. Shore Establishment projects, too, are of political importance and any plan of development must be logical and based on sound reasoning if it is to succeed in avoiding modification on political grounds.

In the Estimate of the Situation the major projects of Shore Establishment development are discussed in relation to fleet maintenance and operations and decisions reached as to the character and location of the desired development but the actual Base Development Plan is drawn up by a Board for Development of Navy Yard Plans, composed of officers from the Shore Establishment Division of the Office of the Assistant Secretary, the Office of Naval Operations, the Bureaus and the Marine Corps.

This Board submits a plan for development in the form of a Master Priority List for Shore Establishment Development Projects. This List is submitted to the Chief of Naval Operations for comment and recommendation, and when approved by the Secretary becomes a directive for the Bureaus in formulating their Budget estimates for such development.

District Craft are floating equipment such as tugs, lighters, barges, etc. Such equipment in general is comparatively short lived and some such material is required annually in order to properly supply the fleet. The Program for construction of such craft is formulated by the District Craft Development Board, composed of officers from the Fleet Maintenance and Ship Movements Divisions of the Office of Naval Operations, the Bureau of Construction and Repair and the Bureau of Steam Engineering. The Program is submitted to the Chief of Naval Operations for recommendation before approval by the Secretary.

The Legislative Plan is prepared by the Judge Advocate General's Office. It contains such items of legislation or authorization as are considered essential for the proper functioning of the Navy.

The Personnel Plan for naval personnel is formulated by the Bureau of Navigation basing requirements upon the Operating Force Plan, Air Operating Policy and Aeronautical Organization, Shore Establishment Operating Plan, and upon its own estimate of the personnel under training, at schools, etc., under its jurisdiction.

The Personnel Plan for the Marine Corps is similarly prepared by the Headquarters of the Marine Corps, using in addition to the above mentioned plans the Marine Corps Operating and Development Plans.

I have attempted to show in the foregoing description how the Navy Department formulates definite plans for all phases of naval activity, each plan based upon the Naval Policy as interpreted by the decision of the Annual Estimate of the Situation, and how such plans are used as directives to the Bureaus in the formulation of Budget Estimates.

It would be untrue to imply that this system avoids the necessity for many compromises in the draft of the Budget estimates. As may be supposed the budget estimates submitted even under the restrictions imposed always total a sum greater than there is any chance of having approved. It is at this point that the Budget Officer, acting under the direction of the Assistant Secretary, enters the picture.

The Budget Officer tabulates the various estimates classifying them for comparison with previous budget estimates and with actual previous appropriations. After thoroughly studying the Annual Estimate of the Situation and the various plans and policies the Budget Officer holds hearings at which each agency formulating a budget estimate is required to justify its estimates.

The Budget Officer after extended hearings prepares a statement indicating his opinion as to how the Budget estimates can best be reduced to a reasonable amount. This statement is presented to the Chief of Naval Operations for recommendation. Through conferences between the Chief of Naval Operations and the various Bureaus and Offices, items suggested for elimination by the Budget Officer are approved or disapproved and for those disapproved others of approximately equal amounts are substituted.

Naturally such compromise is by no means satisfactory to all concerned but the estimates having had a common background do not require as much adjustment as formerly when each Bureau

and Office made its estimates based upon its own individual ideas of the Navy's requirements.

The Bureaus of the Navy Department receive most of the money appropriated for the maintenance and operation of the Naval Establishment. Certain sums received are definitely carried, other sums such as those for general overhaul and maintenance, and for experimentation are largely expended under the direction of the Bureaus, controlled to some extent by the Chief of Naval Operations by his control over the availability of vessels at Navy yards, and by his authority to inform any Bureau of any action within its cognizance that is desirable or necessary to improve the war efficiency of the fleet.

Operations and training of naval forces are directly under the Chief of Naval Operations. Standardization of operations and training is much more easily attained in the Navy than in the Army because in time of peace naval forces are organized and operated more nearly on a war footing.

The Assistant Secretary of the Navy, under direction of the Secretary, supervises the preparation of the annual budget and the activities of the Shore Establishment employing civil personnel.

The law provides for an Assistant Secretary for Acronautics but experience has demonstrated that there is no need for such an officer and such position has been unfilled for many years.

The names of the Bureaus, with the exception of the Bureau of Navigation, are indicative of the matters over which they have cognizance. The Bureau of Navigation is primarily the personnel bureau but in addition has charge of the Hydrographic Office and the Naval Observatory.

I realize that in this talk I have omitted a real description of the organization of the Navy Department, but I have tried to show you how by the U. S. Naval Policy and the Estimate of the Situation and by minor policies and plans flowing therefrom the Navy Department's various agencies are oriented and coordinated with a view to the attainment of the maximum effectiveness of the Naval Establishment for the accomplishment of its mission.

U S NAVAL POLICY

Naval policy is the system of principles, and the general terms of their application, governing the development, organization, maintenance, training, and operation of a navy. It is based on and is designed to support national policies and national interests. It comprehends the questions of number, size, type, and distribution of naval vessels and stations, the character and number of the personnel, and the character of peace and war operations.

FUNDAMENTAL NAVAL POLICY OF THE UNITED STATES

To maintain the Navy in sufficient strength to support the national policies and commerce, and to guard the Continental and overseas possessions of the United States.

GENERAL NAVAL POLICY

- To create, maintain, and operate a navy second to none and in conformity with Treaty provisions.
- To develop the Navy to a maximum in battle strength and ability to control the sea in defense of the nation and its interests.
- To organize the Navy for operations in either or both oceans so that expansion only will be necessary in the event of war.
- To maintain the Marine Corps in strength sufficient to furnish detachments to vessels of the fleet, guards for shore stations, garrisons for outlying positions, and to provide expeditionary forces in immediate readiness.
- To make war efficiency the object of all development and training and to maintain that efficiency at all times.
- To protect American lives and property.
- To support American interests, especially the development of American foreign commerce and the merchant marine.
- To make foreign cruises to cultivate friendly international relations.
- To encourage and to lead in the development of the art and material of naval warfare.
- To maintain a definite system of progressive education and training for naval personnel.
- To determine emergency material needs, and to plan for procurement.
- To inspect systematically all naval activities and materials.
- To cooperate fully with other departments of the Government.
- To encourage civil industries and activities useful in war.

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Appendix B

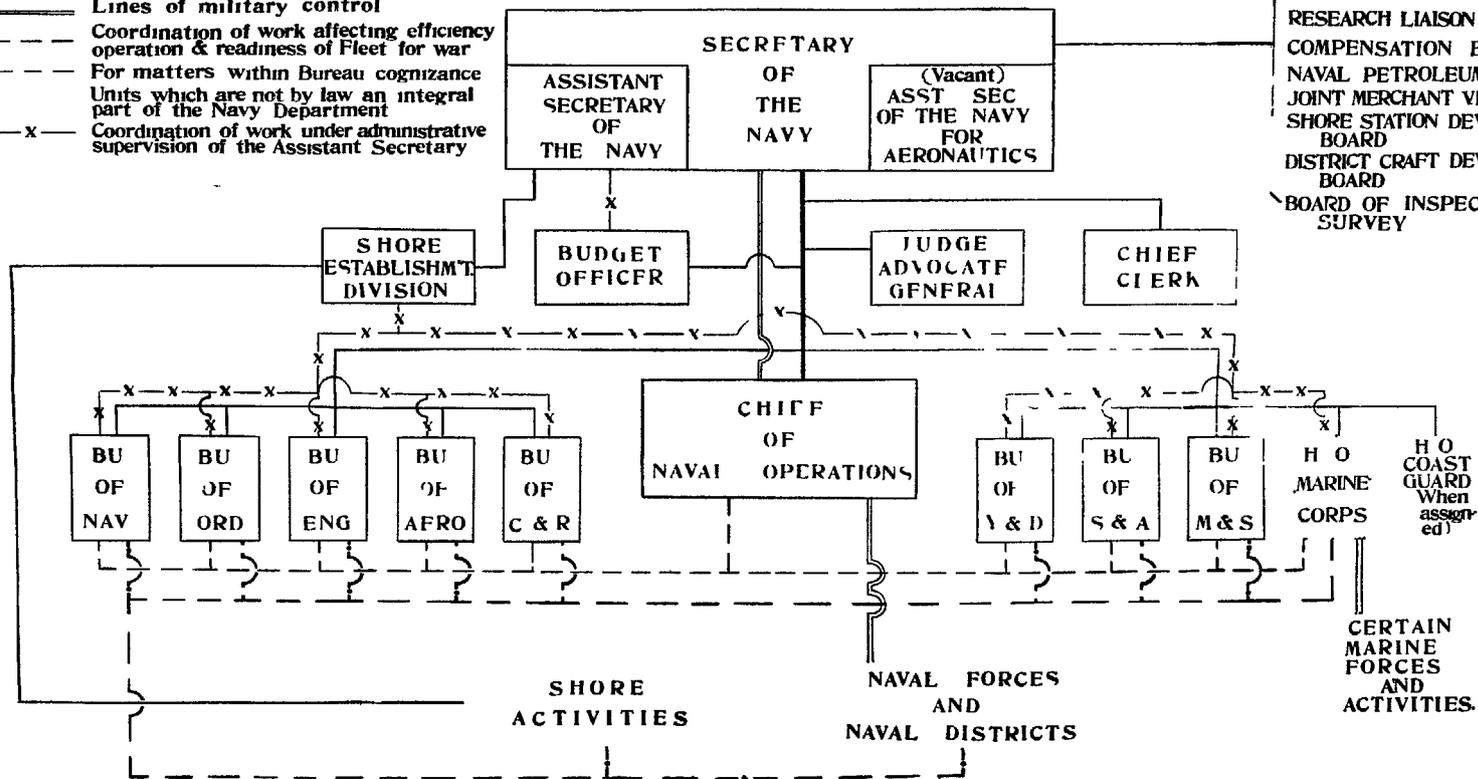
BASIC STEPS IN WAR PLANNING

1. NAVAL POLICY
General Board
C.N.O.
2. JOINT ARMY AND NAVY
BASIC WAR PLANS
Joint Board
3. NAVY WAR PLANS
 - (a) Basic Plans
C.N.O.
 - (b) Contributory Plans
Fleets, Naval Districts
Bureaus and Offices
4. STANDARDS OF READINESS
C.N.O.
5. ANNUAL ESTIMATE OF THE SITUATION
C.N.O.
6. The Plans, Programs and Minor Policies Flowing from the
Decisions of the Estimate of the Situation are as follows--
 - (a) OPERATING FORCE PLAN
C.N.O. (Ship Movements)
 - (b) NAVAL AIR OPERATING POLICY
C.N.O. (Ship Movements, Aircraft Section)
 - (c) NAVAL LOGISTICAL ORGANIZATION
C.N.O. (Ship Movements, Aircraft Section)
 - (d) SHORE ESTABLISHMENT OPERATING PLAN
C.N.O. (Naval Districts Division)
 - (e) MARINE CORPS OPERATING AND DEVELOPMENT PLAN
Marine Corps Headquarters
 - (f) FLEET EMPLOYMENT PLAN
C.N.O. (Ship Movements and Fleet Training Divisions)
 - (g) MATERIAL MAINTENANCE AND IMPROVEMENT, VESSELS
C.N.O. (Fleet Maintenance Division)
 - (h) TENTATIVE AVAILABILITY OF VESSELS TO NAVY YARDS
C.N.O. (Fleet Maintenance Division)
 - (i) POLICY FOR INDUSTRIAL NAVY YARDS
Asst. Sec (Shore Establishment Division)
 - (j) BUILDING PROGRAM, VESSELS
General Board - C.N.O.
 - (k) BASE DEVELOPMENT PROGRAM
Board for Development Navy Yard Plans - C.N.O.
 - (l) DISTRICT CRAFT CONSTRUCTION PROGRAM
 - (m) LEGISLATIVE PROGRAM
Judge Advocate General's Office - C.N.O.
and flowing from (a), (b), (c), (d) and (e) above
 - (n) PERSONNEL PLAN, NAVY
Bureau of Navigation
 - (o) PERSONNEL PLAN, MARINE CORPS
Marine Corps Headquarters

NAVY DEPARTMENT ORGANIZATION

- Lines of administrative authority
- Lines of military control
- - - Coordination of work affecting efficiency operation & readiness of Fleet for war
- - - For matters within Bureau cognizance
- - - Units which are not by law an integral part of the Navy Department
- x - Coordination of work under administrative supervision of the Assistant Secretary

- SECRETARY'S ADVISORY COUNCIL
- GENERAL BOARD
- RESEARCH LIAISON COMMITTEE
- COMPENSATION BOARD
- NAVAL PETROLEUM RESERVES
- JOINT MERCHANT VESSEL BD.
- SHORE STATION DEVELOPMENT BOARD
- DISTRICT CRAFT DEVELOPMENT BOARD
- BOARD OF INSPECTION AND SURVEY



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