

THE ARMY INDUSTRIAL COLLEGE
Washington, D. C.

Course 1937-1938

ORGANIZATION OF THE NAVY DEPARTMENT

by

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See also inserts, beginning on p. 400.

December 9, 1937

ORGANIZATION OF THE NAVY DEPARTMENT

It is a pleasure to be permitted to give such little assistance as I may to this class of officers of the Sister Services engaged in the study of problems that are common to both the land and the sea forces.

This close association of officers of the Army and the Navy should and has added greatly to the efficiency of our preparations and plans for mobilization in defense of the Nation whenever the necessity may arise.

The very dry and dusty subject which I have been asked to present, "The Organization of the Navy Department", is one that is yearly assigned to some representative of the Navy Department, but it appears that my predecessors have succeeded in talking about some more interesting but related subject.

It is my misfortune to have just started my fifth tour of duty in the Navy Department, with every assignment in a different office or bureau. Nevertheless, because of my lack of knowledge of the administrative organization of the War Department, I have some hesitation in making an effort to outline to you the Organization of the Navy Department. However, I will attempt to do so by stating very briefly the duties of the sub-divisions and thereafter try to answer any questions that you may desire to ask.

I note that my remarks are being taken down. This talk will be very much like one I delivered years ago in Danzig. I was in command of a division of destroyers visiting various European ports and we were ordered to go to Danzig. It so happened that the Consul in Danzig was very much opposed to our visiting that place because of the uncertain political situation existing at that time. It was in 1927. Danzig was a free city, controlled by the Senate of Danzig. They were all German sympathizers and German people. Also, the Poles had been given certain rights in Danzig and were represented by the Polish Commissioner with a very large staff. Then over all of this was the High Commissioner, who was appointed by the League of Nations to see that the treaty obligations of all parties were meticulously carried out. The Consul informed me that it was essential that I arrive exactly at the time stated in order that the plans might be

carried through. He warned me that during my whole visit I would be treading on political eggs. I informed him that we would arrive on a certain day at 8:00 o'clock in the morning. We started from Finland, from Helsingfors; encountered severe head winds and it appeared that we would not be able to arrive on time. I radioed the Consul and told him that due to stress of weather we would not reach the entrance to the harbor at 8:00 o'clock. He replied with a telegram from which the tears were dripping. Later the weather moderated so that by making 25 knots I arrived on time. I was met out at sea by a small boat containing four gentlemen all wearing long tailed coats and silk hats at 8:00 o'clock in the morning. They came on board. One represented the Consul, one the High Commissioner, one the Polish Commissioner, and one the Senate of Danzig. After I greeted them the man from the Consul's office gave me a sheet of paper about as big as this (designating letter-size sheet of paper), typewritten single space, with the time in one column and the event that occurred at that time in another column. That was my program for the day. I had to do something every twenty minutes during the entire day. Then the representative of the Polish Commissioner said: "Captain, will you give me a copy of the speech that it is your intention to deliver tonight at the dinner of the Polish Commissioner, in order that I may translate it into German and Polish and repeat it after you?"

That was the first that I had heard that I would attend a dinner and I had no idea of making a speech at any time, so I said: "I will attend to that in a minute." At intervals until we arrived alongside the dock the same conversation was repeated. Soon after we arrived alongside the dock and the Consul came on board, this representative of the Polish Commissioner came up and said again: "Captain, I must have your speech so that I can proceed immediately to translate it and be prepared to repeat it."

The Consul said: "I thought this situation might confront you so I have prepared a speech for you." He pulled a prepared speech in an envelope out of his pocket and said: "There is your speech." I took it, gave it to this chap, and said: "There is the speech that I will deliver tonight."

He took it. That was the only copy there was! That night after dinner, somewhat assisted by light wines and other stimulants I got up and delivered an address. The interpreter delivered his address in German and in Polish, and I have frequently wondered what the people there, who could speak the two languages, thought about that interpreter.

At any rate, here is my speech (indicating copy) - that is what I intend to say but it is questionable whether or not I will say it.

The Secretary of the Navy, as directly responsible to the President and to Congress, exercises civilian control of the Navy and is charged with responsibility for decisions in all major matters affecting the administration of the Naval establishment afloat and ashore.

The Assistant Secretary of the Navy has no definite statutory duties other than such duties as are assigned him by the Secretary of the Navy. At present he is specifically charged with general administrative control of the material activities of the shore establishment including public works and supervision of the preparation of departmental estimates.

In the absence of the Secretary of the Navy his duties are performed by the Assistant Secretary, and in the absence of the Assistant Secretary, the duties devolve upon officials of the Navy Department in the following order: The Chief of Naval Operations, the Chief of the Bureau of Navigation, the Chief of the Bureau of Ordnance, the Chief of the Bureau of Engineering, the Chief of the Bureau of Aeronautics and the Judge Advocate General.

Office of the Chief of Naval Operations under the Secretary of the Navy is charged by law with the operations of the Fleet and with the preparations and readiness of plans for its use in war.

The Chief of Naval Operations has included in his duties the direction of the Office of Naval Intelligence and the Division of Fleet Training; the operation of the Communication Service, of Naval Districts and the operations of the Marine Corps.

He is also charged with the duty of so coordinating 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 is the senior officer of the Navy; the principal adviser to the Secretary of the Navy in regard to the military features and design of all new ships and any alterations which may affect their military value; as to the location, capacity and protection of shore stations including all features which affect their military value; also as to matters pertaining to reserves of military material, stores and supplies whose sufficiency and location may affect the readiness of the Fleet for war.

While the Chief of Naval Operations has no direct control over personnel or the expenditures of appropriations for the Naval Establishment (all the money that is spent by the Navy is appropriated directly to the control of the bureaus), by the Annual Operating Force Plan, Aeronautical Organization and Shore Establishment Operating Plan flowing from the decisions in the Annual Estimate of the Situation he practically determines the personnel requirements; and by virtue of his responsibility for the readiness of the Fleet and his duty of coordinating all effort to this end he largely influences the expenditures of appropriations without interfering with detailed duties of the Material Bureaus.

The work of the Office of Naval Operations is carried out by the following Divisions whose name generally indicates the duty assigned:

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| War Plans | Inspection |
| Central | Fleet Training |
| Technical | Fleet Maintenance |
| Intelligence | Naval Districts |
| Communications | Ships Movements |

In the Fleet Maintenance Division is the War Procurement Planning Section which is the working agency of the Navy Department for coordinating the work of all Bureaus, Offices and Naval Districts in material procurement planning and for liaison with the War Department in procurement planning for war.

The Office of the Chief of Naval Operations is represented on twenty-eight inter-departmental committees, commissions and boards.

The most important one of these is the Joint Army and Navy Board which, as you know, makes a study of policies and projects bearing on national defense and involving joint action of the Army and Navy.

The Bureau of Navigation, under the direction of the Secretary of the Navy, is responsible for the procurement, education, training, discipline, and distribution of officers and enlisted personnel of the Navy, including the Naval Reserve. It is also responsible for the provision of navigational equipment, and for the upkeep and operation of the Naval Academy, the Post Graduate School, the Naval War College, Schools for Enlisted Men, Training Stations, the Naval Home, the Naval Observatory, and the Hydrographic Office.

The Hydrographic Office makes surveys of foreign waters and furnishes charts and navigational publications to the Navy and to merchant vessels. The publications include Sailing Directions, Light Lists, Radio Aids to Navigation, Notices to Mariners, Notices to Aviators, the Naval Air Pilot, and Daily Memoranda in regard to dangers and changes in Aids to Navigation. The Hydrographic Office did survey the north and south coasts of Cuba, both coasts of Panama, and one ship is now engaged in surveying the entrance to the Orinoco River.

The Bureau of Ordnance, under the direction of the Secretary of the Navy, is responsible for the design, manufacture, procurement, maintenance, issue, and efficiency of all offensive and defensive arms, and armament, including armor. It is also responsible for the upkeep and operation of Naval Gun Factories, Naval Ordnance Plants, Naval Torpedo Stations, Naval Proving Grounds, Naval Powder Factories, Naval Ammunition Depots, Naval Magazines on shore, and Naval Mine Depots.

The Bureau of Engineering, under the direction of the Secretary of the Navy, is responsible for the design, construction, installation, and maintenance of all propelling machinery together with its auxiliaries; electric wiring, radio and sound equipage, and appliances used by the Naval Communication Service.

It is also responsible for the upkeep and operation of the Engineering Experiment Station at Annapolis, the Research Laboratory in Washington, and the Boiler Laboratory in Philadelphia, and the Material Laboratory in New York.

The Judge Advocate General, under the Secretary of the Navy, has cognizance of all matters of law arising in the Navy Department, and performs such other duties as may be assigned to him by the Secretary of the Navy.

The following duties have been assigned to the Judge Advocate General: examination of questions relating to rank and precedence to promotions and retirements, and to the validity of proceedings in court-martial cases; the supervision and control of Naval prisons and prisoners, including prisoners of war; recommendation in regard to pardons; interpretation of statutes; preparation of advertisements, proposals, and contracts; insurance, patents; the examination of bills and resolutions introduced in Congress and referred to the Navy Department for report; the drafting of proposed legislation arising in the Navy Department; and the preparation of correspondence in connection with these duties.

The Judge Advocate General also examines and reports upon questions of international law, searches titles, examines into the purchase, sale, transfer, and other questions affecting lands and buildings pertaining to the Navy. He is charged with the care and preservation of all muniments of title to land acquired for naval uses.

The Bureau of Aeronautics is under the direction of the Secretary of the Navy, responsible for all that relates to the design, construction, fitting out, testing, repair, and alteration of naval and marine corps aircraft and, except as specifically assigned to other cognizance, instruments, equipment, and accessories pertaining thereto.

It provides aircraft in accordance with approved operating plans.

The Bureau of Construction and Repair, officered by the Construction Corps, is under the direction of the Secretary of the Navy, responsible for the general design, the structural strength, stability, and seaworthiness of all ships of the Navy except airships. It is charged with

the building, fitting out, and repairing of hulls of vessels, district craft and small boats.

It is also responsible for the upkeep and operation of experimental model basins, wind tunnels, and material laboratories.

The Bureau of Yards and Docks, officered by the Civil Engineer Corps, is under the direction of the Secretary of the Navy, responsible for the design, construction, alteration, and inspection of the public works and public utilities of the shore establishment.

It, in addition, has custody of real estate not in use by other subdivisions of the Navy Department, and handles funds involved in the acquisition and disposition of real estate.

The Bureau of Supplies and Accounts, officered by the Supply Corps, is under the direction of the Secretary of the Navy, responsible for the procurement, custody, shipment, warehousing and sale of all supplies, fuel, and other property of the Navy except as otherwise provided; the supply and disbursement of funds and the payment for articles procured for the Navy; the keeping of money and property accounts and the upkeep and operation of the Naval Clothing Factory and coffee roasting plants.

It has cognizance of the transportation of naval property, charters merchant vessels, procures cargoes, and loads and discharges supply ships, colliers, and tankers.

The Bureau of Medicine and Surgery, officered by the Medical Corps, is under the direction of the Secretary of the Navy, responsible for the maintenance of the health of the Navy, and for the care of the sick and injured.

It is also responsible for the upkeep and operation of naval hospitals, medical supply depots, medical laboratories, the Naval Medical School, and of technical schools for the training of members of the Medical Corps, Dental Corps, Nurse Corps, and Hospital Corps.

The Marine Corps, an integral part of the Navy, is a military organization within the naval establishment,

consisting of 1338 commissioned and warrant officers and 16,942 enlisted men, who perform services both ashore and afloat.

The Corps is administered by a Major General Commandant whose headquarters are in the Navy Department, and who is, under the direction of the Secretary of the Navy, responsible for the procurement, discharge, education, training, discipline, and distribution of officers and enlisted personnel, and the administration and general efficiency of the Marine Corps.

He is also charged with the upkeep and operation of Marine Barracks and Marine posts.

The General Board is composed of not less than five senior officers of the Line of the Navy, a majority of whom are of flag rank and none of whom have any administrative or executive duties.

It is the duty of the General Board to consider the United States Naval policy and the general terms of its application; to recommend changes in the policy that may become necessary from time to time; to recommend the number and type of ships proper to constitute the Fleet, their military characteristics, and such building program as may be requisite; to advise the Secretary of the Navy regarding the general policy as to naval districts, navy yards, naval stations, operating bases, and other shore activities; and to consider and report upon such subjects as the Secretary may direct.

The Navy Budget Officer, under the supervision of the Assistant Secretary, is charged with the duty of preparing Departmental estimates for submission by the Secretary of the Navy and to the Bureau of the Budget. He is the liaison officer of the Navy Department in its relations with the Bureau of the Budget and the Appropriation Committee of Congress in matters concerning naval estimates and appropriations.

The Secretary's Council, composed of the heads of the previously mentioned Offices, Bureaus and Boards, meets each Thursday and when called by the Secretary to discuss and coordinate the work of the various subdivisions of the Navy Department. This meeting of the

Council serves to keep all the Bureaus and Offices informed in regard to the Secretary's desires and in regard to each others activities.

In addition to these major subdivisions of the Navy Department there are several important Departmental Boards not directly under the cognizance of any one Bureau or Office. Among these are:

The Board of Inspection and Survey consisting of one flag officer, two captains, one naval constructor, one commander or lieutenant commander for aviation duties, one commander designated as recorder, and such other officers as may be necessary to carry out its duties.

The Board, under specific orders in each case, is charged with the acceptance examinations and trials of all naval vessels and aircraft, except experimental aircraft, and with the inspection of all vessels newly commissioned. It inspects all naval vessels upon their return from foreign stations, and all vessels as often as once in three years when practicable, and prior to the undertaking of a general overhaul.

Reports of acceptance trials are made to the Secretary of the Navy and reports of material inspections of naval vessels to the Chief of Naval Operations. Copies are distributed to sub-divisions of the naval establishment interested in the report.

The Naval Examining Board consists of not less than three officers senior to the officers to be examined for promotion. It conducts examinations of all officers due for promotion with the purpose of determining their mental, moral, and professional fitness to perform all their duties at sea, and makes recommendation to the Secretary of the Navy.

The Interior Control Board prepares the Manual of Interior Control which prescribes the essentials of all internal control systems for all types of naval vessels and includes recommendations as to function, location, and arrangement of essential installations and as to personnel requirements and standardized type procedures.

District Craft Development Board is charged with studying the existing establishment of district craft and making recommendations as to disposal of unservice-

able craft, conversion of available vessels into district craft and a progressive building program being guided by the interests of naval efficiency and economy.

The Shore Station Development Board, composed of thirteen members representing the Assistant Secretary's Office, the Office of the Chief of Naval Operations, the Marine Corps and the Bureaus of the Navy Department, is a permanent board charged with the preparation of a comprehensive development plan for each naval shore station.

This Board is assisted by local Shore Station Development Boards which accumulate data, carry out studies and make recommendations as to how the required local development can be best accomplished.

Annually this Board compiles a Master Priority List which forms the basis of proposed Public Works Authorization bills.

This concludes my presentation of how the Navy Department is organized; but to show how it operates would require much more time; however, I will present one or two examples to show that its operation requires mutual exchange of information and wholehearted cooperation between the various Bureaus and Offices.

As a result of the annual estimate of the situation prepared by the Office of the Chief of Naval Operations there are developed decisions from which flow certain plans and policies. These are: The Operating Force Plan, which tells the ships that will be kept in commission and the size of the crews that will be kept on them. That plan then determines the number of men we must have to man the fleet. The Fleet Employment Plan sets forth where the ships will cruise, how much cruising they will do, and how the ships will be employed. That plan determines how much fuel we will require for the movements of the fleet during the year. From these plans flow the Personnel Plans, which are prepared by the Bureau of Navigation and by the Marine Corps. The Building Program, which is decided upon the recommendation of the General Board, indicates the amount of money that will be requested from Congress for replacement of naval vessels. Next is the Base Development Program, which is the decision as to

what part of the master priority list developed by the Shore Station Development Board will be included in the budget; the District Craft Program, which results from the study of the District Craft Board; the Aeronautical Organization, which determines the number and type of planes that we will maintain in active service; the Air Operating Policy, which determines how much flying we will do, where it will be done, the number of officers and men that are required, and how much gasoline and oil are required; the Material Maintenance and Improvement Plan, which is a compilation of all the alterations or changes that are required to improve the fleet. Of course all of that program is always very much larger than we ever hope to get, so it is arranged in the order of priority so the most important things can be accomplished as early as possible.

Discussion Following Lecture . . .

by

Rear Admiral James O. Richardson, U.S.N.
Assistant Chief, Naval Operations

Q. Admiral, I understand from the papers that Representative Maas thinks that the Navy Department should be reorganized and the General Staff system put in. Would you care to give your views on that?

A. I am somewhat handicapped in giving a reply because I do not know what a General Staff would do for the Navy that it is not now doing for itself, and I know too little about the Army organization to give a reply because I see no advantages in changing the existing organization of the Navy Department. When I have time I hope to learn more about the Staff organization of the Army, but as far as the Navy Department is concerned I can not see that any advantage would be derived from changing the organization.

Colonel Jordan: One of the things that interest us in the Army, sir, is, for instance, the Bureau of Ordnance - suppose the Chief of Naval Operations wants something done and the Bureau of Ordnance does not come across and do it, what steps do you take to see that he does do it?

A. The Chief of Naval Operations is the principal adviser of the Secretary and what the Secretary says do the officer concerned does.

Q. Isn't there one other thing, sir, they brought out last year, that the selection of the Chief of the Bureau of Ordnance comes from the Chief of Naval Operations' recommendation? Isn't that one way of seeing that the proper man is put there who does what is wanted?

A. Certainly, because they are all naval officers and he is the head of the Navy. They all work for him. They do not work for any particular group. They have no interests except in the Navy, and certainly no one would be appointed the chief of any bureau except upon the advice of the Chief of Naval Operations.

Q. I would like to hear something further, if you please, about the chain of command in the Navy. We have a fair idea of the administration but something about the command.

A. Well, of course in the Fleet all orders from the Chief of Naval Operations affecting the Fleet in any way go to the Commander in Chief of the Fleet and from him they go through one of three officers, either the Commander of the Battle Force, the Commander of the Scouting Force, or the Commander of the Base Force. But on material matters all of the bureaus, for purposes of saving time, are authorized to correspond directly with the commanding officers of ships. If it is a thing like a change in the characteristic of the ship, an alteration or a repair equivalent to an alteration, then that must come up through the chain of command because the same change might be applicable to all ships of that type and they would not permit it to be done unless it was a thing desirable to be done to all ships.

Q. I have one more, that is the authority of a District Commander.

Is he over the shore establishments within that district or are they under separate control?

A. He is the boss. In some instances where there are wide-spread activities the District Commandant has little control over the outlying activities except to coordinate them in preparation for war. For example, the Commandant of the Fifth Naval District, which is around Norfolk, has in his district the Naval Mine Depot which is directly under the Bureau of Ordnance and all orders for work for their activities, for everything they do, go directly to the Mine Depot. But in any question of planning for the defense of the place or for the inspection and the upkeep the Commandant has charge, or if there is anything that occurs there that has relation to other activities of that district the Commandant is responsible for coordinating them.

Q. Is there a Naval district here in Washington?

A. No, there is not. It has been proposed that the Commandant of the Navy Yard, Washington, take on some of the duties and responsibilities of a district commandant but it has not happened.

Q. Admiral, in the Army a regiment Commander, so long as he conforms to the schedule for the district of the group, can take a regiment out on a practice march or a maneuver whenever it suits him. I would like to find out in some sort of detail how that same provision is made in the Navy. Can a captain take a battle ship, we will say, off on a cruise to Hawaii?

A. The only thing a captain can do is send a small ship's boat ashore

without authority for this reason, that as a result of the Fleet Employment Plan Congress appropriates so much money for the purchase of so many barrels of fuel that are supposed to steam so many thousand miles. If we exceed the number of miles, and that is just added up each ship so many miles, we are answerable to Congress. If we expend one more barrel of fuel than we told Congress we were going to they threaten to put us in jail. At the beginning of each quarter a detailed schedule of employment is laid down which shows what ships will remain in anchor, which ships will conduct a specified form of target practice, which ships will be under way to render service to those that are conducting target practice, and once those schedules of employment are made by the Commander in Chief and approved by the Chief of Naval Operations they become directives and the subordinates carry them out without any further request or without any further orders. Of course there are cases, like the temporary squadron we now have around Spain at present in the Mediteranean. That is there to look out for national interests. The ships are there largely at the request of the State Department. They know what the situation is and are authorized to go anywhere any time, so long as they are on Government business and in that area.

Q. Then in the operations of the Colorado and the other vessels in the islands in search of the fliers, if the Secretary of the Navy had not authorized those ships to go down there and even if they had been close by would the captain in command of that squadron be justified in doing that sort of thing alone?

A. Yes, if he were close at hand. Just the laws of the sea make it necessary regardless of who is how in time of danger or stress or weather or possible loss of life. If you are within a reasonable vicinity of the location where you may render assistance you go without anybody's orders but in that particular case it required Colorado to discontinue her overhaul at the Naval Yard and proceed at high speeds long distances and the aircraft carrier had to leave her routine work and go down to San Diego and steam at high speed a long distance. That all had to be done by direction of the Chief of Naval Operations. Once he started to do it the way he did it was entirely his own concern.

Q. Would you mind saying something about the organization of command in the Fleet?

A. Well, the Fleet is divided in this way: The Commander in Chief of the United States Fleet has command of all of the fleet assembled on the west coast, which is in effect all combatant ships in the Navy that have been completed and have gone through their shake-down and have been ordered to report to the Fleet, but he does not have command over the ships on Asiatic stations. One or two gun boats and destroyers constitutes the special service quartered in the Canal Zone, and the special squadron that is on the coast of Spain he does not have command over. Under him come the Commander of the Battle Force which includes all of the battle ships, all of the destroyers and all of the carrier-born aircraft, and also some light cruisers. Under the Scouting Force are all of the heavy cruisers and all of the control planes, the long distance planes. Under the Base Force are the training vessels, the repair ships, the supply ships and the tenders. Those are the three main divisions of the Fleet, The Battle

force, the Scouting Force and the Base Force. Under the Commander of the Battle Force there is one vice-admiral who commands all of the battle ships, which are divided into divisions of three ships and these three ships are commanded by a rear admiral. There is an admiral in command of all of the carriers. There is a rear admiral in command of all of the destroyers. The destroyers at present are divided into two approximately equal flotillas. The commander of all of the destroyers commands one flotilla and the officer whom I relieved, Admiral Pye, commands the other flotilla. Under the Commander of the Scouting Force there is the Cruiser Commander who commands all the heavy cruisers and commands one division himself. The Commander of the Aircraft Scouting Force commands all of the tenders and all of the scouting planes. The Base Force has only one admiral and the Commander in Chief is responsible for the preparation of war operation plans. He allocates that work to all of his subordinates. The actual maintenance and repair, administration and control of the Fleet he delegates to subordinates.

Q. Admiral, will you attempt to coordinate the actions of carrier-born aircraft and anti-aircraft guns on ships in action?

A. Well, we are not as far along as we should be. I am afraid that I am not at the present time qualified to enlighten you on that subject because it is one that requires more work than has been done. My own personal opinion is that if I were an aviator in our fleet I would be almost as badly afraid of our own people as I would be of the enemy.

Q. Admiral, of course the Chief of Naval Operations occupies an extremely important position. Would you care to tell us how he organizes

his office in order to provide himself with the necessary information and assistance in order to exercise his functions?

A. I thought I did that.

Q. I am trying, sir, to formulate in my mind a comparison between the Chief of Staff of the Army and the Chief of Naval Operations.

A. I couldn't compare them because I know too little about the Army, but the Chief of Naval Operations has all the assistance there is in the Navy Department. If he wants anything done or any information that his own organization does not develop for him all he has to do is send for the Chief of the Bureau of Ordnance or the Chief of the Bureau of Engineering and say, "I want to know this. I want to know all you know about it, and why you think the way you think."

Q. Then there doesn't exist in the office of the Chief of Naval Operations any assistant officer?

A. No, not designated to deal specifically with questions of ordnance.

Q. The Chief of Naval Operations obtains information or assistance from the chiefs of the respective bureaus directly?

A. He does, but not entirely so. The Division of Fleet Training has to do with all gunnery exercises, and consequently develops a fair knowledge of ordnance material and equipment. Any advice he wants on ordnance matters he can get from two sources: the Ordnance people as to how the material is to be designed, installed and constructed; and the Fleet Training Gunnery Section as to how it is to be used. It is the same way in the question of repair of the engineering plan of a ship. He has in the Fleet Maintenance officers that are experienced in

electrical engineering, submarines and in construction and he can call on them to get from the subordinates of the bureaus all the information he wants.

Q. You stated that procurement of aircraft lay within the jurisdiction of the Bureau of Aeronautics. Does the Bureau of Supplies and Accounts have any responsibility in connection with procurement of aircraft?

A. The Bureau of Supplies and Accounts has the responsibility for the procurement of everything but they only buy what somebody else tells them to buy and that is all. They buy it and deliver it. They are responsible for the purchase and the delivery but not for the specifications of what they buy except in things that affect themselves, like provisions and supplies. The Bureau of Supplies and Accounts, for example, calls for bids for all ordnance material. Suppose you wanted some gun forgings, the Bureau of Supplies and Accounts would purchase them and deliver them for the Bureau of Ordnance and would charge them to the Bureau of Ordnance account which the Bureau of Supplies and Accounts keeps. No bureau keeps its own accounts. They are all kept by the Bureau of Supplies and Accounts which is an agent for managing the financial affairs of the whole Navy. For example, here is something which may illuminate. As a result of the Fleet Employment Plan the Chief of Naval Operations determines how many barrels of fuel oil we must need to effect so much steaming. The Bureau of Engineering, since they supply the boilers and the oil burning equipment, determines the specifications for the purchase of that oil. They tell the Bureau of Supplies and accounts that they

want so many barrels of oil that will meet the specifications. Then the Bureau of Supplies and Accounts calls for bids. They receive the bids and if there are any modifications or alterations or conditions under the bid, that is referred to the Bureau of Engineering for recommendation. When the contract is awarded, the Bureau of Supplies and Accounts awards the contract. They inspect the material delivered to see if it meets the specifications. Then the Chief of Naval Operations has to provide for a tanker to take the oil at the time they agreed to from wherever they agreed to deliver, so that everything that goes on could only be accomplished by a whole-hearted cooperation where it affects more than one bureau.

Q. I would like to get back to the General Staff idea of the Army compared with the Navy. It seems that the General Staff of the Army is based on functional organization. Now from what you have said, it seems that the cooperation of the Navy is purely a matter of the meeting of the minds of persons. Then we can take away from this conference the --

A. Wait a minute. It is not entirely a meeting of minds of persons because after a thing has been working for a good many years systems and channels of cooperation have been worked out so that a new man would never get anywhere by stepping out of the way that it has been done in the past.

Q. We understand, of course, that the Navy used this system during the last war and did very well. Do you think instead of making that line of demarcation of policy headed by the General Staff that the Navy can continue on with tradition establishing their organization?

A. I believe so.

Q. You think you wouldn't have the water tightness if you went to a General Staff function?

A. You see, I know too little about it to express an opinion but it is my firm belief-- I may have no grounds for believing it -- that the Chief of Naval Operations has less difficulty in having his views carried out completely and whole-heartedly than the Chief of the Staff of the Army has.

Q. Admiral, you mentioned specifications. Do you have any system or any organization or method of setting up a naval specification where the assignment may be wanted by these various different bureaus and where is that located, may I ask?

A. Right now I am not very familiar with it but we have a very large number of standard specifications for everything in the Navy. Not only that but we had a representative for a long time on the Standard Specification Committee of the whole Federal Government. In fact, I remember when I was Assistant Chief of the Bureau of Ordnance we were doing a large amount of work in connection with the preparation of standard federal specifications, and much to my surprise I found that our young officer in the Bureau of Ordnance had drawn up the standard federal specifications for stitching on sewing machines and had gotten it adopted by the whole Government and the whole sewing machine industry. It was a thing that nobody had ever been able to get anybody to agree on before. The only contact that we had with stitching was sewing little silk parachutes. Ordinarily one bureau purchases one class of

material and there are very few materials that are purchased by three or four different bureaus except for paint and cleaning and gear polishing materials. Most of the things that one bureau purchases another doesn't purchase. Of course you know one could talk about the Navy Department organization for a week, for a month. We have supplies of all kinds that are bought on standard Navy specifications. Those materials and supplies are purchased by the Bureau of Supplies and Accounts and carried in stock at the Navy Yards or on board ship at all times under the custody of the Bureau of Supplies and Accounts. They are purchased under a working fund called the Naval Supply Account fund and they can buy any amount of anything they want that they believe from past experience the Navy will need. Now that is carried in a suspense account, really paid for by a rotating fund. For instance, they buy all the paint which meets standard specifications and store it in the Navy Yards and on board ship under the custody of the Bureau of Supplies and Accounts. Suppose the Chief Engineer wanted to paint some rooms. He is allowed so much money a year from the bureau to carry on his work. He writes out a stub requisition on the supply officer of that ship for so many gallons of such and such a paint, which is issued to him by the supply officer. It is charged against the appropriation under which he maintains his plan and credited to the Naval supply account as so much money for so much stuff sold. That becomes a credit on the Treasury Department books and they can use that money then to buy some more paint or buy anything else. The Naval supply account fund became a very large fund. But Congress, in order to make it appear that they were not appropriating money when as a matter of fact they were, transferred money from the

Naval supply account fund to some other activity to be expanded, thereby fooling themselves into believing that they were spending money that had been previously appropriated and wasn't really money at all. The Naval supply account fund has been so reduced that in the present appropriation bill we have an item of \$7,000,000 for the Naval supply account fund, and the way the Naval supply account fund became such a large figure was this: As you know, when an annual appropriation is made you can spend it during the fiscal year for which it was made, but because you made contracts in that fiscal year obligating the money and delivery does not occur until the following year the appropriation remains available for the discharge of obligations for two years. The bookkeeping is so slow that at the end of the two years you find a large amount of unobligated balance which goes back to the Treasury, to the general fund. Now after the war when we were running full blast some shrewd paymaster I suspect suggested to Congress that they transfer to the Naval supply account fund all unobligated balances from all the Naval appropriations, and Congress didn't know and nobody knew how much money there was being put into the Naval supply account fund by that Act. But after the war from time to time Congress reappropriated \$5,000,000, \$8,000,000, \$10,000,000 or \$15,000,000 from the Naval supply account fund until they had gotten it down so that the Bureau of Supplies and Accounts was somewhat embarrassed in their desire to carry the requisite amount of stock at all times on board ships and in their storehouses. Therefore, this year we are asking for \$7,000,000 more.

Q. Getting back to the procurement question again, it seems to me

that your Bureau of Supplies and Accounts would be constantly facing questions of determination as between respective bidders in the purchase of technical articles. Now obviously those contracting officers don't have all that technical knowledge to make a proper determination, and do they get that assistance directly from the bureaus? Do bureaus have representatives in that bureau?

A. If any technical bureau wants anything bought they prepare the specifications and ask the Bureau of Supplies and Accounts to call for bids. When the bids are received they may not tender the exact thing that was called for. They may deviate slightly from the specifications. All the bids are then transmitted to the bureau that asked that the purchase be made for a recommendation as to whom the award should be made. It is very unusual for the Bureau of Supplies and Accounts not to immediately accept and act on the recommendation of the technical bureau that wants the material purchased.

Q. Admiral, you described the meeting of the council headed by the Secretary and all the bureau chiefs, the Chief of Naval Operations being present. Could you give us some idea of what kind of things are discussed? Do you discuss problems of material or problems of command, or what is brought up at those meetings? Do you remember some particular things that would interest the class, sir, because I don't see where the bureaus should come in unless it is material problems.

A. Let's see if I can think of a good example. The decision must be made as to where ships are going to be built. The Bureau of Yards and Docks is charged with providing the ways on which the ship is

built and they may want the ship built at a place where they can provide building ways at least cost. The office of the Assistant Secretary of War may be bothered by Congressmen from Norfolk demanding that the ship be built in Norfolk. The Bureau of Construction and Repairs says it would like to have this ship built at Philadelphia because they have the best design talent in the Philadelphia Navy Yard. Another says they want to build it in New York because their best designing people are up there. The Secretary has to decide a lot of questions. As a matter of fact, the present Secretary of the Navy is, as you know, quite old, but mentally very alert. He is held in high esteem by every officer in the Navy who knows him. The Secretary hates a row. He would do almost anything to avoid discord. Consequently, except in the most important things where interested people are vitally concerned, rather than embarrass the Secretary by putting up to him the necessity of making the decision, the committee will effect a compromise so that there has never, in my opinion, at any time in the Navy been such complete pulling together as exists now.

Colonel Jordan: I think we have about given the Admiral the limit on questions. I am not going to let the students ask any more. We have two distinguished graduates of The Army Industrial College here that I want to hear from. Captain Daubin, would you say something?

Captain Daubin: I have enjoyed this talk very much. I would like to have the Admiral just tell about the shore establishment division which is under the Assistant Secretary of the Navy, about machine tools and how they work.

A. Well, the Assistant Secretary's office, it would take a very bright man to understand all that office does and why it does it. But actually he is responsible and has general supervision and control over the industrial end of Navy Yards with their plant equipment, with their form of management, and with their labor problems. Now the money that is used for the purchase of machine tools and plant equipment for installation in industrial Navy Yards is appropriated under the Bureau of Construction and Repair and the Bureau of Engineering. Other machine tools that are installed in ordnance plants, like the Gun Factory, the Torpedo Station, and in the Mine Depot and Ammunition Depot, are provided by appropriations made to the Bureau of Ordnance. Machine tool equipment that is installed at the assembly and repair sections of Naval air stations is appropriated from the Bureau of Aeronautics, but for all the building and repair yards, like Boston, New York, Philadelphia, Norfolk, and San Francisco, the appropriation is to the Bureau of Engineering and the Bureau of Yards and Docks. The Assistant Secretary's office being responsible for the plant equipment is responsible for the maintenance and the replacement of machine tools. Consequently, there is in the Shore Establishment Division a section for the purchase of machine tools and for the study of our requirements in the event of war. It was originally established as an office having three bosses, the Chief of the Bureau of Engineering, the Chief of the Bureau of Construction and Repair, and the Assistant Secretary's Office. Now, in my opinion, in the procurement planning and in the actual replacement of tools and the expenditure of the current appropriation for machine tools, all of the other functions and

all other responsibilities have been taken over by the Assistant Secretary's office. Naturally they must secure the acquiescence of the bureaus for the expenditure of their funds.

Colonel Jordan: Captain Allen, we would like to hear from you.

Captain Allen: I have enjoyed hearing the Admiral very much. I started out behind him in the old torpedo boats about thirty years ago and he still is following the good grace at the present time. He still knows where he is going.

Colonel Jordan: Admiral, I want to thank you in behalf of the College for coming and talking to us. We looked forward to it and you haven't disappointed us a bit, sir. We have enjoyed it. Thank you, sir.

Inserts to Copy Furnished by Rear Admiral James O. Richardson, U.S.N., Assistant Chief, Naval Operations, of his Address Before The Army Industrial College, December 9, 1937.

No. 1.

I note that my remarks are being taken down. This talk will be very much like one I delivered years ago in Danzig. I was in command of a division of destroyers visiting various European ports and we were ordered to go to Danzig. It so happened that the Consul in Danzig was very much opposed to our visiting that place because of the uncertain political situation existing at that time. It was in 1927. Danzig was a free city, controlled by the Senate of Danzig. They were all German sympathizers and German people. Also, the Poles had been given certain rights in Danzig and were represented by the Polish Commissioner with a very large staff. Then over all of this was the High Commissioner, who was appointed by the League of Nations to see that the treaty obligations of all parties were meticulously carried out. The Consul informed me that it was essential that I arrive exactly at the time stated in order that the plans might be carried through. He warned me that during my whole visit I would be treading on political eggs. I informed him that we would arrive on a certain day at 8:00 o'clock in the morning. We started from Finland, from Helsingfors; encountered severe head winds and it appeared that we would not be able to arrive on time. I radioed the Consul and told them that due to stress of weather we would not reach the entrance to the harbor at 8:00 o'clock. He replied with a telegram from which the

tears were dripping. Later the weather moderated so that by making 25 knots I arrived on time. I was met out at sea by a small boat containing four gentlemen all wearing long tailed coats and silk hats at 8:00 o'clock in the morning. They came on board. One represented the Consul, one the High Commissioner, one the Polish Commissioner, and one the Senate of Danzig. After I greeted them the man from the Consul's office gave me a sheet of paper about as big as this (designating letter size sheet of paper), typewritten single space, with the time in one column and the event that occurred at that time in another column. That was my program for the day. I had to do something every twenty minutes during the entire day. Then the representative of the Polish Commissioner said: "Captain, will you give me a copy of the speech that it is your intention to deliver tonight at the dinner of the Polish Commissioner, in order that I may translate it into German and Polish and repeat it after you?"

That was the first that I had heard that I would attend a dinner and I had no idea of making a speech at any time, so I said: "I will attend to that in a minute."

At intervals until we arrived alongside the dock the same conversation was repeated. Soon after we arrived alongside the dock and the Consul came on board, this representative of the Polish Commissioner came up and said again: "Captain, I must have your speech so that I can proceed immediately to translate it and be prepared to repeat it."

The Consul said: "I thought this situation might confront you so I

have prepared a speech for you."

He pulled a prepared speech in an envelope out of his pocket and said: "There is your speech".

I took it, gave it to this chap, and said: "There is the speech that I will deliver tonight."

He took it. That was the only copy there was! That night after dinner, somewhat assisted by light wines and other stimulants I got up and delivered an address. The interpreter delivered his address in German and in Polish, and I frequently wondered what the people there who could speak the two languages thought about that interpreter.

At any rate, here is my speech (indicating copy) - that is what I intend to say but it is questionable whether or not I will say it.

No. 2

(All the money that is spent by the Navy is appropriated directly to the control of the bureaus.)

No. 3

The Hydrographic Office did survey the north and south coasts of Cuba, both coasts of Panama, and one ship is now engaged in surveying the entrance to the Orinoco River.

No. 4

As a result of the annual estimate of the situation prepared

by the Office of the Chief of Naval Operations there are developed situations from which flow certain plans and policies. These are: The Operating Force Plan, which tells the ships that will be kept in commission and the size of the crews that will be kept on them. That plan then determines the number of men we must have to man the fleet. The Fleet Employment Plan sets forth where the ships will cruise, how much cruising they will do, and how the ships will be employed. That plan determines how much fuel we will require for the movements of the fleet during the year. From these plans flow the Personnel Plans, which are prepared by the Bureau of Navigation and by the Marine Corps. The Building Program, which is decided upon the recommendation of the General Board, indicates the amount of money that will be requested from Congress for replacement of naval vessels. Next is the Base Development Program, which is the decision as to what part of the master priority list developed by the Shore Station Development Board will be included in the budget; the District Craft Program, which results from the study of the District Craft Board; the Aeronautical Organization, which determines the number and type of planes that we will maintain in active service; the Air Operating Policy, which determines how much flying we will do, where it will be done, the number of officers and men that are required, and how much gasoline and oil are required; the Material Maintenance and Improvement Plan, which is a compilation of all the alterations or changes that are required to improve the fleet. Of course all of that program is

always very much larger than we ever hope to get so it is arranged in the order of priority so the most important things can be accomplished as early as possible.

Colonel, I think I have exhausted what I was prepared to say, and I will be glad to endeavor to answer any questions.