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AN INQUIRY CONCERNING "A FOURTH SERVICE OF SUPPLY."

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ABSTRACT

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This research inquiry concludes that the "Fourth Service of Supply" is practically here today--not as a separate military department but as an agency under the Secretary of Defense with civilian control and staffed by military personnel of the three military departments. This agency is the Armed Forces Supply Support Center and Council which, if a 1961 report is approved, is considered to be the core of a hybrid "Fourth Service."

The inquiry discussed broadly the many ideas and proposals that have been associated with a "Fourth Service of Supply," with emphasis on what has transpired in the last two decades. The political pressures for a single agency managing supplies and services are examined with important milestones chronicled. Particular stress is placed on proposals by the Congress and the Hoover Commission of 1955 for a single agency managing military materiel.

The Department of Defense Materiel Management Improvement Programs are succinctly described. They consist primarily of the single-managerships and represent DoD's counter-arguments against a "Fourth Service." The success of these programs, however, have not stifled Congressional pressures for a single, centralized supply agency.

The inquiry discusses pros and cons relative to a "Fourth Service" and strongly indicates that it, "literally or figuratively, is the Congressional goal.

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INTRODUCTION

A spectre hovering in the background of discussions pertaining to the organization and management of the armed forces has been the concept labelled, "A Fourth Service of Supply." The concept received emphasis during Congressional hearings on unification in 1944 and subsequently in the Hoover Commission Report of 1955. Even today strong recommendations are emanating from Congressional committees for the centralization of supply and service functions in an agency of the "Fourth Service" type.

To understand better the "Fourth Service" concept and to document salient features of the varied ideas that have been proposed and opposed is the purpose of this inquiry. While proponents of a centralized agency have been vociferous, the Department of Defense has been successful in preventing the establishment of a fourth military department to administer supplies and services. In this inquiry, however, the many meanings of the "Fourth Service" label are explored along with the pros and cons expressed by the Congress and the Defense Department.

The author has leaned heavily on Congressional reports in gathering research material. While standards for efficiency, economy, and effectiveness are not delineated in these reports, Congress has been quick to find fault with military supply functions. It seems apparent that Congress believes that economy, efficiency, and effectiveness will be substantially improved if supply and service functions are combined.

The writing of this inquiry has been stimulating and educational for the author. It is hoped that the inquiry will be of benefit to readers in better appreciating and understanding this very provocative military managerial concept.

CHAPTER I

GENERAL CONSIDERATIONS

During the last two decades particularly, a mass of written data has been generated by military writers, Congressional leaders, and business and professional research analysts on the proper management of the military supplies and services which constitute the logistical system supporting the armed forces. Much of this emphasis in military supply management stems from the many studies resulting from supply actions of World War II and further from the growing realization by the Congress, the armed forces, and the people that military logistics is costly and important. The unification discussions throughout the land during these last two decades have seen passage of the National Security Act of 1947 with subsequent amendments. The Department of Defense has been established and a trend of centralization within that department in military supply management has been noted and well documented.

One of the prime general considerations in a research paper concerning military supply management, or as in this case "A Fourth Service of Supply" in particular, is the fact that no single, sensibly brief report can be written encompassing all facets of the subject. Consequently, parameters must be drawn to restrict the area to be studied in order to present a realistic document that is worthwhile to both the author and the reader. Rather than stress this subject in intimate, professional detail with emphasis on a single proposal in this area, this research paper will present and discuss important milestones in a broad and studied fashion concerning "A Fourth Service of Supply." In this respect, the boundaries of this discussion will not be considered in a narrow, restricted sense with emphasis merely on a fourth military department per

se but will consider the "Fourth Service" concept as it relates to the centralization of supply management within the Department of Defense.

The Trend Towards Centralization

From a managerial standpoint, many arguments have been presented concerning the centralization versus decentralization organizational alignment. The materiel bureaucracies within the Department of Defense are following a pattern of centralization long established in this country within the federal government. In this respect, Stahl points out that "the long-time trend towards centralization. . .in the period since the Civil War, has operated to increase the power and enhance the significance of the bureaucracy."[1] This is similarly true in the last two decades in the military organization for power and prestige in military supply management has migrated from the individual services to the Department of Defense.

This trend towards centralization in this area has been well manifested by the growing importance within the Department of Defense of the role and function of the Assistant Secretary of Defense (Installations and Logistics). While policy control and direction of the military supply systems prior to and during World War II were lodged in the individual military services, such policy control and direction has become concentrated in this Assistant Secretary's Office. In addition, as will be shown in this paper, actions are being taken almost daily to enhance and strengthen his position in inspiring more integrated military materiel management with centralization a concomitant result.

Let's look at some of the more important milestones which have

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[1] O. Glenn Stahl, Public Personnel Administration (fourth edition; New York: Harpers and Brothers, 1956), p. 12.

resulted in significant integration of materiel management in the armed forces. The following is a list from a 1961 defense report:

> Progress towards integrated management, while necessarily evolutionary, is continuing and has been marked by certain important milestones. Chief among these are:
>
> The National Security Act of 1947, Public Law 253.
> The Armed Services Procurement Act of 1947, Public Law 413.
> The Single Department Procurement Program of 1947.
> The Plant Cognizance Program of 1947.
> The First Hoover Commission, 1949.
> The National Security Act Amendments of 1949, Public Law 216.
> The Federal Property and Administrative Services Act of 1949, Public Law 152.
> DoD Excess Property Screening Program of 1949.
> The Budgetary and Accounting Act of 1950, Public Law 784.
> The Munitions Board Study Projects of 1951.
> The Defense Cataloging and Standardization Act of 1952, Public Law 536.
> The O'Mahoney Amendment of 1952, Public Law 488.
> The Rockefeller Report of 1953 - DoD Reorganization Plan No. 6.
> Basic Regulations for Military Supply Systems (DoD Directive 4000.8) of 1954.
> The Second Hoover Commission Report, 1955.
> The Single Manager Plan of 1956.
> Establishment of Four Commodity Single Managers for Food, Clothing, Medical, Petroleum, 1956.
> The Interservice Supply Support Program of 1956.
> The DoD Logistics Systems Study Projects of 1957-1958.
> The Department of Defense Reorganization Act of 1958, with McCormack-Curtis Amendment.
> Establishment of the Armed Forces Supply Support Center, 1958.
> The Commodity Single Manager Evaluation Study of 1959.
> Establishment of General Supplies and Industrial Supplies Single Managers, 1959.
> Defense Materiel Management Program of 1960.
> Establishment of Construction Supplies and Automotive Supplies Single Managers, 1960.[1]

The growing centralized importance of the Department of Defense in military supply management cannot be ignored. This centralized importance is well illustrated by the newest Department of Defense Directive

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[1]Armed Forces Supply Support Center, "Report on Management of Electrical/Electronics Materiel," Volume I, Conclusions, Recommendations, and Impact, February, 1961, pp. 179-180. (Multilithed.)

concerning the Assistant Secretary of Defense (Installations and Logistics) which was signed 30 January 1961 by Secretary of Defense Robert S. McNamara. The responsibilities section of this directive delineate the very broad functional interests of this Assistant Secretary. They are:

> The Assistant Secretary of Defense (Installations and Logistics) is the principal staff assistant to the Secretary of Defense in the following functional fields:
>
> 1. Materiel requirements.
> 2. Production planning and scheduling.
> 3. Acquisition, inventory management, storage, maintenance, distribution, movement and disposal of materiel, supplies, tools and equipment.
> 4. Small business matters.
> 5. Transportation, telecommunications, petroleum and other logistical services.
> 6. Supply cataloging, standardization and quality control.
> 7. Commercial and industrial activities and facilities including fixed industrial equipment.
> 8. Military construction including Reserve Forces Facilities.
> 9. Family housing.
> 10. Real estate and real property including general purpose space.
> 11. Vulnerability of resources to attack damage.[1]

Significant functions which have been assigned to this Assistant Secretary include, among others, the following which set the stage for further centralized control in the current evolutionary process wherein is sought more efficient, effective, and economical supply management:

> 2. Develop systems and standards for the administration and management of approved plans and programs.
>
> 5. Recommend appropriate steps (including the transfer, reassignment, abolition and consolidation of functions) which will provide in the Department of Defense for more effective, efficient, and economical administr tion and operation, will eliminate un-

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[1]"Department of Defense Directive 5126.22 of 30 January 1961," in Armed Forces Supply Support Center, "Report on Management of Electrical/Electronics Materiel," Volume I, Conclusions, Recommendations, and Impact, February, 1961, pp. 149-150. (Multilithed.)

necessary duplication, or will contribute to improved military preparedness.[1]

The Magnitude of Supply Management

The Congress has long exhibited concern in the costs of the military establishment and in the costs of its supply support. This is emphasized thusly in a major Congressional report in 1957:

> Of all its constitutional responsibilities, it is doubtful if the Congress regards any as more important than its power "to. . .provide for the common Defence." The cost of current efforts to maintain our national security is approximately 10 percent of our gross national product and amounts to nearly five-eights of the total of the national budget. Under such circumstances, the deep concern which the Congress feels in this matter is readily understandable.[2]

While in 1957 military costs consumed approximately 10 percent of our gross national product, a 1960 Congressional report stresses that such spending is a significant determinant in the functioning of the economy. In describing the magnitude of the defense organization, this 1960 report stated:

> In the period just prior to the Korean conflict, defense needs were a relatively smaller element than at present in the economy, amounting to $13 billion in fiscal year 1950, or about 5 percent of the gross national product. Since then military requirements have absorbed at least double the proportion of the Nation's product. The current rate of major national security expenditures is $45.7 billion and accounts for 58 percent of Government's entire budget expenditures.
>
> This spending consumes more than 9 percent of our gross national product and is a significant determinant in the functioning of the economy. From 1950 to 1959 while the Nation's volume

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[1]"Department of Defense Directive 5126.22 of 30 January 1961," in Armed Forces Supply Support Center, "Report on Management of Electrical/Electronics Materiel," Volume I, Conclusions, Recommendations, and Impact, February, 1961, p. 150.

[2]United States Congress, United States Defense Policies Since World War II, House Document No. 100, 85th Congress, 1st Session (Washington: Government Printing Office, 1957), p. vii.

of business expanded 76.5 percent, Department of Defense expenditures expanded 246.2 percent.[1]

Specifically, "the Department of Defense (DoD) employes 3.6 million military and civilian persons and has real and personal property of $150 billion on the basis of cost. Personal property alone is valued at $118 billion and is made up of 3.4 million items."[2] For each of the four military services, the total number of military and civilian supply personnel working in the Continental United States on the total supply effort was 161,100 in 1957 of which some 52 percent were engaged in activities related to common items of materiel.[3]

The Congressional interests in the military supply programs have resulted in many criticisms of the manner in which the armed forces manage the logistics function. Some 90 different categories of criticisms and complaints relative to deficiencies in common supply within the military departments were made by members of Congress over the period 1955-1957. These complaints were included under such broad captions as (1) planning and requirements, (2) procurement, (3) production, (4) supply management, (5) distribution, (6) personnel, and (7) other areas which included some 23 miscellaneous categories.[4]

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Background Material on Economic Aspects of Military Procurement and Supply, 86th Congress, 2d Session (Washington: Government Printing Office, 16 February 1960), p. 3.

[2]Ibid.

[3]Department of Defense, "The Evaluation of Concepts for the Integration of the Military Supply Systems," Volume 1, Team 4, DoD Logistics Systems Study Project, 12 December 1957, p. 16. (Multilithed.)

[4]Department of Defense, "The Evaluation of Concepts for the Integration of the Military Supply Systems," Appendix I, Team 4, DoD Logistics Systems Study Project, 12 December 1957, pp. 10-14. (Multilithed.)

It is further significant relative to this Congressional general consideration that in 1960 and 1961 the following major committees of the United States Congress have made, or are making, an investigation and review of military supply management, much of which originated from the constant flow of criticisms of this area in the Washington environment:

> Committee on Government Operations, Military Operations SubCommittee, House of Representatives, United States Congress.[1]
>
> Joint Economic Committee, SubCommittee on Defense Procurement, United States Congress.[2]
>
> Select Committee on Small Business, Senate, United States Congress.[3]
>
> Committee on Armed Services, House of Representatives, United States Congress.[4]

With these considerations in mind, the "Fourth Service of Supply" concept in its very broadest connotation will be explored in subsequent chapters of this research document. Herein let the reader consider the

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[1]United States Congress, House of Representatives, Committee on Government Operations, Military Supply Management (Progress in Single Manager Agencies), nineteenth report by committee, 86th Congress 1st Session (Washington: Government Printing Office, 1960).

[2]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects on Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960).

[3]United States Congress, Senate, Select Committee on Small Business, Case Study in Subcontracting by Weapon-System Contractor, report of committee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960).

[4]United States Congress, House of Representatives, House Resolution 78, 87th Congress, 1st Session, authorizing the Committee on Armed Services to conduct a full and complete investigation and study of personnel of such Department, and scientific research in support of the armed services, considered and agreed to 9 February 1961 (Washington: Government Printing Office, 1961).

"Fourth Service of Supply" as a symbol synonomous with centralization and with this device the position of this managerial concept for military logistics will be laid out on these typewritten pages.

CHAPTER II

THE "FOURTH SERVICE"--WHAT IS IT?

A "rose is a rose is a rose is a rose"[1] and "that which we call a rose by any other name would smell as sweet."[2] Perhaps, the "Fourth Service" concept can be considered in this same light for definitively speaking it means all things to all people and is probably one of the more widely expressed yet grossly misunderstood concepts used in the military today. As indicated in the previous chapter, the "Fourth Service" concept does not necessarily have to pertain specifically to a separate military department or agency with a separate uniformed or civilian staff but can be used broadly, as in this paper, to encompass all facets of supply administration under the direct centralized control of the Department of Defense.

The "Fourth Service" Alternatives

The variations of the "Fourth Service" concept are multitudinous and can be well illustrated by broad descriptive patterns which stress alternatives that can be combined to cover practically all of the ideas which have been proposed and discussed. The data in this section has been gleaned from conversations with Rear Admiral Henry E. Eccles, U. S. Navy, Retired, and many other individuals who have given considerable thought to this area. Here are the definitive alternatives:

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[1] Gertrude Stein, "Sacred Emily," in John Bartlett, Familiar Quotations, edited by Christopher Morley (Boston: Little, Brown and Company, 1948), p. 863.

[2] William Shakespeare, Romeo and Juliet, Act II, Scene 2, Line 43, in John Bartlett, Familiar Quotations, edited by Christopher Morley (Boston: Little, Brown and Company, 1948), p. 78.

Alternatives A.

The "Fourth Service of Supply"--a single, fully integrated service of supply which provides:

1. Complete logistic support to all branches of the armed forces at all levels, OR

2. Complete supply support down to the major depot level, OR

3. Complete procurement of all supply, OR

4. Complete procurement of all common use items of supply.

Alternatives B.

The "Fourth Service of Supply" would be staffed and operated by:

1. Military personnel, OR

2. Civilian personnel, OR

3. Civilian personnel at producer level and military at operational or consumer level, OR

4. Civilian and military personnel at producer level and military at operational or consumer level.

Alternatives C.

The "Fourth Service of Supply" would function under:

1. A fully merged or consolidated Department of Defense, OR

2. A Department of Defense with an Army, Navy, and Air Force generally similar to the present military organization, OR

3. A governmental department, administration, or agency other than the Department of Defense.

Alternatives D.

The "Fourth Service of Supply" would be:

1. A separate and distinct military department under the Secretary of Defense, OR

2. A centralized supply agency under the Department of

Defense--a hybrid "Fourth Service" with personnel drawn from present military departments but nonetheless beyond their direct control.

The permutations offered by the varying combinations of these alternatives have offered proponents of a more economical, efficient, and effective supply program for the armed forces a literal field day in the area of organization conjecture. Many of the combinations have been given serious consideration as will be shown subsequently in this paper.

The Supply Items for "Fourth Service" Control.

Throughout the history of the discussions over the extent to which there should be a merging of the military systems, there has been confusion as to the items and functions which constitute common supply.[1] It is in the common supply area where it has been considered by proponents of a "Fourth Service," or centralized direction and control of supplies and services, wherein economies and efficiencies can be achieved.

The meaning and magnitude of this common supply area was emphasized in a 1958 defense study project. This study pointed out:

> Of the 3.3 million items which have been identified under the Federal Catalog System, the number which can be included within the term "common supply" vary from 14 to 52 percent. A recent analysis of the catalog on an item-by-item basis reveals that only 14 percent (447,500 stock numbers) are actually identical in two or more services.[2]

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[1] "Excerpts from Integrating the Management of Commercial and Common Items of Supply," Summary of Survey Team Reports on Phase 1 Studies and Group Recommendations Thereon for Consideration of The Policy Board, Appendix D, Logistics Systems Study Project (Documents), 1 February 1958, in United States Congress, House of Representatives, Committee on Government Operations, Military Operations SubCommittee, Military Supply Management (Single Manager Agencies), hearings before SubCommittee, 86th Congress, 1st Session 25-26 May 1959 (Washington: Government Printing Office, 1959), p. 524.

[2] Ibid.

In 1957 a Department of Defense study divided military materiel into three major categories: commercial (off-the-shelf) items,[1] non-commercial common items,[2] and items peculiar[3] to each of the four military services. This study revealed that the total of these three categories in the wholesale stocks of services totalled $36,423 million in the Continental United States and overseas. A further indication of the magnitude of this area is borne out by the following:

> 4. The magnitude of materiel in the commercial and in the all-common categories which is required by troops fighting overseas in wartime is seldom appreciated. This can be illustrated by an analysis of the materiel procured and that shipped overseas during World War II.
>
> a. It is estimated that during the calendar year 1943 the Army procured for itself, the Army Air Force and the Marines approximately $20.1 billion (1943 dollars) worth of materiel common to two or more services - 87 percent of its total procurement (deliveries) in that year. Approximately $6.3 billion of this, or 27 percent was of the "commercial" type as defined herein.
>
> b. During calendar year 1943 approximately 27 million measurement tons of "Army" cargo was shipped overseas, and during 1944 this rose to approximately 48 million measurement tons. It is estimated that 90 percent of all "Army" cargo was shipped to the European theatre during World War II was within the "common"

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[1]Department of Defense, "The Evaluation of Concepts for the Integration of the Military Supply Systems," Volume 1, Team 4, DoD Logistics Systems Study Project, 12 December 1957, p. 10. (Multilithed.) Commercial (off-the-shelf) items are defined as "those items required by the military services, which are generally used throughout the civilian economy and available through normal commercial distribution channels (frequently referred to as 'off-the-shelf' items)."

[2]Ibid. Non-commercial common items are defined as "those items of materiel used by two or more military services, which are not 'commercial' as defined above."

[3]Ibid. Peculiar items of materiel are defined as "those items peculiar to one military service, except for items of similar manufacture or fabrication which may vary between services as to final color or shape (such as vehicles or clothing)."

category and 74 percent of the total was "commercial" type.[1]

Using the broader definitions of what constitutes "common supply," the 14 percent commonality in two or more services is increased. The following is germane:

> The Hoover Commission used the term "commercial type" items. If this term is defined to include items generally used throughout the civilian economy and available through normal distribution channels, it is found that 20 percent, rather than 14 percent, of the items may be eligible for integrated management.[2]
>
> A still broader definition can be chosen to cover 52 percent of the items by including all those of similar manufacture or fabrication, both commercial and military in character, which differ among the services in respects such as color, finish, markings etc. Under this definition, some combat items would be included which past studies have not recommended for integrated management.[3]

In its report to the Congress recommending establishment of a separate civilian-managed agency to administer common supply and service activities, the Hoover Commission in 1955 has this to say about a criteria for selecting common supply items and service for transfer to a separate agency:

> Materiel procured by the military departments is divided into two broad classifications:

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[1]Department of Defense, "The Evaluation of Concepts for the Integration of the Military Supply Systems," Volume 1, Team 4, DoD Logistics Systems Study Project, 12 December 1957, p. 12. (Multilithed.)

[2]"Excerpts from Integrating the Management of Commercial and Common Items of Supply," Summary of Survey Team Reports on Phase 1 Studies and Steering Group Recommendations Thereon for Consideration of the Policy Board, Appendix D, Logistics Systems Study Project (Documents), 1 February 1958, in United States Congress, House of Representatives, Committee on Government Operations, Military Operations SubCommittee, Military Supply Management (Single Manager Agencies), hearings before subcommittee, 86th Congress, 1st Session, 25-26 May 1959 (Washington: Government Printing Office, 1959), p. 524.

[3]Ibid., p. 527.

Military hard goods which comprise the weapons of war: aircraft, ships, tanks, guns, ammunition, spares, components and other military-type items. Expenditures for this classification of items in the fiscal year 1955 are estimated to be $12,500,000,000 or more than 75 percent of total DoD procurement expenditures.

Commercial-type items commonly used among the departments and readily found in the civilian economy. Examples are food, clothing, medical and dental supplies, fuels and lubricants, hardware, household-and-office-type supplies and equipment, commercial automobiles, and vehicular spare parts. Expenditures for this classification of items in the fiscal year 1955 are estimated at $4,000,000,000.

A separate agency would be expected to assume supply responsibilities for commercial-type items and services.[1]

In regard to the above discussion, it is interesting to note that the selection of items for centralized management in the single managers today in 1961 is still causing the armed forces difficulties. The job of segregating and segmenting the item inventory is a continuing one and will be so for a long time in the future. The Report on Management of Electrical/Electronics Materiel of February, 1961, emphasizes this fact in its discussion of the 1,500,000 items projected to be under centralized, merged, or single-manager-type system of inventory control.

To achieve integrated management for these 1,500,000 items during the next three years, approximately 1,900,000 items in 242 Federal Supply Classes will have been individually analyzed by the military services and responsibility for their logistic support determined and implemented. Thus, the scope of integrated management will expand fifteen-fold from the present range of less than 100,000 items to 1,500,000 items.[2]

The Functions Involved

Just as the basic concepts and items for centralized control have

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[1] Commission on Organization of the Executive Branch of the Government, Business Organization of the Department of Defense, A Report to the Congress (Washington: Government Printing Office, June, 1955), pp.45-46.

[2] Armed Forces Supply Support Center, "Report on Management of Electrical/Electronics Materiel," Volume I, Conclusions, Recommendations, and Impact, February, 1961, p. 182. (Multilithed.)

been the subject for much written discussion and controversy over which should constitute, broadly speaking, a "Fourth Service of Supply," likewise have there been confusion, misunderstandings, and changes in concepts by interested groups in the functions which such an organization should administer. This lack of agreement relative to functions that are susceptible to integration or central direction was indicated to the Congress in 1959. In this regard, a report stated:

> . . .the supply cycle, starting with the statement of the gross requirement by the military planning authorities, through the successive steps of determining the net requirement to procure (based on subtracting the assets from the gross requirement), making the contract with industry, positioning the materiel in storage depots, and finally distributing the materiel to the user. Historically, the easiest of these functions to integrate has been that of contracting. The single manager arrangement includes the entire supply control function (net requirements computation and distribution direction). However, the planning of gross requirements, depot administration, and the custody and use of assets at consumer level have not been considered as responsibilities which can be separated from the management of the individual military services.[1]

In addition to supply functions considered for a centrally administered agency by proponents of a "Fourth Service," many proposals have included administration of common services such as general and specialized hospitals. While the Second Hoover Commission made a strong proposal in the services functional area, it did not precisely define what it meant. In this respect, the Commission wrote in 1955 concerning its recommended central agency to administer supplies and services:

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[1]"Excerpts from Integrating the Management of Commercial and Common Items of Supply," Summary of Survey Team Reports on Phase 1 Studies and Steering Group Recommendations Thereon for Consideration of the Policy Board, Appendix D, Logistics Systems Study Project (Documents), 1 February 1958, in United States Congress, House of Representatives, Committee on Government Operations, Military Operations SubCommittee, Military Supply Management (Single Manager Agencies), hearings before SubCommittee, 86th Congress, 1st Session, 25-26 May 1959 (Washington: Government Printing Office, 1959), p. 527.

It is important that well-defined guides be established which will prevent the separate agency from performing any but service functions or assuming responsibilities which would impair the carrying out of each department's combat mission. In fact, it would be desirable for Congress to specify criteria which will preserve the service and supporting role visualized by the committee. The committee, therefore, recommends:

Recommendation No. 9. The legislation establishing the separate supply and service agency should specify criteria which will assure a strict supporting role for the agency.

The following four criteria are recommended:

(a) Requirements always must flow from the military departments under policies established and reviews conducted by the Office of the Secretary of Defense. For example, requirements for food stem basically from (1) the number of people to be fed, (2) the deployment of these people, and (3) the standard of feeding. None of these determinations should be made by the service agency, but by the individual departments in accordance with policies of the Secretary of Defense.

(b) Specifications for technical items also must flow from the customers to the service agency. For example, professional medical personnel should decide upon specifications for medical supplies and equipment under Office of Secretary of Defense policy.

(c) A buyer-seller relationship should be established. Each buyer department should continue to request and justify the funds required for its total needs so that it actually buys supplies and services from the separate agency, which should be financed through a stock fund.

(d) The commodities and services placed in a separate agency should be of a commercial-type commonly used in the civilian economy.[1]

The data noted above in the excerpts from the Second Hoover Commission are included herein to illustrate the difficulties to define the "Fourth Service of Supply" concept in any significant detail. The alternatives indicated in the first part of this chapter have many combinations, many of which have been intensely studied by the armed forces.

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[1]Commission on Organization of the Executive Branch of the Government, Business Organization of the Department of Defense, A Report to Congress (Washington: Government Printing Office, June, 1955), pp. 46-47.

The area of item control for central management is even today being intensely reviewed by the Department of Defense and will be a continuing managerial problem for defense decision-makers. In the functional area, many differences of opinion exist, however, as with most proposals of this nature, the concept is more emphasized than are the details and opponents have developed elaborate simulations to contradict the benefits promised.

While the "Fourth Service" as a separate military department may not be near establishment, its possibility exists as a spectre hovering over all supply and services arrangements in the Department of Defense today. The proponents for and the arguments against will be stressed in the next two chapters of this report.

CHAPTER III

THE POLITICAL PRESSURES FOR

The political interests in more economical and efficient supply management long predate the great concern manifested in the unification of the armed forces after World War II. "Though supply activities comprise the largest part of the defense budget and offer the largest possible single activity where economy and efficiency and effectiveness may be achieved, there are many service activities which are overlapping and duplicative," so expressed a Congressional Committee in 1960[1] and in so doing made repetitious Congressional criticism that ranges back to World War I and beyond. Because of this and other criticism, there has evolved political pressure from the Congress, from private groups, and at times from within the armed forces themselves for a central, consolidated agency which would more economically, more efficiently, and more effectively provide supply support and common services to the military organization. The "Fourth Service of Supply" as a concept for centralized direction of this area is not a new one.

> The antecedents of the current proposal that there should be a Fourth Service of Supply extend through at least the past 35 years.
>
> During the quarter century between the passage of the National Defense Act of 1920 and that of the National Security Act of 1947, some 60 Congressional committees held hearings and consequently proposed legislation purporting to consolidate either the armed services themselves or one or more of their logistical functions. Featured in almost every one of

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 77.

these proposed bills was the consolidation of the military procurement function.[1]

Early Pressures for A Ministry of Supply/Munitions

A 1955 Army report points out that "as far back as World War I, the proposal for a single 'Ministry of Supply' has been successively studied and successively rejected. Mr. Baruch was urged to create a centralized procurement agency for military supplies in World War I.[2] Adherents of centralized supply control have long exerted pressure for a consolidated effort in this area and herein their thoughts will be pursued.

Interest in a "Fourth Service," or a ministry of munitions as it was then called, manifested itself prominently on the Congressional scene at the beginning of World War II. An important 1945 report had this to say about this early consideration:

> Shortly after the attack on Pearl Harbor and the declaration of war on Japan and Germany, plans for a "Ministry of Munitions" to be charged with procurement for all of the war agencies were seriously considered. The Tolan Committee on Migratory Labor, of the House of Representatives, in December 1941 and in 1942 sponsored legislation for the creation of a single civilian agency to control all civilian and war production: the Senate Educational Committee in 1942 held hearings, and reported favorably, upon a similar proposal.
>
> This matter continued to agitate the Congress in early 1943. The Kilgore bill (S. 607, 78th Congress), largely based on the earlier bills (H. R. 7742 and S. 2871, 77th Congress), was discussed at some length upon the Senate floor and by several committees. The Kilgore bill proposed an Office of War Mobilization and as a part thereof an Office of Production and Supply, with

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[1]Frank A. Osmanski, Colonel, "A Fourth Service of Supply?" Military Review, U. S. Army Command and General Staff College, Fort Leavenworth, Kansas, June, 1958, p. 12.

[2]Department of the Army, Office of the Deputy Chief of Staff for Logistics, "The Fourth Service of Supply and Alternatives," 26 September 1955, p. 31. (Multilithed.)

complete authority over war procurement. The War and Navy Departments opposed this measure as fundamentally unsound in that it removed from the responsible military leaders control of procurement of the weapons and munitions to wage war. The bill was discarded upon establishment of the Office of War Mobilization by Executive Order No. 9347, but reverberations of the concept of a Ministry of Supply were heard thereafter from time to time on the floors of the Congress.[1]

Woodrum Committee Hearings

The next milestone in the pressures for a "Fourth Service of Supply" came in 1944 during the Woodrum committee hearings. While the hearings were basically concerned with post-war military policy and the proposal to establish a single department of armed forces, considerable discussion was devoted to establishment of a separate supply organization. Lieutenant General Joseph T. McNarney, Deputy Chief of Staff, United States Army, had this to say:

> I would add to the three armed services which are united in this single department, a fourth element, directly under the Secretary for the Armed Forces, which would consist of the common supply services that can be combined and which could render supply services which are not peculiar to any one service.[2]

In support of a director of common supplies and services, General Brehon B. Somervell, Commanding General of the Army Service Forces, before the Woodrum Committee had this to say:

> We cannot have an efficient, streamlined, economical organization of a single department of war if each of the three major combat commands within that department, air, ground, and sea, set up their own self-contained systems for administration, service,

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), pp. 109-110.

[2]United States Congress, House of Representatives, Select Committee on Post-War Policy, Proposal to Establish a Single Department of Armed Forces, hearings before (Woodrum) committee, 78th Congress, 2d Session, Part I (Washington: Government Printing Office, 1944), p. 34.

and supply. Such an approach, in practical application, would only mean the drawing together of three separate departments under a superdepartmental secretary. We would still have three supply officers buying and distributing shoes; . . . The real integration would come about through the establishment of a common service force within a single department of war which would supply and service the three combatant forces on equal terms. This would result in one purchasing agent for shoes, and one system of distributing and issuing those shoes.[1]

Hoover Commission Reports of 1949

Another significant milestone in the pressures for more efficient, effective, and economical operations of the military supply function was the Hoover Commission reports of 1949. While the National Security Act of 1947 resulted in the Munitions Board being made the central coordinating agency for supply policies in the National Military Establishment, the 1949 Hoover Commission recommended that "its charter be further expanded to cover all phases of supply."[2] More specifically, the Commission pointed the way for a Department of Supply to evolve out of the Munitions Board by writing the following:

> We recommend that the powers and functions of the Munitions Board be more clearly defined, in language which is unmistakable. To insure that result, we suggest that the National Security Act of 1947 be amended to empower the Secretary of Defense to delegate to the Munitions Board the necessary broad authority, not only to coordinate, but also to integrate the organizations and procedures for the various phases of supply in the constituent departments of the National Military Establishment. It should also be authorized to recommend a workable plan for the consolidation of the Marine Corps supply system with that of the Navy; to integrate the supply operations and organization of the Coast Guard with the Navy; and to suggest, at the proper time and after supply assign-

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[1]United States Congress, House of Representatives, Select Committee on Post-War Policy, Proposal to Establish a Single Department of Armed Forces, hearings before (Woodrum) committee, 78th Congress, 2d Session, Part 1 (Washington: Government Printing Office, 1944), p. 98.

[2]Commission on Organization of the Executive Branch of the Government, Task Force Report on The Federal Supply System, Appendix B (Washington: Government Printing Office, January, 1949), p. 27.

ments have eliminated current duplication and overlapping, a Department of Supply for the military services, comparable in function to the Central Supply Organization now recommended for the civilian agencies.[1]

The thinking of this First Hoover Commission in reducing duplications and overlappings in the materiel function within government agencies is summarized below in the Commission's language. This pertains to its recommendation for the establishment of a Central Supply Organization in the Executive Office of the President.

> We are convinced by our study and investigation, that the supply problem of the Government is too vast and diversified for centralization in operations. We also are convinced that the supply problems of the military services are sufficiently diverse and are so intimately related to national defense, as to justify separate handling of technical and tactical items. On the other hand, there is a large range of common-use items which are susceptible to centralized operation, either for the civilian or for the military agencies; and, furthermore, in this list of common-use items there are so many which could and should be handled by one single organization on a Government-wide basis.
>
> The long-range objective is to reduce to the minimum the number of separate offices engaged in purchasing; the number of storehouses, depots or other distributing points; and the number of employees working at the several phases of supply. A concomitant long-range objective is the maximum simplification of the costly and useless paper work which now characterizes supply processes.[2]

The 1949 Hoover Commission made many recommendations concerning supply both for the defense and non-defense federal agencies. The Task Force on The Federal Supply System reported that great savings would be realized if its recommendations were adopted. The below-noted paragraph is similar to many statements made then and since then on potential large savings in the supply management field in the federal government in general and in the Department of Defense in particular.

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[1]Commission on Organization of the Executive Branch of the Government, Task Force Report on The Federal Supply System, Appendix B (Washington: Government Printing Office, January, 1949), p. 28.

[2]Ibid., p. 24.

The task force also estimates that it should be possible to reduce stores inventories, both military and civilian, by over 2,500 million dollars. This would permit a cut in personnel engaged in stores activities. The adoption of the recommendations relating to traffic management would produce additional savings. Adoption of the recommendations relating to inspection, specification, property identification, and property utilization would also achieve appreciable savings in personnel and operating costs.[1]

The Hoover Commission Report of 1949 was the forerunner of a flood of studies and proposals by the Congress to improve supply management in the Department of Defense and the pressures for centralized direction were more aggressively applied as time passed. The Bonner subcommittee of the House Committee on Expenditures in the Executive Department held extensive hearings on military supply management in the United States and around the world. In June of 1952, Chairman Bonner introduced a bill, H. R. 8130, to accomplish objectives which if successfully adopted could have brought the "Fourth Service of Supply" into early being. His bill was designed to accomplish these objectives:

1. Set up an Under Secretary of Defense for Supply
2. Abolish the impotent Munitions Board
3. Transfer to the Secretary of Defense control over supply matters now vested in many boards, individuals, etc.
4. Create an efficient and well-trained supply corps to assist the Under Secretary to perform his duties.
5. Give the Under Secretary proper control over appropriations.[2]

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[1] Commission on Organization of the Executive Branch of the Government, The Hoover Commission Report (New York: McGraw-Hill Book Company, Inc., 1949), p. 105.

[2] United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), pp. 63-65.

President Eisenhower's "Famine or Feast" Speech

Another milestone that kept the pressure high for economy and efficiency in the supply and services areas of the Department of Defense was President Eisenhower's "Famine or Feast" defense policy speech in Baltimore, Maryland, on 25 September 1952. Mr. Eisenhower then said:

> The real problem is to build this defense with wisdom and efficiency. We must achieve both security and solvency. In fact, the foundation of military strength is economic strength. A bankrupt America is more the Soviet goal than an America conquered on the field of battle. . .
>
> We have never been a military-minded people. In time of peace, we have always cut the Military Establishment to the bone, then to the marrow. In time of war, we have said, "Let the professional soldier take care of it." This attitude has encouraged the military, accustomed to famine or feast, to try to take advantage of crisis.
>
> Resulting frenzied expansion has meant disorder, duplication, and waste. It has meant an attempt, for example, by our Air Force to buy 20,000 superdeluxe desk chairs at $10 above the standard model price. It has meant our Navy laying in a 50-year supply of anchors all at once. It has meant our Army buying enough front-axle gaskets for jeeps to last one full century.
>
> This pattern has been bad enough in the past. In today's world of continuing tension, it is intolerable. For we no longer have clear, precise lines between a time of peace and a time of war. We have to live and work and plan in a twilight zone between the two. Complexity creates confusion everywhere. Generals who used to be trained to concentrate on military decisions feel compelled to consider economic factors.
>
> . . .With three services, in place of the former two, still going their separate ways and with an overall civilian staff frequently unable to enforce corrective action, the end result has been not to remove duplication but to produce triplication.[1]

The O'Mahoney Amendment

It must not be presumed in reading this chronology of the pressures

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), pp. 115-117.

for centralization that there was no activity within the Department of Defense to effect improved supply management. Subsequent chapters will delineate some of this activity; however, the efforts of the defense organization did not satisfy the criticisms of inefficiency by the Congress and the pressures were continued. The O'Mahoney Amendment to the DoD Appropriation Bill in 1953 was another milestone in attempts by the Congress to strengthen the central management of the Department of Defense. While not specifically advocating a "Fourth Service of Supply," it did place definitive restrictions upon the Department of Defense and forced the centralization concept to move at a faster pace. Senator O'Mahoney, then chairman of the Joint Economic Committee, placed this language into law:

> (a) Notwithstanding any other provision of law, and for the purpose of achieving an efficient, economical, and practical operation of an integrated supply system designed to meet the needs of the military departments without duplicating or overlapping of either operations or functions, no officer or agency in or under the Department of Defense, after the effective date of this section, shall obligate any funds for procurement, production, warehousing, distribution of supplies or equipment or related supply management functions, except in accordance with regulations issued by the Secretary of Defense.
>
> (b) This section shall be effective 60 days after the approval of this act.[1]

This amendment could easily have resulted in a "Fourth Service of Supply" for its unquestionably placed authority in the hands of the Secretary of Defense for uniform materiel management. While such a "Fourth Service" per se did not materialize, the amendment did result

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[1] United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 64.

in more integrated materiel management in the Department of Defense. It is interesting that the full intent of the amendment was identified in a Senate Report of 1952 and this certainly made the amendment an important milestone along the rocky road being built for defense materiel management. One of the essential parts of the report stated:

> Under the new system, it should be impossible for two competing facilities to be set up (or to continue to exist) in the same area for the same purpose as determined by the Secretary of Defense. Service facilities for maintenance of equipment such as motor shops, laundries, etc., should be integrated to serve all departmental requirements in the area. Special attention should be given to the procurement, production, distribution, warehousing, maintenance, and issue of common-use items such as clothing, food, medical supplies, and building materials, to minimize stocks, handling, transportation, and related supply management activities. Wherever possible such items and the method of handling them will be made uniform throughout the Department of Defense to facilitate such integration. Where different stock levels exist in various parts of the Department, it is expected that the lowest level will be applied to the whole Department in the absence of a compelling justification for special treatment, which justification will be made to the appropriate committees of Congress.[1]

The pressures continued and "on February 17, 1953, the Sarnoff Commission issued a report pointing out the need for economies in the supply and service activities of the defense agencies. This was followed by the report of the Rockefeller committee on April 11, 1953, which laid the foundation for the Reorganization Plan No. 6."[2] Into this climate in 1955 burst the Second Hoover Commission Report.

Hoover Commission Report of 1955

Perhaps no greater impetus has been given to the "Fourth Service"

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 65.

[2]Ibid.

concept than that provided by the Second Hoover Commission in 1955 which among other things openly and directly recommended that "Congress should enact legislation establishing a separate civilian-managed agency, reporting to the Secretary of Defense, to administer common supply and service activities."[1] In this respect, the Hoover Commission went on to recommend that "The separate agency should be named the 'Defense Supply and Service Administration,' and its Administrator should be a presidential appointment. Initially, the agency should manage selected items of common supply and operate general and specialized hospitals."[2]

The Hoover Commission's recommendations were not supported with a detailed organizational and functional blueprint showing precisely how the proposed agency would operate. This caused considerable misunderstandings in some quarters and left unanswered a host of important questions.[3] Commissioner Chet Holifield approved the report with this, among other qualifications, concerning the lack of clarity in some of the proposed organizational relationships of such an agency:

> Had the Commission on Business Organization analyzed in detail the role of the proposed new agency and more carefully defined its place in the military establishment, I believe that it would have a better chance of acceptance. It is well to understand that the proposal will encounter active opposition in some quarters and, if adopted, could be reduced to ineffectiveness by hard core

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[1] Commission on Organization of the Executive Branch of the Government, Business Organization of the Department of Defense, A Report to the Congress (Washington: Government Printing Office, June, 1955), p. 45.

[2] Ibid., p. 50.

[3] United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Background Material on Economic Aspects of Military Procurement and Supply, 86th Congress 2d Session (Washington: Government Printing Office, 15 February 1960), p. 76.

military resistance and failure of the Secretary of Defense to give the agency strong support.[1]

The proposal for a Defense Supply and Service Administration provoked voluminous and voluble analytical comment both within and outside the Department of Defense. It represents another in the many historical milestones erected by political pressure groups to improve defense supply management. Whether adopted or not these milestones have ultimately had a terrific impact on the defense supply organization by causing more and more centralized direction and control.

The McCormack-Curtis Amendment

The pressures have been continuous and unrelenting. The 1958 Department of Defense Reorganization Act included the McCormack-Curtis amendment which "removed any possible doubt as to the authority of the Secretary of Defense to integrate supply and service functions when it would be in the best interests of the Government."[2] The amendment served further notice of the intent of the Congress that positive and continued action be taken by the Secretary of Defense to eliminate duplication and waste in military supply and service programs and to develop ways to bring about efficient performance in this area. The amendment reads:

> Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one

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[1]Commission on Organization of the Executive Branch of the Government, Business Organization of the Department of Defense, A Report to the Congress (Washington: Government Printing Office, June, 1955), p. 121.

[2]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 72.

military department by a single agency or such other organizational entities as he deems appropriate. For the purposes of this paragraph, any supply or service activity common to more than one military department shall not be considered a "major combatant function" within the meaning of paragraph (1) hereof.[1]

House Majority Leader McCormack has carefully explained the intent and scope of the amendment he introduced. He points out that his amendment can become a most important piece of legislation as it has been estimated that up to 60 percent of the annual DoD appropriation is for supply and service activities. One of the most important aspects of the amendment is that it definitely removes supply and service activities common to two or more departments from being categorized as "major combatant functions" and hence subject to veto action by the military departments. "So for the first time the Congress has given to the Secretary of Defense specific authority to organize and operate common supply and service activities without being subject to compromise or a veto by separately administered departments autonomous in all functions whether or not directly or remotely related to combatant functions."[2]

The Douglas Report of 1960

The General Accounting Office has been no small contributor to the Congressional pressures noted herein. Reports to the Congress by the Comptroller General of the United States have fed the flames keeping hot the steam boilers. Pressures have been more and more built up. In 1960, the Douglas Report stated that "a review of the numerous reports

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 72.

[2]Ibid.

concerning supply and procurement issued by the General Accounting Office within the past few years shows clearly that the actions taken by the Department of Defense and the military departments to improve supply operations are, at best, only half measures."[1] This same report rapped the single manager plans which have been established to integrate materiel management at the defense level. This is what the Douglas report had to say:

> Cooperation, coordination, collaboration, etc., etc., are very necessary and desirable but are not substitutes for solid organization. They should not continue to be used as Fabian tactics to frustrate proper unified organization.
>
> The idea of a consolidated supply agency at the Office of the Secretary of Defense level, with an elite personnel, was recommended by the Bonner Committee and the Joint Economic Committee members in 1952 and the second Hoover Commission in 1955.
>
> The single manager plans have been the best of the arrangements as they provide more integration, but they are still wanting in many respects. The managers serve in double roles as department and Department of Defense representatives and no one can serve two masters who have different objectives. There is lack of the supervision, direction, and control needed to standardize items and streamline operations. There are too many councils, departments, and services who can delay, frustrate, or veto.
>
> There have been many studies and feasibility tests of the obvious--that one service can efficiently buy, store, distribute, and otherwise manage common supplies for all. This principle of supply management does not need further testing. It needs wide application.
>
> The time has come to consolidate these and other common operations into a consolidated system such as the Navy found necessary for its eight bureaus many years ago and the Army during the stress of war and as advocated by the Hoover Commission and many others.[2]

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. x.

[2]Ibid., p. xi.

The Douglas report is current. It is a part of what appears to be a perpetual attack upon the materiel management of the Department of Defense and, if it is not perpetual, then certainly this review of the history of these attacks make perpetuity more of a reality than mere possibility. Nevertheless, this Douglas report vigorously called for a consolidated common supply agency within the Department of Defense to be staffed with a highly trained, well-paid corps of experts and responsible to the Secretary of Defense. Here is the basic recommendation:

> The Secretary of Defense should use his broad authority, especially under the O'Mahoney and McCormack-Curtis amendments, at once to begin consolidating the many common supply activities in the Department of Defense (DoD) into a common agency operating at the Office of the Secretary of Defense level.
>
> The consolidated agency should be staffed with a highly trained, well-paid DoD corps of experts drawn from the existing services, industry, and Government and responsible to the Secretary of Defense.
>
> The consolidated agency, assisted by necessary advisory groups, should have control of all facets of common supply management from requirements determination through procurement, transportation, storage, issuance (utilization), and surplus disposal.
>
> It should have authority over cataloging and standardization of specifications.
>
> It should be given control over common supply funds.[1]

The Douglas Report has some startling estimates about possible economies in a properly organized DoD logistics system. Here is the key paragraph on this subject in the report:

> A reasonable estimate of possible economy in a properly organized DoD logistics system is 10 percent of procurement, or from $2 to 2½ billion annually, and at least 10 percent in the

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), pp. xi-xii.

management of the supply systems which now cost an estimated $2 billion. A utilization program with real teeth would produce economies which would run into hundreds of millions of dollars annually. An effective standardization program would create savings of at least $450 million annually. The possibilities of economies through better procurement, transportation, and disposal are incalculable.[1]

This very direct concern of the Congress in defense materiel management is a continuing one and the concern is expressed by a wide variety of Congressional committees in the House and Senate. House Resolution 78 authorizes the "Committee on Armed Services to conduct a full and complete investigation and study of all matters relating to procurement by the Department of Defense, personnel of such Department, laws administered by such Department, use of funds by such Department, and scientific research in support of the armed services." This resolution was introduced 4 January 1961 and was considered and agreed to by the House on 9 February 1961. This committee, chaired by Mr. Carl Vinson, will certainly look into defense materiel management and organization and will plow the terrain again in search of an effective, economical, and efficient defense supply organization.

Among the other committees in the current Congress interested in military supply management is the House Committee on Government Operations. The concluding statement in a 1960 report of this committee projected its thinking relative to the supply organization ten years hence to 1970. The Committee wrote:

> We believe the Department of Defense would be well advised to undertake a serious study of its future organization and of the

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Economic Aspects of Military Procurement and Supply, report of subcommittee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), pp. viii-ix.

> appropriate logistics arrangements. . .the Armed Forces Supply Support Center should be concerned not only with evolving detailed supply management problems but with formulating an optimum supply organization for the military establishment of 1970.[1]

As can be easily ascertained from the data in this chapter, and there is much more along the same lines, the Congress is aroused and has been aroused for a long time over military materiel management. While the "Fourth Service" as a separate uniformed or civilian managed organization has not always been specifically mentioned, sufficient interest has been generated on the consolidation and centralization of the supply function very definitely to indicate that a "Fourth Service," literally or figuratively, is the Congressional goal and through it economies and efficiencies are expected to materialize.

Now let's look at what the Defense Department has to say about these Congressional efforts. What has DoD been doing to counter the charges of overlapping and duplication in the military supply and service systems? The next chapter covers the defense position against the "Fourth Service" concept.

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[1] United States Congress, House of Representatives, Committee on Government Operations, Military Supply Management (Progress in Single Management), nineteenth report by committee, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 33.

CHAPTER IV

THE DEFENSE POSITIONS AGAINST

The Department of Defense has countered the pressures from the Congress for a single agency administering supplies and services with materiel management programs aimed at improving, within a frame developed by the armed forces, military logistics. As the Congress became more aggressively interested in the supply field, the Department of Defense more intensively emphasized programs to improve supply management, released significant directives covering various facets of materiel management, and initiated new supply programs for more effective, efficient, and economical operations. In none of these endeavors did the Department of Defense overtly accept a concept that military supplies and services should be administered by a separate agency in or outside the department.

Early Arguments

The defense position against a "Fourth Service of Supply" in all of its broad considerations developed very early after World War II and a consolidation has been vigorously resisted in this area. It is interesting to look at some of the early replies to the 1944 recommendation for a director of common supplies and services which was proposed by Lieutenant General McNarney before the Woodrum Committee. In a speech on "Economy of Procurement Under a Single Secretary," Mr. H. Struve Hensel, Assistant Secretary of the Navy in 1945, voiced opposition to the consolidation in the procurement field. He said:

> When I first came to the Navy in 1940, centralized purchasing for both Army and Navy by a separate organization was a live topic. Many people favored the establishment of a civilian Ministry of Supply apart from the two services to accomplish that end. S. 2092 (77th Congress) with provisions as to that effect was actually

introduced. The proponents of such measures claimed billions of dollars of savings. The secret was said to be single control made effective through a staff of efficient civilians trained in business methods and procedures. It was said that purchasing was a civilian skill and could not be satisfactorily performed in an armed service.

Such clamor was not ended until President Roosevelt issued Executive Order No. 9024 conferring on the War Production Board the power to create within itself a single procurement agency for both the War and Navy Departments. Such power was never exercised. The War Production Board acted as if it came to the conclusion that, under all the circumstances, greater economy and speed could be attained by keeping procurement decentralized in the services. Experts were assigned by the Board to the War and Navy Departments to supervise procurement. Those experts became a part of the War and Navy Departments. At that time both the Army and Navy agreed that such method--rather than centralization-- was the proper way to efficiency and economy in dollars, time and manpower.[1]

Mr. Hensel stated that he approached with skepticism the assertion that a single procurement agency would have done a better job and saved billions of dollars during World War II. He said he was more than skeptical and that:

I do not think a single secretary will cure our procurement troubles. On the other hand, I think that our present inefficiencies and gaps may well be aggravated by consolidating the procurement agencies of the two departments into one so large that no man could hope to encompass within his control, memory or imagination all of its purchasing functions or aspects. It is my opinion that many of our problems can be solved by retaining separate procurement agencies and by an entirely different approach as to policy control. It is my further belief that this conclusion is completely supported by a study of our procurement experience to date and an analysis of the essential elements of good procurement. I am also hopeful that, even if you do not agree with me, you will concede that clear and substantial proof as to economies and efficiency must be offered by the proponents of a single Secretary.[2]

The 1945 arguments brought from Fletcher Pratt the strong statement

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[1] H. Struve Hensel, "Economy of Procurement Under a Single Secretary," 1945, pp. 5A-6A. (Mimeographed.)

[2] Ibid., p. 9A.

that "procurement cannot be combined." He cites this case history in connection with the French:

> When one gets up to the region where unified procurement might be expected to effect real economies of money, time, and procedure, it becomes almost impossible.
>
> The thing has been tried, like so many other details of the unification procedure, and it has not worked out. At the close of the last war, the French built a class of light cruisers, the DUGUAY-TROUINS. It occurred to someone over there what an admirable idea it would be to arm them with guns of 155 millimeter (6.1 inch) caliber, chambered to take the shells used by the common heavy gun of the French Army. It didn't work. The naval 6.1 proved a slow firer, just a little too heavy to permit the shells to be manhandled and thus requiring such heavy power machinery in such a heavy turret that with very little more the guns could have been 8 inches.
>
> The expected economy from using Army ammunition also did not work out. For shipboard use there is desired either an armor-piercing shell or one with a thin casing filled with HE, while the fragmentation shells used by the Army were of value only for shore bombardments. The result of this experimentation in amalgamation was thus to produce a series of cruisers that had to sacrifice armor in favor of loading machinery, were very weak hitters for their size, and used guns that required the manufacture of wholly new types of naval shell.[1]

The "Fourth Service" and Alternatives

In 1955 was released one of the more important studies analyzing possible alternatives in lieu of the civilian-managed supply administration recommended by the Hoover Commission. Five alternate concepts for performing military common supply activities within the Continental United States (CONUS) were the subject of an Army staff study on "The Fourth Service of Supply and Alternatives." This is the study that recommended the single manager system which has centralized designated commodity classifications under a managership appointed by the Department of Defense.

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[1]Fletcher Pratt, "The Case Against Unification," Sea Power, December 1946.

The conclusions to this analysis are significant and are quoted herein to illustrate the results and finiteness of the study. The staff study first looks at the Hoover Commission "Fourth Service," then at a General Services Administration concept, a "Military Fourth Service" concept, a "Single Manager" concept, an "Improvement of Existing Systems" concept, a "Modified Single Manager" concept, and concludes with emphasis on the latter two as good plans for the improvement of common supply.

b. Hoover Commission "Fourth Service"

(1) The Defense Supply and Service Administration proposed by the Hoover Commission would result in duplication of personnel, increased competition for scarce professional and technical skills, and reduction in the Army's capability to train logistical managers.

(2) The "Administration" would be unable to expand rapidly in wartime without access to the draft; and might experience great difficulty in retaining personnel in wartime, both in CONUS and overseas, unless very high wages were paid.

(3) In the overseas theater, high wages paid civilian members of the "Administration" would hurt soldier morale; troops would have to be diverted to provide protection for these civilians; their status when captured would be uncertain; and their inflexibility as to assignment within the Combat Zone, both as individuals and as units, would limit their usefulness.

c. Alternate plans

(1) The General Services Administration concept. The civilian character of this organization, which would preclude its rapid expansion in wartime relative to the military services; the magnitude of the common supply field; the mediocre performance record of GSA to date; and its divided responsibilities within the Government make this concept undesirable.

(2) The "Military Fourth Service" concept. While overcoming the personnel deficiencies of the "Civilian Fourth Service" concept, the cost and the disruption which would be incident to its establishment indicate that, for common supply activities, this concept is undesirable.

(3) The "Single Manager" concept. This concept would accomplish a high degree of integration of Service supply functions, but separates research and development from gross requirements, assigns distribution missions inefficiently and does not provide the Single Manager with a joint staff.

(4) The "Improvement of Existing Systems" concept. This concept integrates the purchase function, reduces overbuying by requiring certificates of non-availability from other Departments, and provides for rearrangement of the depot system and reassignment of customers.

(5) The "Modified Single Manager" concept. This concept would accomplish a high degree of integration of Service supply functions. It would virtually assure correction of overbuying by centralized control, and of uneconomical use of distribution media through rearrangement of the depot system, reassignment of customers, and centralized control of distribution.

d. The nature of the deficiency to be corrected (i.e., overbuying, competition for industrial capacity, or maldistribution), together with the characteristics of the industry involved, and the relative requirements of the three Services, influence the selection of the concept which would be best to apply in correcting the deficiencies. Both the "Improvement" concept and the "Modified Single Manager" concept are good plans for the improvement of common supply.[1]

Single Managers

Thus in 1956 the single manager program was developed in part as an alternative to a "Fourth Service of Supply." It was designed specifically to meet the criticisms of Congress and the Hoover Commission with respect to duplication, overlapping and waste in procurement, warehousing and stockage of supplies, and failure to use the resources of all three military departments to meet the separate requirements of each department. It was established to integrate basic supply functions for commercial-type commodities used in common by two or more military services.

The single manager program is considered a success by the Department of Defense and is one of the Department's strongest arguments against the disruptive influence of a separate "Fourth Service." Mr. Perkins McGuire, Assistant Secretary of Defense (Supply and Logistics),

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[1] Department of the Army, Office of the Deputy Chief of Staff for Logistics, "The Fourth Service of Supply and Alternatives," 26 September 1955, pp. 121-123. (Multilithed.)

wrote the following in a single manager progress report in November, 1960:

> One advantage of this program. . .is that it has brought the Departments into a very close relationship with each other in the field of supply. People with common problems in the four services are now working in unison. At the outset, the Departments were understandably skeptical regarding the Single Manager Program. It had not yet proved itself and it was a departure from the accustomed way of doing business.
>
> I am convinced that the Departments now not only accept the Single Manager Program, but that they endorse it and that they are determined to correct its defects and make it work in peace and, if necessary, in war.[1]

In reply to the Hoover Commission and the Douglas Committee, this 1960 progress report points out that these two groups "acknowledged that they had not concerned themselves with questions of military strategy, weaponry, or tactics. They looked at logistics in a vacuum, in detachment from its proper environment as an inseparable element of military science. Because the logistics mission is an integral element of the defense mission, the configuration of the logistics organization must be dictated by the shape of the defense organization.[2] In addition, the progress report had this to say in rebuttal to defense critics.

> Instead of the mammoth organization recommended by the Hoover Commission and the Douglas Committee, and to avoid the chaotic disruption that would attend its creation, the Department of Defense has been pursuing an orderly program of logistics unification called the Single Manager Plan. Through this plan, the logistics system is divided into manageable, homogeneous segments where problems can be exposed, where intensive management can be applied, and where solutions are worked out by organizations in which is concentrated the best specialized competence in the Department of Defense. This is more sensible than trying to sweep unsolved problems under the rug of still another bureaucracy.[3]

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[1] Department of Defense, "Commodity Single Manager Progress Report," November, 1960, p. 1. (Multilithed.)

[2] Ibid., p. 10.

[3] Ibid., p. 12.

. . .it is not possible to identify what are regarded as major savings achieved by Single Managers. However, annual savings of $19.8 Million per year and one-time savings of $425 Million have been identified in the systems presided over by the Single Managers. These latter savings are dominated by inventory drawdown.[1]

In summary, it is believed that the Single Manager Plan is the common sense approach to logistics unification.

The evidence persuades us that it is economical and efficient.

It is compatible with the Defense structure because it exploits existing capabilities, which are vitally necessary to the Military mission, and because it operates smoothly within existing channels of command and communication.

It is sufficiently flexible to adjust to whatever Defense organization may emerge in the future because it unifies logically selected entities within this structure.

Most important--the Single Manager Systems are responsive to the needs of the combat forces.

This concept has been endorsed by the Materiel Secretaries and the Military logisticians of the Services because:

It permits us to correct the wasteful practices for which we have been criticized while preserving the essential logistics capabilities of the military forces.[2]

Logistics Systems Study Project

While the single manager currently is one of the major defense arguments against a central, consolidated supply agency, a great deal of analytical research study preceded its establishment. Out of the early study came many materiel improvements which likewise are a part of arguments against the proposals for a "Fourth Service." During 1957, one of the more important studies developed. This was the Logistics Systems Study Project and was basically developed to determine whether progress

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[1]Department of Defense, "Commodity Single Manager Progress Report," November, 1960, p. 44. (Multilithed.)

[2]Ibid., p. 52.

was being made in meeting objectives such as those posed by the Hoover Commission and the Congress. This study project was conceived to consist of the following four phases:

Phase I - Management of Commercial and Common Items of Supply.

Phase II - Management of Common Services.

Phase III - Management of Peculiar Items of Supply.

Phase IV - Ultimate Plan of Organization.[1]

One of the major results of Phase I of the Logistics Studies was the establishment of the Armed Forces Supply Support Center. This joint organization provides a mechanism whereby the four military services and the OSD level can meet together on supply matters.[2] The purposes and objectives of the AFSS Center are:

1. To provide the most effective and economical administration of certain common supply functions of the military services.

2. To promote and coordinate integrated supply management among the military services concerned with common materiel.

3. To develop means for the elimination of any undesirable inconsistency, duplication and overlapping among supply operations of the military services and for the elimination of any unnecessary administrative procedures.[3]

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[1] "Excerpts from Integrating the Management of Commercial and Common Items of Supply," Summary of Survey Team Reports on Phase 1 Studies and Steering Group Recommendations Thereon for Consideration of The Policy Board, Appendix D, Logistics Systems Study Project (Documents), 1 February 1958, in United States Congress, House of Representatives, Committee on Government Operations, Military Operations SubCommittee, Military Supply Management (Single Manager Agencies), hearings before subcommittee, 86th Congress, 1st Session, 25-26 May 1959 (Washington: Government Printing Office, 1959), pp. 515-517.

[2] United States Congress, House of Representatives, Committee on Government Operations, Military Operations SubCommittee, Military Supply Management (Single Manager Agencies), hearings before Subcommittee, 86th Congress, 1st Session, 25-26 May 1959 (Washington: Government Printing Office, 1959), p. 10.

[3] Ibid., p. 402.

Thus, while the Defense Department opposed any "Fourth Service" concept, it was evident that the pressures of the Congress were forcing more significant cooperation, collaboration, and improvements within the services themselves in the handling of materiel. Important materiel management programs in this area are:

Single Department Procurement Assignments (SDP).

Cataloging and Standardization.

Interservice Supply Support.

The first four single managers: Military Subsistence Supply Agency, Military Clothing and Textile Supply Agency, Military Medical Supply Agency, and Military Petroleum Supply Agency.

The Defense Objections

In general, the Department of Defense and the three military departments have opposed the establishment of the Defense Supply and Service Administration, citing arguments such as the following:

(1) The objectives of the Hoover Commission give inadequate consideration to the mission and organization of the armed services, over-emphasize peacetime conditions, and assume a lack of efficiency in military logistic activities.

(2) Deficiencies in the area of common supply and common service activities have been recognized by the military departments and the Department of Defense and actions have been taken to correct them.

(3) The establishment of the administration would lead to duplications in both overhead and operating personnel, since two supply organizations would be required, one for civilian items and the other for military items. Moreover, civilians would be hired to perform work now being accomplished by troops on practical application training assignments and destined for duty in the combat zone in wartime.

(4) The expandability of a Defense Supply and Service Administration in time of war would be much less rapid than that of the armed services, since it would not have access to personnel through the draft, does not have reserve units available to it, and would perhaps be subject to loss of men to the draft.

(5) Retention of civilians in wartime on military supply and service jobs both in the CONUS and overseas is doubtful, particularly

under the threat of nuclear war.

(6) The separation of responsibility for logistic support in the oversea theatre between the military of the Defense Supply and Service Administration would limit the flexibility of assignment of service troop units between the combat zone and the communications zone.

(7) Military effectiveness would be jeopardized because supply would become less responsive to command.[1]

Even with these objections and the action that the Department of Defense has taken, military officials recognize that all of the arguments and all of the studies have not yet quieted the critics of the present military supply system. Pressures still exist for a "Fourth Service." Here is what the Supply Management Reference Book said in 1958:

> Despite the actions that have been taken by the Department of Defense to integrate and coordinate the supply of common items, a great deal of pressure still exists, particularly for establishment of the "Fourth Service of Supply."[2]

Just how long the defense position will hold up now and in the future is dependent on the dynamic programs for the improvement of the military supply system being developed by the Department of Defense and their acceptance by the Congress. The Armed Forces Supply Support Center in 1961 is evolving into a powerful element in the supply support area and the future of the "Fourth Service" concept may be riding with this organization. In the next chapter, "The Situation Today" will be discussed. Perhaps, the "rose" is the "rose" is the "Fourth Service" is the "AFSS Center."

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[1] Department of Defense, Office of Assistant Secretary of Defense (Supply and Logistics), Supply Management Reference Book (Washington: Government Printing Office, June, 1958), p. 128.

[2] Ibid., p. 127.

CHAPTER V

THE SITUATION TODAY

Today all eyes of the materiel managers in the Department of Defense are focused upon the Armed Forces Supply Support Center. Although a relatively young organization within the defense hierarchy, it has risen remarkably in prestige as a staff agent of the Assistant Secretary of Defense (Installations and Logistics) and through the very thorough studies of its analysis staff. It is within this agency wherein the seed of a "Fourth Service" is now planted and its flowering can possibly result in the achievement of the very force it was designed to stop.

In 1959 and 1960 four new single managers were established bringing the total to eight within the Department of Defense. The Armed Forces Supply Support Center played no small role in getting these single managers established. Aside from the materiel consolidations that have evolved, it is interesting here to point out that today there are three single manager agencies for services and all of them are in the transportation field. In addition, the Secretary of Defense has brought together military communications into a Defense Communications Agency. It is responsible, under his direction, authority and control, for the "operational" control and supervision of the Defense Communications System.[1]

In February of 1961, a very important and imposing eight-volume

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[1]United States Congress, House of Representatives, Committee on Government Operations, Military Operations SubCommittee, Military Supply Management (Progress in Single Manager Agencies), hearings before subcommittee, 86th Congress, 2d Session, 25-26 April 1960 (Washington: Government Printing Office, 1960), p. 277.

study was released by the Armed Forces Supply Support Center which will have a far-reaching impact on military supply systems if the recommendations are adopted. The Report on Management of Electrical/Electronics Materiel recommended that "the Secretary of Defense establish a Defense Electronics Management Center for the integrated materiel management of Federal Group 59 'Electronics Equipment Components' and Federal Supply Class 6145 'wire and cable, electrical.'"[1] Other recommendations of this study included the following pertaining to the broadening of the responsibilities and mission of the Armed Forces Supply Support Center:

> 5. The Secretary of Defense:
>
> a. Expand the Charter responsibilities of the Armed Forces Supply Support Council to include management control over the Defense Electronics Management Center. . .
>
> 6. The Secretary of Defense include in the mission of the Armed Forces Supply Support Center the following functions to be performed on a continuing basis:
>
> a. System design including procedural standardization, operational refinement, and simplification pertaining to support operations of integrated materiel management agencies and centers.
>
> b. Coordination and review of the operations of integrated materiel management agencies and centers.

This Armed Forces Supply Support Center was established in 1958 with the following functions assigned:

> (a) Prepare and publish federal catalog data and insure conversion to the data by the military supply system.
>
> (b) Recommend the assignment of responsibility among the services for the monitorship and the development of specifications for certain categories of supplies.

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[1] Armed Forces Supply Support Center, "Report on Management of Electrical/Electronics Materiel," Volume I, Conclusions, Recommendations, and Impact, February, 1961, p. iv.

[2] Ibid., p. viii.

(c) Develop and coordinate interservice operations to assure cross-utilization of assets in order to minimize procurement, stockage, and transportation.

(d) Conduct specific study projects of the operations of supply systems of the military services and noncommercial common items of materiel to obtain optimum integration in the interest of increased military effectiveness and economy.[1]

The AFSS Council consists of the Deputy Assistant Secretary of Defense (Installations and Logistics) as chairman, a principal military representative appointed by each of the four services, and the Director of the AFSS Center. The Council is the primary authority in the center, controlling both input and output. According to the establishing instruction, the Council will:

(a) Approve all study and work projects

(b) Approve the appointment of key personnel

(c) Make decisions on the findings and recommendations of approved studies, and

(d) Make recommendations for decisions and implementation by responsible officials of the Department of Defense.[2]

Is The "Fourth Service" Here?

With these latter noted functions, the Council of the AFSS has been basically a staff advisory agency. Adoption of the February 1961 recommendations certainly make the Council a line operating body. As a matter of interpretation, this writer considers that the February 1961 recommendations place the AFSS Council in the position of being the manager of the single managers. And if this interpretation can be considered valid, the

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Background Material on Economic Aspects of Military Procurement and Supply, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 103.

[2]Ibid.

Council can further be the core of a "Fourth Service of Supply."

Let's look at some prognostications in this area. In 1955 the Deputy Assistant Secretary of Defense (Supply and Logistics), Mr. Robert C. Lanphier, Jr., was asked this question at the Industrial College of the Armed Forces:

> QUESTION: As more and more of these commodities come under the single manager system, is there any plan to create a manager of the single managers, so as to make sure they are all singing off the same sheet of music?
>
> Mr. Lanphier: When you have that, fellow, you have your fourth service of supply.[1]

In 1958, Colonel Frank A. Osmanski writing on "A Fourth Service of Supply?" prophesied the following:

> There is the possibility that the Single Manager Agencies might all be consolidated into a centralized supply agency, into which might even be incorporated some of the current logistics functions of OSD such as standardization and cataloging. Such an agency most likely would be directly administered by OSD but not have a separate departmental status. If such a possibility were to eventuate--and the trend indicated above with respect to the standardization of the Single Manager Agencies already predisposes them to such easy consolidation--a hybrid Fourth Service would emerge, drawing its personnel from the present military departments but nonetheless beyond their direct control.[2]

In 1960 the possibility of the Armed Forces Supply Support Center serving as a nucleus for a common-use supply and service agency was indicated in material prepared for the SubCommittee on Defense Procurement of the Joint Economic Committee of the Congress. The situation today is certainly colored further by the prognostication noted here:

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[1] Robert C. Lanphier, Jr., Single Manager Plan, Publication No. L56-63 (Washington: Industrial College of the Armed Forces, 23 November 1955), p. 48.

[2] Frank A. Osmanski, Colonel, "A Fourth Service of Supply?" Military Review, U. S. Army Command and General Staff College, Fort Leavenworth, Kansas, June, 1958, p. 19.

Organization for a common-use supply and service agency.

A. Functions. It has been suggested by supporters of the common-use supply and service agency that the recently established Armed Forces Supply Support Center. . .might very well serve as a nucleus for the proposed agency. The next step would be the transfer of responsibility to the agency over all presently established single manager commodity and service areas. From this start the agency would, on a phased basis:

1. Develop single manager arrangements for all homogeneous categories of supplies except for the management of certain items that should remain with the services, such as engineering and operational essential items. Each single manager will be responsible to and receive direction from the central agency. In other words the agency would provide centralized management but decentralized operation would be carried on by the various single managers.

2. Develop single manager arrangements for common service activities, to be transferred to the agency, as appropriate.

3. Maintain pipeline ownership of materiel in a stock fund until issued for use to consuming activities of the services at which point they would reimburse the stock fund and charge their respective appropriations.

4. Operate its own storage facilities. This will require the transfer of certain warehouses now operated by the services.

5. Determine the mission of each single manager and its corresponding stock control points. Each single manager will have the responsibility of performing certain primary functions of supply for all the services, including inventory control, net requirements determination, purchase and distribution.

6. Utilize GSA facilities to the fullest extent practicable on specified items of supply that do not have a mobilization requirement.[1]

The actions recommended in the February 1961 report of the Armed Forces Supply Support Center, if approved, will result in military supply support operations and management structures evolving toward

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[1]United States Congress, Joint Economic Committee, SubCommittee on Defense Procurement, Background Material on Economic Aspects of Military Procurement and Supply, 86th Congress, 2d Session (Washington: Government Printing Office, 1960), p. 79.

fuller integrated materiel management for effective joint logistics. The report concludes that "by 1964, the Single Manager Operating Agencies and DEMC will assume a joint role in performing the functions of supply, formerly performed by the separate service supply systems, for 40 percent of the 3,700,000 items in the Department of Defense."[1] As for the AFSS Council, the following is written:

> The AFSS Council will assume a primary role in the coordinated management of Defense logistics. DoD policy guidance will be provided through the chairmanship. Guidance as to the configuration of military materiel structures wedded to strategy and tactics will be provided through JCS representation. Military service mission and logistical considerations will be provided through service representation.
>
> The AFSS Council, with increased authority, commensurate with its new stature, will in addition to current responsibilities assume management of DEMC; provide operational coordination of the SMOA's; and direct the development and implementation of integrated materiel management procedural concepts.[2]

Thus, it is concluded that the "Fourth Service" is practically here today--not as a separate military department but as an agency under the Secretary of Defense with civilian control and staffed by military personnel of the three military departments "but nonetheless beyond their direct control." The agency designed as a buffer against a "Fourth Service of Supply" is emerging with all the attributes and characteristics of the hybrid "Fourth Service" prophesied by Colonel Osmanski in 1958. If it picks up strength in its centralized powers, it appears to be only a small step to make the next move by amputation of the "hybrid" qualification.

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[1] Armed Forces Supply Support Center, "Report on Management of Electrical/Electronics Materiel," Volume I, Conclusions, Recommendations, and Impact, February, 1961, p. 182. (Multilithed.)

[2] Ibid., p. 183.

CHAPTER VI

SUMMARY

While the boundaries of this subject are almost limitless and the material written on military supply management not at all brief, this research paper has not delved in any detail into the arguments involving strategy, tactics, and logistics as they pertain to a "Fourth Service of Supply." Nor has this paper examined the reasons and the need for civilian control of military materiel management. In view of this, however, with the growing strength of the Armed Forces Supply Support Council and Center, a question appears to be constantly thought of but has never been noted in the mass of military management literature. This question simply is: Why is the materiel management organization growing as it is within the Department of Defense under the civilian control of the Assistant Secretary of Defense (Installations and Logistics) rather than under a revamped, revitalized J-4 Logistics Directorate of the Joint Chiefs of Staff?

In summary, a hybrid "Fourth Service of Supply" is considered present in the Armed Forces Supply Support Council and Center. As the pressures continue to mount, it is not hard to visualize the dropping of the "hybrid" adjective. This hybrid "Fourth Service" is currently staffed with military and civilian personnel with civilian control definitely at the top. This structure can be precarious and the next evolvement in the military materiel arguments may hinge on civilian control versus military control with more and more interest being manifested by the Joint Chiefs of Staff.

In this inquiry, the "Fourth Service of Supply has been shown to

be a wide variety of ideas and concepts and, to a degree, means many things to many people. Basically, however, the "Fourth Service" in this paper has been considered as a concept of centralized direction and control of materiel by the Department of Defense. The pressures for such a centralized approach to military materiel management have been applied almost constantly in the last two decades by Congressional committees and the Second Hoover Commission and its adherents. In response to this pressure, it has been shown that the Department of Defense has aggressively opposed a "Fourth Service" and has reacted by establishing many programs and studies designed for more effective, economical, and efficient management of military materiel.

The Armed Forces Supply Support Center is emerging from the defense management programs as a powerful organization of the Assistant Secretary of Defense (Installations and Logistics). Up until the recent Report on Management of Electrical/Electronics Materiel, this Center with its directing Council was considered primarily a staff agency. If the Report is approved, this staff position will be changed for the recommendations involve the placement of the Armed Forces Supply Support Council in a line position directing, among other units, the single managers and the Defense Electronics Management Center.

The author considers this AFSS Council to be the core of what is now a hybrid "Fourth Service of Supply," i.e. a central agency directing supply effort staffed jointly by civilian and military personnel from the several services but beyond their control. All that has transpired thus far in this area within the Department of Defense has been, to a very large measure, due to the political pressures of the Congress. As has been shown, these pressures are not subsiding. It certainly appears that

the Congressional mood is slanted toward a single agency running supply for the armed forces. The future progress in this provocative area will be interesting.

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