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Military Sea Transportation Service

William M. Callaghan
U. S. Navy

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MILITARY SEA TRANSPORTATION SERVICE

Address By
Vice Admiral William M. Callaghan, USN
Commander, Military Sea Transportation Service
at the Naval War College
Newport, Rhode Island
2 December, 1952

It is a pleasure, as always, to be back again with an audience which already has an appreciation of the importance of sea-power and logistics to our national defense. With the hope of contributing in some slight degree to your better understanding of these subjects, I am restricting my remarks primarily to one element that involves both of them; viz., the element of military sea transportation.

Transportation is a vital element in logistic planning. It includes railroads, highways, inland waterways, and the air. But, great as is the importance of all modes of transportation in global war, it cannot be denied that ocean shipping is the all-essential link between home-front production and combat-front consumption.

In his talk, which preceded mine, Captain Dodson has given you, I am sure, an excellent presentation on the importance of the American Merchant Marine as our fourth arm of defense. Commercial ships constitute a vital part of the ocean transportation required to keep both our economy and war industries supplied with the strategic materials we need at home as well as to augment naval vessels in the transportation of personnel, weapons, and supplies to our military forces overseas.

The prosecution of war requires the use of a tremendous

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number of noncombatant vessels. In all our history we have never had a sufficient number of ships to meet the voracious appetite of war. Even with its Service Force vessels, the Navy does not have enough ships to serve the mobile logistic support needs of the combatant fleets. In any war, therefore, the Armed Forces need the help and the close cooperation of the merchant marine. The groundwork for wartime cooperation with the merchant marine must be laid in times of peace. It would be dangerous to delay such cooperation until the outbreak of war for the complexities of ocean transportation cannot be learned overnight. Fortunately, we, as a nation, are heeding the lessons we have learned in two great emergencies. With the activation of the Military Sea Transportation Service, the Department of Defense is furnishing in peace, as it will in war, that bond of professional cooperation needed with the American Merchant Marine.

A discussion of MSTs, as the Military Sea Transportation Service has become known in its abbreviated form, is not complete without an understanding of the chain of events which led to its formation. Therefore, a brief recital of the history of military sea transportation is in order.

Although the United States Navy had previously engaged in overseas combat operations, the first conflict of consequence requiring the projection of our ground forces overseas was the Spanish-American War. In this war both the Army and the Navy may be said to have first established their individual ocean transportation systems. Even at that time, the duplication of effort was recognized in some discussions by Congressional Committees directed toward the establishment of a single military agency to serve both Services. As history records, no final decision was reached.

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The story of military sea transportation in World War I is an involved one, for the machinery of control, administration, and operation underwent almost continuous evolution. It is, perhaps, of special importance to this discussion since it represented something of a forecast or pattern of things to come more than 30 years later.

At the outbreak of war in 1914, our commerce had become so dependent upon foreign shipping that the American Merchant Marine was at a low ebb. This decline in American shipping reflected itself in a shortage of commercial bottoms and trained merchant crews when the United States entered the war in 1917. Consequently, the needs of the Army and the Navy could not be met by our own merchant marine. The U. S. Shipping Board was established and among its responsibilities was that of building and allocating merchant-type ships to the shipping industry, to government agencies, and to the Army and the Navy.

The ocean transportation of troops and military supplies during the war was marked by considerable duplication within the government. For instance, in the Navy were the Cruiser and Transport Force and the Naval Overseas Transportation Service. In the Army were the Embarkation Service, the Water Transport Branch, and the Army Transport Service. The main government agency involved was the U. S. Shipping Board. Despite the existence of all these agencies, nearly half of the troops transported to Europe were carried in British or British-controlled vessels. However, an exceptional and unprecedented degree of coordination was achieved between the Army, as the shipper service, and the Navy in the role of the carrier service.

In the postwar years the experience gained from wartime operations resulted in a trend towards centralization of military sea

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transportation service in the Departments of War and Navy. Within the Army firm steps were taken toward the unification of all transportation matters in the Transportation Division under the Quartermaster General. In the Navy, the Cruiser and Transport Force and the Naval Overseas Transportation Service were disestablished in favor of the Naval Transportation Service which was set up on a permanent basis. However, little was accomplished toward coordinating Army and Navy shipping under one central organization until early in 1941 when the Joint Army-Navy Planning Committee proposed that Army transports be transferred to the Navy. Although this plan was approved by the Secretary of the Navy and the Secretary of War, the plan was eventually abandoned after the transfer of a few ships because of personnel ceilings which prevented the Navy from manning all the Army vessels. So, we went into World War II with the Army and the Navy retaining their individual ocean shipping services.

Throughout World War II—and I am using the Pacific Area as typical in this respect—there were four activities controlling merchant-type shipping. These were the War Shipping Administration, the Army Transport Service, the Naval Transportation Service, and the Service Force of the Pacific Fleet. While both the Army and Naval transportation services expanded during the war, they by no means achieved sufficient stature to handle all the sea transportation requirements of their respective services. All support shipping was actually pooled insofar as use was concerned and controlled by the JMTC in Washington and through committee organization of the WSA, Army and Navy at the port level. Despite the cumbersome nature of this type of organization, a reasonably high degree of coordination was affected. The Navy's Service Force in the Pacific, which previous to the war operated not only

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in support of the mobile forces of the Fleet, but also of overseas bases, gradually fell into its proper sphere of furnishing primary support to the mobile forces and surrendering to the Naval Transportation Service and the War Shipping Administration the responsibility of providing other Navy shipping requirements in the rear areas, and to the replenishing locations for the logistic support of the Service Force.

It was against this background of shipping experience that preliminary discussions were held in late 1945 and '46 to determine, in the event of another emergency, some better organization for furnishing and controlling shipping required by the Armed Services. As a result of these discussions, the Joint Chiefs of Staff, in May of 1946, directed that a study be made of the procedures necessary in the event the Navy was assigned the responsibility for providing sea transportation for the military services.

The basic study submitted to the Joint Chiefs of Staff became the first of a seemingly endless series of studies on the same problem, each of which came ever closer to assigning sole responsibility to the Navy, but all foundering on the shoal of how the service rendered was to be paid for so as not to militate against the Navy's appropriations for other purposes. It was not until July of 1949 that the Secretary of Defense resolved the question of payment by promulgating a directive which stated that the Services concerned would pay for their respective sea transportation requirements on the basis of the service ordered and rendered.

The foregoing financial principle issued by the Secretary of Defense paved the way for his later directive on 2 August 1949 establishing the MSTS under the Department of the Navy and directing that it be responsible for providing under centralized con-

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control the sea transportation requirements for all military services and other agencies or departments of the government as might be directed. Two months later, on 1 October 1949, MSTS was activated as a command.

Although the Military Sea Transportation Service is run by the Navy, and occupies a status comparable to that of a Fleet operating directly under the Chief of Naval Operations, three features of its operations distinguish it from any other operational force in the Navy.

The first is the fact that MSTS provides ocean transportation not just for the Navy, but for all departments of the Department of Defense and other government agencies as authorized by the Secretary of Defense. In this respect, MSTS may be considered the ocean-going counterpart of MATS with one very important difference. MATS is operated by the Air Force, but personnel, planes, and equipment are contributed by both the Navy and the Air Force. In contrast, all personnel, ships and equipment of MSTS belong to the Navy.

The second distinguishing feature of MSTS is that its operations are at once military and industrial in character. It employs Navy and marine civil service personnel afloat and is subject to Navy regulations, and the regulations of the Civil Service Commission. It conforms closely to the instructions and standards formulated by the Coast Guard, the American Bureau of Shipping, and the Public Health Service.

The third feature of MSTS operations which distinguishes it from other operating forces of the Navy is the fact that it relies heavily on the commercial shipping industry to provide a

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great deal of its lifting capacity. The extent of this reliance is best illustrated by the fact that 74% of the current MSTS operating budget is paid directly to private shipping interests and ship repair companies.

These three unique features explain why it is impossible for MSTS to operate in all phases like any other operating force in the Navy.

This is the first, and in many ways, the most important fact which must be understood and appreciated by all naval personnel if MSTS is effectively to perform its mission—the efficient and economical transportation of men and material of the Armed Forces to any part of the world by sea.

I will not belabor you with the mechanics whereby some 105 Army ships and 12,000 marine civil service personnel were transferred to the Navy to supplement the 92 ships of the ex-Naval Transportation Service. Suffice it to say, our early growing pains were overshadowed nine months after we came into existence by the outbreak of a shooting war in Korea. The same condition exists today, but in the meantime, we have acquired invaluable experience and know-how. MSTS is no longer a fledgeling service subject to major modification, but a tried and proven organization which has long since amply demonstrated the soundness of the basic concept underlying its establishment. I will mention a few of the advantages which, as a result, have accrued to the Navy, to the military establishment and to the nation as a whole.

First: Experience gained throughout many years indicates that it is essential to our national security to have in being a nu-

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cleus fleet of cargo vessels, troop-lift vessels and tankers under military control which will insure the sea transportation of necessary, and perhaps vital, support to the Armed Services overseas in an emergency. Although, under normal conditions, the great bulk of military support is carried in shipping of the privately-owned or operated merchant marine, there is an ever-present possibility that shipping from that source may become unavailable or unreliable because of labor disputes or work stoppages.

Second: The Navy, for the first time, has control of *all* merchant-type shipping owned by the military. This means that uniform standards of operation, administration, maintenance, and repair, etc., may be adopted, with all the ensuing advantages to efficiency, economy and state of operational readiness.

Third: The elimination of overlapping and duplication of ocean transportation functions between the Army and the Navy, and the consolidation of routes and schedules, has not only saved the Department of Defense an enormous amount of money, but has resulted in the greater availability of assigned shipping, thus increasing capabilities.

Fourth: The Navy has, in the MSTS-owned fleet, a substantial and ready source of auxiliary-type shipping to supplement combat operations.

Fifth: A Single Military Sea Transportation agency the size of MSTS is able to obtain much lower rates from the shipping industry because of the volume of cargoes to be shipped. This results in extensive savings to the Department of Defense and a substantial contribution to the national economy.

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Sixth: The relationship between the Navy and the American Merchant Marine is now an extremely close, practical and mutually advantageous one, in contrast to the previous nebulous liaison existing between the two. Admittedly, this is in large part due to the power of the Department of Defense dollar, but it is also due to a better appreciation on the part of the Navy of the relationship which must exist with an industry upon whose support the Navy is now so dependent in discharging one of its gravest responsibilities.

Seventh: MSTS is establishing, through experience, the most practical and efficient methods of meeting military requirements for ocean transportation. In doing so, it is also preserving, in time of peace, the basic administrative and technical knowledge necessary to rapid and efficient expansion in time of war.

Included in the functions and responsibilities of the Commander, Military Sea Transportation Service, are the following:

- 1) Control, operation, and administration of government-owned vessels assigned and all other vessels acquired.
- 2) The establishment, control, and administration of MSTS units ashore world-wide.
- 3) The procurement of vessels by bareboat, time and voyage charter, and the procurement of space in commercial shipping.
- 4) The establishment of an adequate system of reporting requirements for transportation of passengers and cargo within the three Services, and for such other operational information as is considered necessary by MSTS.
- 5) The administration of priorities for sea transportation in

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accordance with the policies and procedures established by the Joint Chiefs of Staff.

6) The preparation of recommendations for design, specifications and equipment of vessels.

7) The control and administration of maintenance, repair and alterations of government-owned vessels assigned.

8) The preparation of plans for the employment and expansion of MSTs in time of national emergency.

9) The development and maintenance of such cost accounting records and operational statistics which are in consonance with the policies and procedures approved by the Secretary of Defense.

10) The preparation of budgetary and other fiscal requirements as coordinated with participating Services.

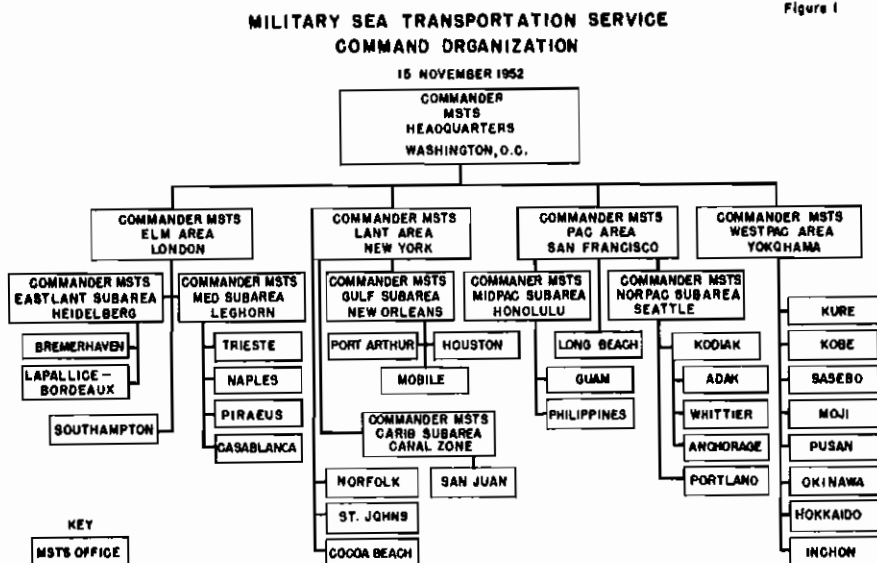
11) The approval of cargo stowage plans and their proper implementation, and the coordination of booking of passengers and the control of these passengers on board vessels.

12) In general terms, the planning and the provision for sea transportation to the various Areas and Theatres in the world in connection with the approved plans of the Joint Chiefs of Staff and the emergency plans of the several Area and Theatre Commanders.

To discharge its functions and responsibilities the Military Sea Transportation Service is organized into Area Commands, Sub-Area Commands and Offices whose geographical locations reflect important areas in which service must be rendered to our Armed Forces.

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Figure 1



The Headquarters of this Task Fleet-type of organization, operating directly under the Chief of Naval Operations, is located in Washington, D. C., and with ready access to the Under Secretary of the Navy who is responsible for supervision of the business and procurement aspects of MSTS.

Under the Commander, MSTS, there are established four major subordinate Area Commanders, whose headquarters are located in London, New York, San Francisco and Yokohama. These Area Commanders exercise control of MSTS activities in their geographical area and over all MSTS vessels, assigned to their command. Their responsibilities include maintenance and repair, supply, inspection, procurement and assignment of civil service crews.

The four Area Commanders are organized as follows:

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Commander, MSTS, Western Pacific Area, whose area of responsibility corresponds to the area of responsibility assigned to CINCFE, has his headquarters in Yokohama, and under his command are assigned MSTS Offices at Kobe, Sasebo, Moji, Kure, Hokkaido, Pusan, Inchon and Okinawa.

Commander, MSTS, Pacific Area, has under his command two Sub-Area Commander one, the Mid-Pacific Sub-Area Commander at Honolulu, who also has under his command the MSTS Offices at Guam and the Philippines; and the other, the North Pacific Sub-Area Commander located at Seattle, who has under his command MSTS Offices in Portland, Oregon, Kodiak, Whittier, and Anchorage, Alaska and Adak in the Aleutians; in addition, there is the MSTS Office at Long Beach, California, which also handles MSTS operations at San Diego.

Commander, MSTS, Atlantic Area, has under his command the Gulf Sub-Area Command in New Orleans, which controls the MSTS Offices at Port Arthur and Houston, Texas, and Mobile, Alabama; the Caribbean Sub-Area Command in the Canal Zone; and MSTS Offices at San Juan, Puerto Rico, Norfolk, Virginia, and St. John's, Newfoundland.

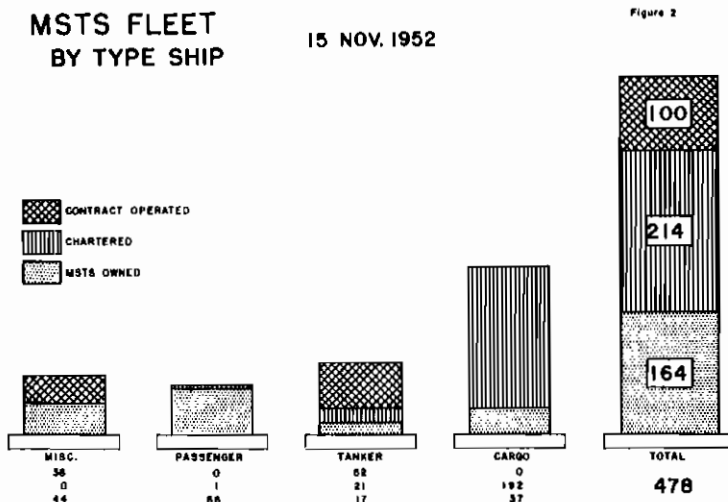
Finally, there is the Commander, Eastern Atlantic and Mediterranean Area, who has under his command an MSTS Office at Southampton and two Sub-Area Commanders: one is the Commander, Mediterranean Sub-Area, embracing the MSTS Offices at Naples, Trieste, Piraeus, and Casablanca; and the other, the Commander, Eastern Atlantic Sub-Area, at Heidelberg, Germany, who has under his command the MSTS Offices at Bremerhaven, Germany, and La Pallice-Bordeaux, France.

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Tanker operations are controlled directly by the MSTS Headquarters in Washington because of the peculiar world-wide nature of the employment of tankers and their constant shifting from one area to another. The Tanker Branch at Headquarters receives petroleum requirements directly from the Armed Services Petroleum Purchasing Agency in Washington.

There are 28,860 personnel in the MSTS organization. Of this number, 17,605, or 61%, are civil service. The total number of personnel afloat is 24,355. Nine thousand seven hundred forty-five are military and 14,610 are marine civil service personnel.

The MSTS fleet was initially composed of ships of the former Naval Transportation Service and vessels formerly assigned the Army Transportation Corps. The Naval Transportation Service ships comprised commissioned ships manned by Naval personnel and Navy-owned tankers operated under contract with commercial firms. The former ATC ships were manned by marine civil service personnel of the Army.



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Figure 2 shows the composition of vessels under MSTS control as of 15 November 1952. The dotted blocks indicate MSTS-owned ships which are manned by MSTS with either Navy or marine civil service personnel. These total 164. Twenty-seven of them are USS commissioned ships manned by Naval personnel. Another 137 are manned by marine civil service personnel—these ships are called United States Naval Ships (USNS).

The cross-hatched blocks indicate 62 tankers which are also owned by MSTS but which are manned with regular merchant marine personnel by the four commercial companies which operate the tankers under contract for MSTS. In addition, 38 Navy-owned LST's in the Far East come under this contract-operated category, being manned by Japanese personnel for MSTS. Inasmuch as the tankers and LST's are Navy-owned, they are also USNS ships. These, plus the 164 vessels already mentioned, give a total of 264 ships in the MSTS-owned fleet.

The remainder of the ships—a total of 214—are privately-operated chartered vessels. The number of these fluctuates almost daily in accordance with shipping requirements.

The three general types of ships owned by MSTS—Navy-manned, civil service-manned, and those operated under contract by the commercial industry—pose three different repair problems. The majority of the Navy and civil service-manned ships operate from regularly established home ports and, except for emergency repairs, all repair and overhaul work is accomplished in the ship's home port area—85% in dollar value by commercial ship repair yards and 15% in the maintenance and repair shops of MSTS. For work by commercial yards, MSTS employs a Master Ship Repair Contract, which is the basic document setting forth the technical

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and administrative conditions for the work to be accomplished. Competitive bidding is employed to the greatest extent practicable in contracting for work with private ship repair firms.

The action in Korea, which has given rise to many paradoxes born of the principle paradox—that of being at war without benefit of official pronouncement—has also inspired its paradoxes in the field of shipping. We have had since March of 1951 a National Shipping Authority with powers of requisition and allocation, yet its authority so far has been restricted to making available only the additional ships broken out of the National Defense Reserve Fleet. As a consequence, MSTS has, after fully utilizing its own ships first, made full use of ships provided by the privately-owned merchant marine before calling upon the National Shipping Authority for additional bottoms.

This jointly-agreed policy of the Department of Defense and Commerce to support the privately-owned merchant marine during the current emergency by limiting to the minimum the break-out of government ships has done much to minimize the criticism which industry directed toward MSTS in the early days of its organization.

This initial unfavorable attitude of the maritime industry toward MSTS was based on suspicion and fear. It looked to many as though the government, through MSTS, would so seriously infringe upon the legitimate sphere of private shipping enterprise as to constitute a very real threat to the merchant marine. The general trend of thought was that MSTS would continue to expand its own fleet to the point where government-owned ships would carry 100% of all military passengers and cargo. Consequently, a number of bills were introduced in Congress of 1950 to severely curtail,

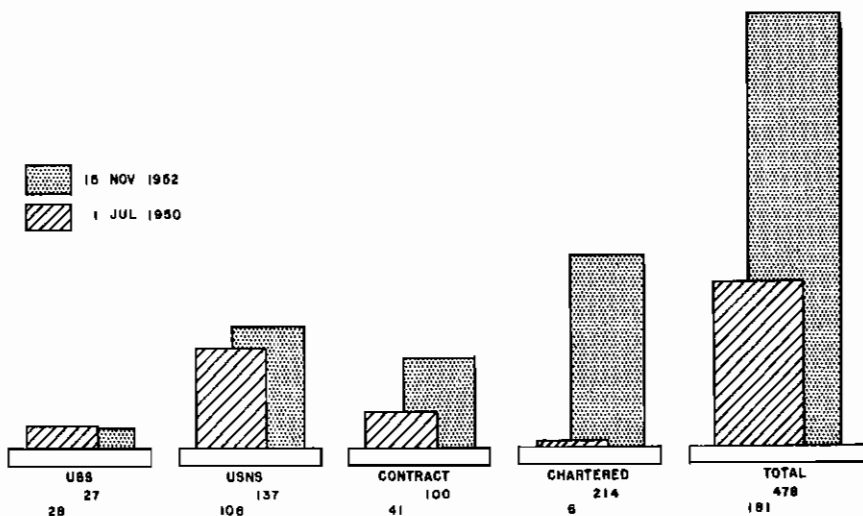
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or do away with altogether, MSTs operations. These bills were also supported by organized labor.

The outbreak of hostilities in Korea in June of 1950 supplied MSTs with an unparalleled opportunity to demonstrate that it was not a bureaucratic octopus. With the declaration of a limited emergency, it would have been quite simple for MSTs to have justified an immediate and large increase in its fleet. The fact that no such increase was made at a time when circumstances were so entirely propitious, convinced the private operators, as no other event could have convinced them, that their apprehensions were groundless or greatly exaggerated.

**MSTs FLEET
BY MANNING POLICY** 15 NOV. 1952

Figure 3

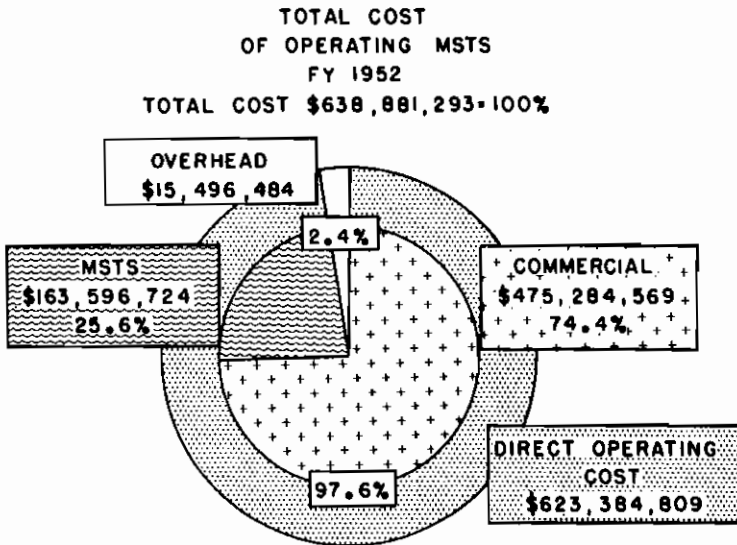


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As you can see on this chart, the increase in MSTs-owned ships since the start of hostilities in Korea has amounted to 89 ships. The bulk of these comprised tankers broken out of the Reserve Fleet because tankers were not, and have not, been available on the commercial market in sufficient number to meet commercial, as well as military, requirements. A large block is represented by the 38 Japanese-manned LST's, which came into custody of MSTs as one of the adjustments made necessary by the signing of the Peace Treaty with Japan in early 1952.

In contrast, the number of privately-chartered ships has risen from 6 to 214. This great increase demonstrates the extensive employment of the merchant marine by MSTs. Actually, 85% of military dry cargo requirements are met through commercial means arranged by MSTs.

Figure 4



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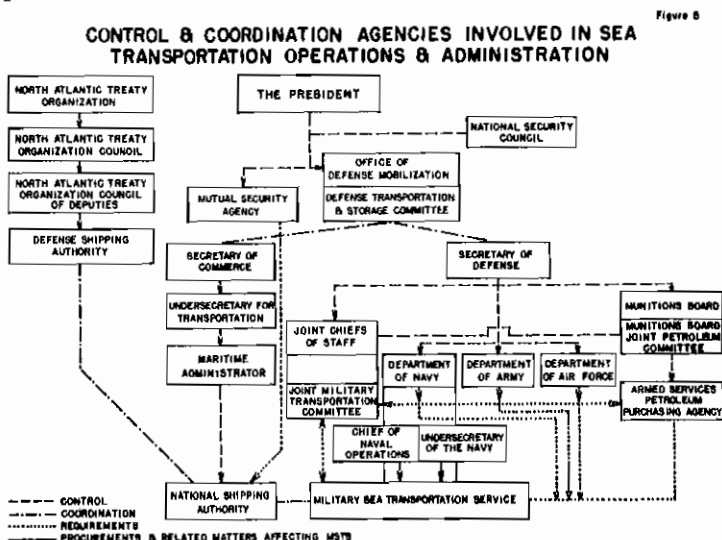
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The increase in military shipping since the start of the Korean campaign has had a prosperous effect on the American Merchant Marine. As can be seen on this chart, more than 475 million dollars, or 74.4% of the total MSTS operating budget for the calendar year 1952 was paid directly to commercial shipping interests. A large percentage of the remainder passed to business related to the support of the shipping industry through regular Navy procurement activities.

These figures also help to account for the industry's change of attitude toward MSTS since the earlier days of its existence.

With the foregoing necessarily brief description of the events leading up to the establishment of MSTS and of the MSTS organization itself, I should like next to outline to you the relationship which exists (or, in some cases, is expected to exist) among the various activities of government having an interest in ocean transportation.



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This rather formidable and complex-looking chart indicates agencies of government involved in the control and/or coordination of sea transportation. It is the actual organization system visualized and to some extent already in being for war purposes.

Let us confine our attention for the time being to the lettered blocks and flow lines of all agencies grouped under the Department of Defense. Within this complex, MSTS is properly shown as directly under the military command and control of the Chief of Naval Operations, and under the supervisory control of the Under Secretary insofar as procurement and related matters are concerned.

The flow lines from MSTS to the three Departments and the Armed Services Petroleum Purchasing Agency indicate the normal channels from which information on requirements comes to MSTS from those sources. The flow line to the JMTC is a two-way street—utilized only for informational purposes to JMTC when capabilities are in excess of requirements, but serving as a guide medium from JMTC as to priorities when capabilities are less than requirements.

While the usual flow of information on requirements stems directly from the three Departments and ASPA there are many occasions when advance information on transportation needs reaches MSTS, at least in broad terms, from the strategic plans of the JCS.

This enables advance planning for sea transportation to be initiated to some degree prior to receipt of the detailed requirements from the three Services after their logistic plans have been developed.

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Turning our attention now to the lettered blocks under the Secretary of Commerce you will note at the bottom thereof the National Shipping Authority. This agency was established by Executive Order of the President in March 1951. It is the counterpart of the War Shipping Administration of World War II days. Its purpose, short of all-out war, is to provide ships from the National Defense Reserve Fleet to meet the needs of the military services and other agencies of government which are over and above the capabilities of the privately-owned vessels of our merchant marine. In time of war the National Shipping Authority would not only carry out its present functions of making available idle ships of our laid-up fleets, but would also be responsible for requisitioning all privately-owned merchant ships and making them available for military purposes and for those other purposes immediately concerned with our war-making economy.

At the bottom of the lettered blocks of the NATO organization is the Defense Shipping Authority. This shipping organization as such is still in the planning stage, but sufficient study and discussion among NATO countries have taken place to warrant commitments, by all signatories, to the principle of pooling merchant vessels for the common good in the event of war. When and if this Defense Shipping Authority comes into being, the U. S. contact with that authority will be through the National Shipping Authority as indicated by the flow line of coordination.

Organizations, no matter how nicely diagrammed, can serve only as a means to an end—in this case, the safe movement overseas of men and materials required for the support of our Armed Forces. Somewhere in the course of this discussion if it has not already occurred to you, I know the question will arise as to the adequacy of our shipping to meet various wartime contingencies.

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A blanket answer to such a question is, of course, impossible. No one can foretell with any degree of accuracy what requirements war may generate in shipping any more than for any other type of transportation. The best we can hope to do is start with assumptions as to our courses of action and the required movement of personnel and material. These factors, when combined with known ship performance, give us some logical conclusions as to total ship requirements.

Any discussion of operating costs would not be complete without mention of the method of financial management employed by MSTs.

Prior to July 1, 1951, MSTs operations were financed through advances from the annual appropriations of the Army, Navy and Air Force. In carrying out its responsibilities, MSTs was subject to the fiscal limitations and reporting procedures imposed by the annual appropriations structure.

Commencing 1 July 1951, MSTs began operations under the Navy Industrial Fund. This is, in effect, a working capital fund consisting of \$100,000,000 allocated for this purpose by the Secretary of Defense. As a working capital fund, it finances all MSTs operating expenses and is subject to reimbursement through a billing procedure to the recipients of services rendered. The Navy Industrial Fund provides maximum latitude to the Commander in determining use to which funds are put and allows operating decisions to be based on practical necessity rather than fiscal requirements. At the same time, it permits accounting for and reporting financial results of operations to be patterned after the specific requirements of the organization involved rather than the over-all requirements of the Navy.

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In consonance with the above, MSTS follows generally accepted commercial practice insofar as this is compatible with the physical operations involved, and bills shipper services on the basis of ton and passenger miles of lift sponsored. From an economy standpoint, this type of financing instills a distinct cost consciousness at all supervisory levels within the MSTS organization and promotes unique incentive for maximum return for any given expenditure. Insofar as shipper services are concerned, it provides an effective means of controlling costs incurred for ocean transportation and of budgeting and accounting for such costs.

In general, the Navy Industrial Fund is a radical departure from the annual appropriation concept of government finance and represents a definite step towards promoting maximum efficiency in government operations.

It can readily be appreciated that in a situation where the Comptroller of the Department of Defense, the Comptrollers of the Army, Navy and Air Force, members and committees of the Congress, and the Bureau of the Budget are closely scrutinizing the costs involved, MSTS has more than the average inducement to operate both efficiently and economically.

We of MSTS have, from the very start, been keenly aware of what is commonly described as "cost consciousness". We have patterned our daily operations, insofar as it is within our own power to do so, to reflect this characteristic. However, there are certain factors which affect our operational efficiency and costs which MSTS cannot exert final control. These stem principally from the fact that MSTS is a carrier agency only and neither operates terminal facilities nor exercises any inland traffic management functions. MSTS seeks to influence the shipper services to the end

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that reforms be made in harmful or extravagant shipping practices. This is accomplished through direct financial penalties imposed on the responsible Service, through indirect penalty to all shippers in the form of increased tariffs due to costs incurred through wasteful practices, and, finally, through increased awareness of mutual problems resulting in the will to arrive at mutually satisfactory solutions. Some of these factors still undergoing improvement are:

1) The necessity for complete and timely information on future requirements of the shipper services. This is vital information for MSTS in planning shipping to meet the requirements, and cooperation is being achieved within the capabilities of the Armed Services to foresee and predict their needs.

2) The availability and positioning of cargo for loading. This is a matter for coordination with the view to achieving efficiency and economy in the over-all movement, not for the convenience or in order to save money for any one Service. Usually it is desirable that cargo be routed within the U. S. to permit the shortest sea haul to overseas destinations.

3) The adequacy and timeliness of information concerning port facilities, loading and unloading schedules and other arrangements effecting ship turnaround to overseas ports.

4) The retention of ships as floating warehouses in certain overseas ports under extraordinary circumstances or in order to permit selective discharge of cargo.

These factors affect to a greater or lesser degree our operations. It is understandable and acceptable that certain influences beyond the control of MSTS should be present in the form of vari-

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ables affecting our capabilities, and we also realize that the shipper services have their own problems to solve and what may appear a desirable solution to us may not look as attractive to them. A mutual understanding of each other's problems is developing progressively, resulting in a willingness to resolve them for the good of all and not for the false prestige of any Service, Corps or subordinate activity.

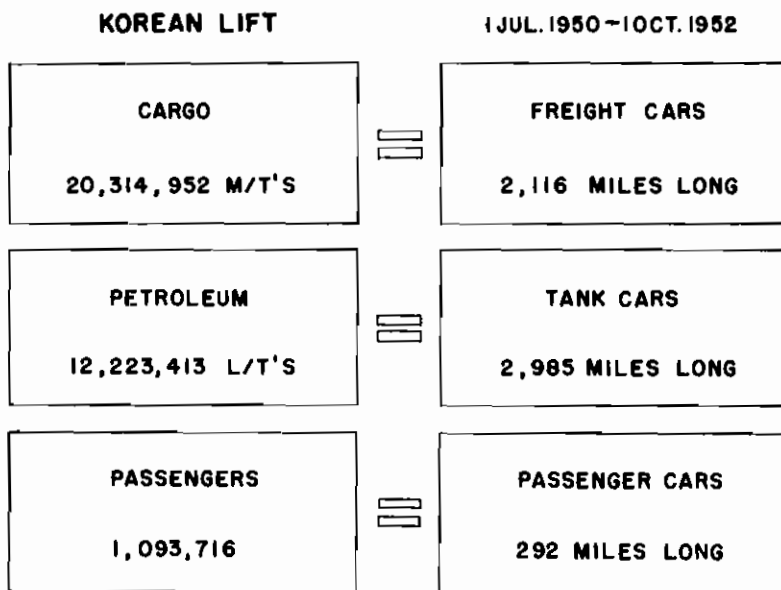
In all honesty, I must confess, however, that we of MSTS have occasionally been surprised to encounter, among the lower echelons of the Department of the Navy, a certain lack of appreciation of the MSTS mission as well as of the methods and techniques necessary to execute that mission. This has seemed to spring from the idea, "Why can't MSTS operate like the rest of the Navy?"

I hope I have been able to convey to you this morning, some of the reasons why it is impossible for MSTS to operate exactly as any other component of the Navy. Our Area Commanders must have control over shore-based establishments as well as over seagoing forces. Our ships must continually cross from one Theatre of operations to another. Our marine civil service personnel must receive at least comparable compensations, benefits and working considerations received by organized maritime labor, or we will be unable to hold them. We must be able to negotiate directly with the merchant marine industry and tailor our operations so as to provide maximum support of that industry consistent with military requirements.

The record shows that during its three years of existence, MSTS has, in the discharge of its mission, provided without interruption, troop cargo and POL lift to all parts of the globe in quantities unmatched since World War II.

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Figure 6

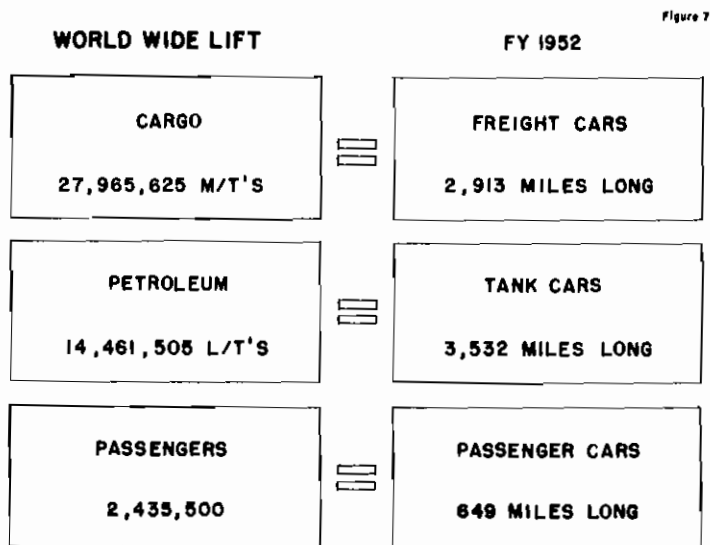


This chart shows the total MSTS lift to the Western Pacific Area since the start of hostilities. These figures represent only personnel and equipment carried to the Far East, and do not reflect almost equal quantities transported back and forth within the area itself. Altogether, MSTS has been responsible for the transportation of more than 90% of all personnel, supplies and equipment sent to Korea.

At the same time, MSTS has maintained its capacity to meet the transportation requirements of other Theatres. These requirements include, in addition to American troop and cargo lift, MDAP assistance to NATO countries, transportation of troops of nine UN member countries to Korea, and the sea lifting of hundreds of

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thousands of displaced persons from the European Area to Australia, Canada and the United States.



The lift figures you have just seen, illustrate, very strikingly, the scope of the task MSTS is performing. Although they do not, in themselves, provide an indication of the degree of operational efficiency attained, they do constitute measurable results. As far as efficiency and economy are concerned, we believe we have achieved these to a degree which should satisfy the most critical Congressional Committee. This is not to suggest that additional operating experience will not indicate further means of saving money, time and effort. Many of you in this audience will someday be able to contribute toward that goal. For it is only by furthering the current tendency to coordinate the efforts of the logistic planners and operational personnel of all Services with MSTS, that this nation can hope to possess the most effective, efficient and conomic system of ocean transportation in support of the Armed Forces.

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With each war in which our country has become engaged, the importance of logistics to the successful prosecution of war is becoming increasingly apparent to our national and military planners. The Armed Forces are paying more and more attention to this business of logistics. In your training you are learning that seapower can no longer be measured in combat strength alone. Sea power, in its correct perspective, include a strong merchant marine and those non-combatant naval vessels which form our supply line.

Three wars have revealed duplication in the ocean shipping services of the Armed Forces with its attendant waste of ships, money, and manpower. These three wars have also revealed a lack of whole-hearted understanding, coordination, and liaison between the Navy and the merchant marine. The analyses which followed each war revealed that these deficiencies could best be corrected by one centralized agency to furnish ocean transportation for all of the Armed Forces. The Military Sea Transportation Service, then, is not a hastily conceived product of unification. Its need has existed for over fifty years.

Although MSTS is only three years old, its name is becoming slowly but firmly established in the Naval Service. With increasing frequency naval personnel are becoming familiar with us, although the civilian aspects of our job still mystify them a bit. With the education of such officers as yourselves in the mechanics of MSTS, a still greater appreciation will result from within the Navy. It is my hope that some day you will have the privilege of serving in or with MSTS. I assure you that it will be one of the most satisfying experiences of your career.