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NAVAL WAR COLLEGE REVIEW

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OCEAN SHIPPING

Address by
Captain Bennett M. Dodson, U. S. Navy
at the Naval War College
26 November, 1952

1. Introduction

Good morning, Gentlemen! My topic this morning is "Ocean Shipping".

The purpose of this presentation is to lay the foundation for two important lectures to follow.

The first lecture will be delivered on 2 December by Vice Admiral William M. Callaghan, Commander, Military Sea Transportation Service, on the subject of M. S. T. S.

The second will be delivered 20 January by Vice Admiral Cochrane, former Chairman of the Federal Maritime Board, and now Dean of the Engineering School at M. I. T. His subject is "The Merchant Marine and National Power".

2. Scope

In this presentation I shall review:

1. The size and function of the world's merchant fleet.
2. The development of the U. S. National Shipping Policy.
3. The organizations involved in operating both commercial and military shipping.
4. And, the current commercial shipbuilding program of the world.

Throughout I shall point out certain features which are a direct concern of the Armed Forces.

3. **Ocean Carriers**

My first sub-topic with the broad subject of "ocean carriers". I am talking about ocean commercial ships of all nations that ply the seas during peace and war.

I shall start with one simple figure. There are about 14,000 seagoing commercial ships in the world. Now, these do not include ships operating exclusively on lakes, bays, and sounds.

This figure of 14,000 is not so impressive when we consider that it includes all those in size down to 1,000 gross tons. You will recall that the Liberty or Victory type is around 10,000 dead-weight tons capacity.

4. **Tonnage**

I must digress for a moment to clarify a complication that arises in measuring the relative size of fleets.

No single figure will accurately describe the size of a ship, but we can get a fair idea, by using three figures which are expressions of volume, weight, and carrying capacity.

In a commercial ship we are primarily interested in carrying capacity. This expressed in *dead-weight* tons of 2,240 pounds.

But, when we have such divergent cargoes as feathers and lead, we must resort to a measure of *volume*—hence we have the term *gross ton* which is defined as being equivalent to 100 cubic

feet of the internal cubic capacity of the ship. Thus a ship of 10,000 gross tons has an internal capacity of 4 million cubic feet. If one half of this space is available for cargo and passengers, then we may say the *net* tonnage is 5,000 tons (still a measure of volume).

The Navy uses the *displacement ton* which represents the weight of the ship and all that is in her, expressed in terms of long tons of 2,240 pounds.

Just one more now—we must have a way of determining both the weight and cubic space required to stow a given lot of cargo. Thus we have a *measurement ton,* which is based on the assumption that a given lot of homogenious cargo weighing one long ton requires 40 cubic feet of stowage space. So we know at once, if we have 1,000 *measured tons* of cargo to load into a ship, it will add 1,000 long tons in weight to the ship and will require 40,000 cubic feet for stowage.

All you have to remember about this tonnage business is:

A *dead-weight ton* is an indication of how much a ship can carry in weight.

A *gross ton* is a measure of the *total volume* of the ship.

A *net ton* is the amount a ship can *carry* in volume.

A *displacement ton* is used to indicate the *weight* of the ship.

And, when speaking of cargo, we use *measurement tons.*

5. Breakdown of Number of Ships

Returning now to the matter of these 14,000 ships. They are engaged in commerce—providing the ancient requirements of

supply and demand for goods throughout the world. The primary motive of this activity is *profit*. Since three fourths of the world's trade is by water, one can appreciate the importance of these ships to the economy of the world.

These ships include everything from the great ocean liners sailing the Western Ocean to the thousand-ton coal burner carrying coal from Newcastle to Copenhagen—and to the small steamers collecting wool in New Zealand ports for distribution to the woolen markets in Sydney, from whence it will be shipped to Glasgow, Boston, and Yokohama.

Of these 14,000 ships in the world, 3,550 belong to the United States (thus the U. S. owns 25% of the world's shipping); another 3,000 belong to Britain and the Commonwealths; 500 fly the "hammer and sickle" of the Soviet Union; Syria and Guatemala each have one ship; and so on throughout the maritime world, with the United States, Britain, and the Scandinavian countries predominating—but with some recent contenders again entering the picture; namely, Japan with 465 and Germany with 274.

Then there are the fabulous Greek shipping magnets controlling 10% of the world's shipping, flying nearly every flag of the maritime world with a complex cartel system of partnerships, corporations, and interlocking directorates.

And, finally, there are 560 ships registered in Panama—but owned by nearly everybody except Panamanians.

6. U. S. Ocean Carriers

Let's have a closer look at the inventory of U. S. controlled ocean carriers. From the total of 14,000 ocean-going ships in the

world, I said the U. S. controlled 3,550. Note that I said U. S. *controlled.* That means that some U. S. owned ships fly foreign flags.

I can give you a major breakdown of ownership of these 3,550 ships:

U.S. CONTROLLED OCEAN CARRIERS

	As of 1 Oct.1952
U.S. Privately Owned - U.S. Flag	1,275
U.S. Privately Owned - Foreign Flag	209
U.S. Government Owned and Operated	169
U.S. Government Owned in Reserve Fleet	1,897
TOTAL	3,550

Of the 1,275 ships U. S. privately owned and under U. S. flag, 825 are dry cargo and 450 are tankers. Of these 825 dry cargo ships, 74 are under time charter to M. S. T. S. Of the 169 ships under government operation, 54 are under bare boat charter to private operators for commercial operations, and 115 are operated by private steamship lines under a General Agency Agreement for M. S. T. S.

Of the 3,550 ships under U. S. control, I have tabulated them in categories as follows:

U. S. CONTROLLED SHIPS

I - Major Cargo Types	2,460
II - Minor Cargo Types	137
III - Merchant Type Military Auxiliaries (Reserve Fleet)	187
IV - Passenger-Cargo and Transports	154
V - Tankers 60 Minor Types and 28 in Reserve	612
Total	3,550

Of the 2,460 in Group I, about 1,900 are in the Reserve Fleet. The 187 in Group III represent AKA's, APA's, hospital ships, AGC's, etc. Of the 28 tankers in reserve, all except 10 are obsolete; that is, built before World War II.

I'll skip over further comments on the Reserve Fleet, except to say of the 1,900 laid up ships about 1,500 are Liberties in fair to good shape, and 165 are Victories in very good condition.

7. **Merchant Marine**

Now a few words about the Merchant Marine. Our ocean

transportation system is made up by partly government managed shipping and partly private enterprise. However, nearly every element of shipping is under some supervision of the U. S. government.

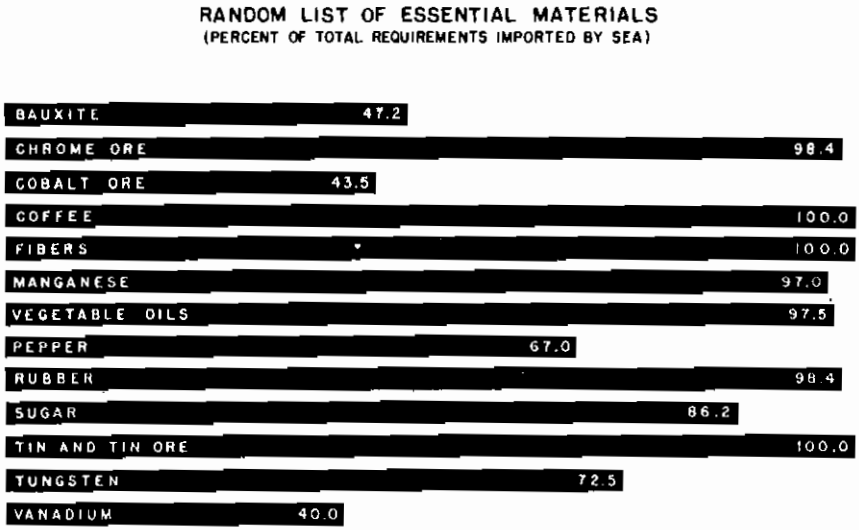
Our Merchant Marine today is at once a commercial industry and a vital element of sea power. Ordinarily we think of our Merchant Marine in terms of ships. It consists not only of ships, but also of men: men in the ships and men ashore; agents and office staffs; trained representatives stationed throughout the world utilizing a vast system of port facilities. It is a far-flung American business organization, seeking full cargos for their ships, and in doing so, contributing to an increase in import and export trade for the United States.

This conception of a Merchant Marine as a business implement, as well as a carrier of goods, has characterized British commercial policy for centuries.

In the light of the recent decline in U. S. foreign trade and in view of our final recognition that this nation must import to survive, many noted economists have said that we must go after this foreign trade just as vigorously as the British have done in the past. The restoration of convertibility of international currencies and the lowering of trade barriers would help.

In this connection, I add to Professor Elliott's recommendation that we study the Paley Report, copies of which may be found in the Library. This is the President's Material Policy Commission report on U. S. resources. It includes the story of how much the U. S. has outgrown its resource base, revealing the need for a completely new outlook on our foreign trade, our shipping policy,

and tariff rating structure. Let me give one quick familiar illustration.



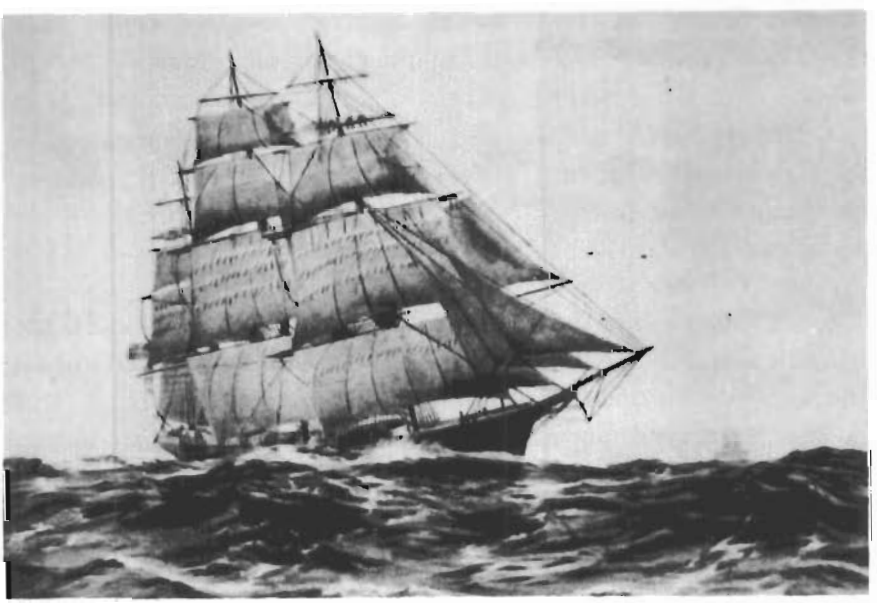
This audience need not be reminded that in World War II our military plans were governed largely by the availability of shipping. And, I am sure you understand how necessary it is that our national policy provide most effectively for a well-balanced Merchant Marine and a progressive shipbuilding industry, capable of meeting military objectives. A national policy is in existence. I propose to review this briefly with you.

8. Historical Background

But, to do so effectively, it is necessary that we quickly sketch the historical background leading to the establishment of our present policy.

You will recall that the sea was the lifeline of the early colonists. As a result of an abundant and free supply of native lumber and natural harbors, shipbuilding became an economic mainstay. In Boston alone, over 1,000 ships were built in a forty-year period beginning with 1676.

The forty years following the war of 1812 saw a great expansion of our merchant shipping. In 1819 the American ship SAVANNAH made the first successful crossing of the Atlantic under steam. It was during the 1840's that the swift and beautiful clipper ships went to sea. Some of the Yankee Clippers logged as much as 18 and 19 knots, considerably faster than most cargo steamers today.



> The Flying Cloud was built in 1851 in Boston by Donald McKay. This ship is about 2,000 tons. She was engaged in trade running from New York, around Cape Horn, to San Francisco and out to China. She made six of these voyages, and after about eight or nine years was sold to the British under whose flag she operated for the next fifteen years. It was just 100 years ago this month that the Flying Cloud made her famous record run from San Francisco to Hongkong in 37 days. Her fastest day's run on that trip was 402 miles. This ship paid for itself on the first voyage. Donald McKay was not so fortunate in some of his other ships, however, in that connection.

Despite the stimulus of the clippers, American sea power by the mid-nineteenth century was heading into troubled waters. The Civil War struck our merchant shipping a crippling blow. Sinkings, blockaded ports, postwar high prices, high tariffs, taxation—all led to a decline of trade and shipping. Scant steel production hampered the dvelopment of steam-propelled iron ships. American interest gradually shifted from the sea to the exploration of the West, and our shipbuilders turned to building "prairie schooners".

By the close of the nineteenth century, we had only one trans-Atlantic shipping line in operation. It was clear that we did not have the merchant marine strength required for national security. During the brief four-month Spanish-American War in 1898, we had to buy foreign shipping to meet our small wartime needs. When Theodore Roosevelt sent our Navy around the world in 1908, we hired foreign merchant ships to supply the Great White Fleet.

At the outbreak of World War I, we had only enough ships

to carry about one tenth of our trade. Ships of the warring nations were withdrawn from peacetime operations, cutting off our raw materials from foreign countries. When we entered the War in 1917, we were caught drastically short and had to borrow over a million tons of cargo shipping from Great Britain.

A board set up under the Shipping Act of 1916 organized the Emergency Fleet Corporation to carry out a building program. By Armistice Day we had built over 2,300 vessels. But almost none of these ships were in operation before the war ended.

By 1928, however, the government had sold over a thousand cargo and other ships to private operators—mostly at a great loss. Our Merchant Marine reached its lowest ebb in the twenties and thirties. We had built no cargo ships in twenty years.

By 1936, as the signs of approaching war clouds appeared, our Merchant Marine was still floundering. We were fourth among the six leading maritime nations in tonnage, and our ships were old and slow. We slowly awakened to this danger and Congress passed the Merchant Marine Act of 1936. This Act established the Maritime Commission to develop a merchant fleet adequate for the nation's commercial and defense needs.

The Commission undertook a program to build fifty new cargo ships each year for the next ten years. These ships were to be the finest, fastest, and safest ships on the sea, and were to have certain national defense features.

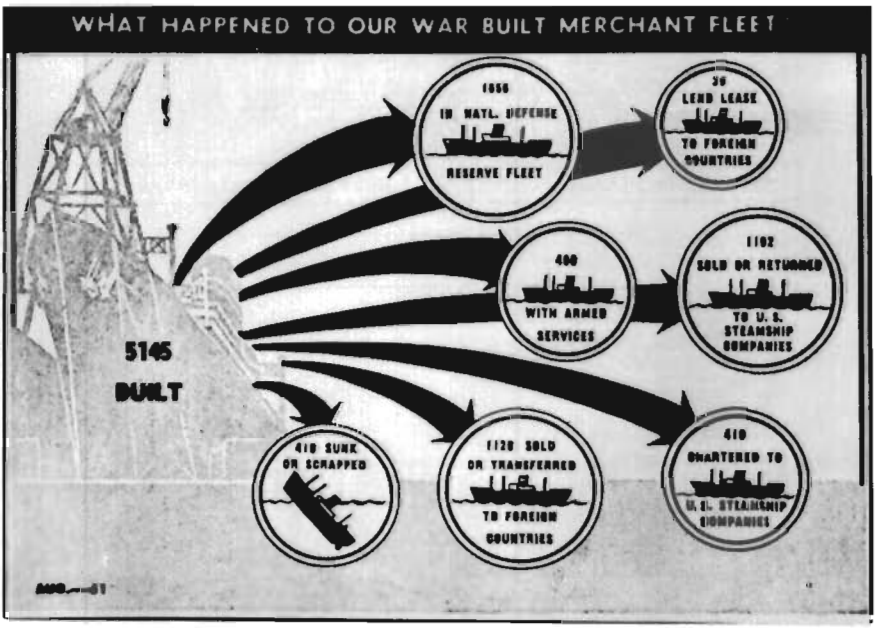
As the long-range shipbuilding program got underway in 1939, Europe was plunged into war. We promptly undertook an emergency program and built 185 new ships in the next two years.

After Pearl Harbor, we were forced not only to build for our own needs but to make good the huge submarine losses of our allies.

We accepted, initially, the slow ten-knot Liberty ships as a basic model of our shipbuilding program. But we were gradually able to introduce into the program the new and faster Victory ships and to continue building the basic long-range "C" types. These latter are the class of ships the Navy uses for its AKA's and APA's.

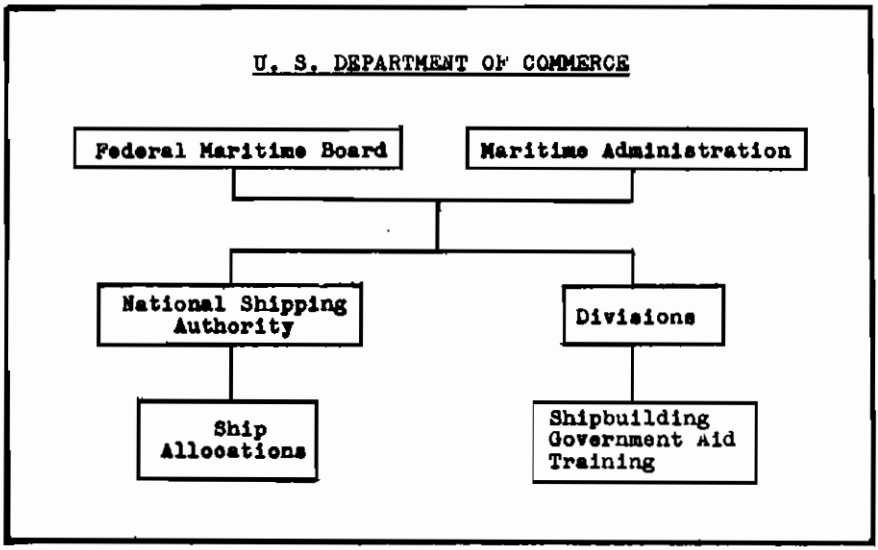
When the war ended we once more had a vast fleet of merchant vessels. From 1942 through 1945, our shipyards had turned out over 5,000 ocean-going vessels. By the end of June 1946, we owned one half of the world's shipping and twice that of the United Kingdom. We had built 2,700 Liberty ships, 530 Victory ships, 523 tankers, and numbers of other types.

Congress, in the Merchant Ship Sales Act of 1946, authorized the Maritime Commission to sell the surplus ships. The Act set minimum sales prices and specified that American nationals should have the first opportunity to buy the better and faster models. All in all, about 2,200 ships were sold—of which over 1,100 were for foreign flag operations and 1,100 for American flag operations. They were sold at a net price of about two billion dollars, which represented twenty-five percent of the initial cost. This figure gives an indication of the disposition of the ships.



Of the lend lease ships, 31 are still owned by the Soviet Union. Some of the ships that were chartered to U. S. steamship companies have been withdrawn from that category and placed in the Reserve Fleet, bringing that total up to 1,900.

Early in the Korean hostilities, it became clear that we needed administrative machinery to handle cargo shipping demands in the event that Korea exploded into a global war. In March 1951, the National Shipping Authority was created under the Maritime Administration to fill this need. It is an organization working closely with private industry and the Defense Department.



Under the Department of Commerce we have a Federal Maritime Board composed of three members who carry out the policies and wishes of Congress. The Chairman of this Board is also Administrator for the Federal Maritime Administration. The primary function of the National Shipping Authority is to allocate ships to private operators and government agencies — primarily M. S. T. S. The Director of the National Shipping Authority may be the Chairman of the N. A. T. O. Defense Shipping Executive Board which carries out the policy of the N. A. T. O. Defense Shipping Council.

9. Merchant Marine Act of 1936 as Amended to Date

And, now, let's take a brief look at our current shipping policy reflected in the Merchant Marine Act of 1936, as amended to date. When Congress passed the Act in 1936, it undertook to bring about a rejuvenation of our cargo and passenger fleet. The Act recognized the need of an adequate Merchant Marine to promote American commerce and to provide for the national defense.

Here is how the Maritime Board operates under the Act: It designs and builds ships, cooperating closely with the Bureau of Ships and with private steamship companies.

The ships so acquired may be sold to responsible U. S. nationals who are experienced in shipping.

Or, the ships may be assigned to private companies or another government agency under a bare-boat charter arrangement. In such cases the charterer merely rents the ship "as is"—providing his own supplies and paying his own crew and other operating expenses. He drums up his own business and keeps all profits after paying the charter hire expenses.

On the other hand, the Board may choose to operate the ship itself. It would do so for another government agency having need for shipping space. Such government agencies include M. S. T. S., the Department of Interior—who must supply the islands under its jurisdiction, or the Mutual Security Agency providing military and economic aid to allies.

By provisions of current law, M. S. A. is required to ship 50% of its exports in U. S. bottoms.

In all cases where the Federal Maritime Board—through the National Shipping Authority—operates ships, it does so by employ-

ing a commercial steamship company as agent. The agent runs the ship, hires the crew, loads and discharges the cargo as directed by some government agency—such as M. S. T. S. or M. S. A.

In any case, the agent is merely hired to perform this service. The U. S. government pays the crew and all operating expenses. It also reaps in all operating revenue.

The long range provisions of the Act attempt to encourage our commercial foreign trade, and in so doing to provide a certain reserve of ships which will be available for military purposes during war. Such a program, if even only partially successful, provides certain tonnage in reserve for military purposes with the least expense to our military budgets.

The encouragement of private shipping takes several forms. There are laws which prohibit competition from foreign lines in our domestic trade. In our foreign trade, the law provides for subsidies to operators on certain foreign trade routes. In both cases, the U. S. Government underwrites the building of ships and sells them to our commercial companies on fairly easy terms.

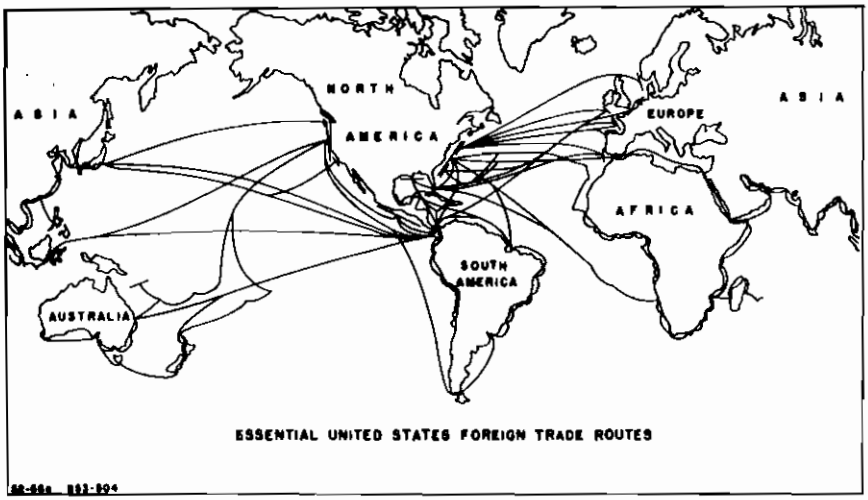
Practically nothing is done for our tramp shipping and, as a consequence, we have almost none. Little support is given to oil company shipping—and apparently none is needed since the oil companies are able to build and pay for their own ships. As a matter of fact, they voluntarily provide the U. S. Government with all shipping it may require for military and economic aid programs.

10. **Execution of the Act**

Now here is how the scheme works out for our commercial operations under the law. *First*, there is the construction-different-

ial subsidy which represents excess cost of a ship in a U. S. shipyard over cost of the same ship in a foreign yard. The differential payment goes to the shipyard—and not to the shipping company

The ship operator, in purchasing a ship from the Maritime Administration, must pay 25% down and the balance must be paid within 20 years. Interest rate to the U. S. Governmnt is 3½%. This benefit is available only to those operators who agree to travel over assigned trade routes (there are 31 such routes).



The 31 essential routes established by the Maritime Board cover the surface of the globe. About 260 ships operate on these routes, carrying about 80% of our dry cargo foreign trade. Individual companies are assigned certain trade routes. For example, the United States Lines operate on one of the routes from New York to South Hampton, and the Grace Line has another from New York through the Panama Canal to the west coast of South America.

Operators must provide regular service at maximum speeds and minimum turn-around time. They cannot use obsolete ships for this purpose and must have all except emergency repairs made in U. S. shipyards. There are many, many other requirements.

Shipping companies not engaged in one of the 31 trade routes are not eligible for this subsidy. The tramp steamer owner and the domestic trade operators are not eligible.

Thus, it develops, for example, that the Luckenbach Steamship Company, operating in the intercoastal trade, might pay much more for a ship than the United States Lines. Such companies may, however, buy ships from the U. S. Government for a smaller percentage down payment. And, of course, the lines in domestic trade have no foreign competition. They do, however, have competition from U. S. railroads and the trucking industry. This situation is aggravated by the fact that the railroad-minded Interstate Commerce Commission sets coastwise and intercoastal rates.

As a consequence, our domestic trade is a sick industry today. Thus, in 1939, 70% of our freighters were in domestic service. By 1951 this figure fell to 15%, and threatens to fall even more.

The *second* feature of the Act provides an "operating-differential subsidy", designed to put the American ship operator, on one of the 31 essential trade routes, on a parity with his foreign competitor. This subsidy again does not apply to the domestic operator nor to the tramp steamer owner.

A provision of the Act requires a subsidized operator to place all annual profits in excess of 10% into a reserve fund. The funds in this reserve shall be used for new ship construction or to meet operating losses during lean years. Further, if over a ten-year period, the operator's profit has averaged more than 10%,

half of the excess has to be paid back to the Maritime Board out of the Reserve Fund, up to an amount equal to the entire subsidy. Thus, it is possible that no subsidy need be paid. I want to add that subsidy payments do not necessarily insure a profit to the operator.

The costs of the subsidies is of interest. Here are the latest figures as of two months ago: In 16 years of construction subsidies, the taxpayer has paid out about 350 million dollars which made possible the building of over 250 ships. Operating subsidies averaged 5 million dollars a year before the war and about 30 million dollars since the war. No subsidies were paid during the war.

The 1953 budget for Merchant Marine aid is 164 million dollars; compare this with the huge sums for agriculture subsidies for keeping up the price of hogs, potatoes, peanuts, and cheese. We have paid out more in sugar subsidies in the last 16 years than we have for shipping. In fact, the total cost of our subsidy programs is 5½ billion dollars per year. To me there appears to be something unsound in all these subsidy schemes. I hope we can develop better remedies.

The *third* aspect of the Merchant Marine Act of 1936 revolves around the effective manning of the ships. When the old Maritime Commission first started reconstructing the Merchant Marine in 1936, there was an urgent need to build up a personal training program commensurate with the building program. Up to this time no real training for Merchant Marine personnel had ever been available. In fact, we had hired many foreign seamen. There had been the State Nautical Schools of Massachusetts, New York, Pennsylvania, and California. But these schools turned out

less than 10% of the officers needed for the Service. No schools for seamen existed.

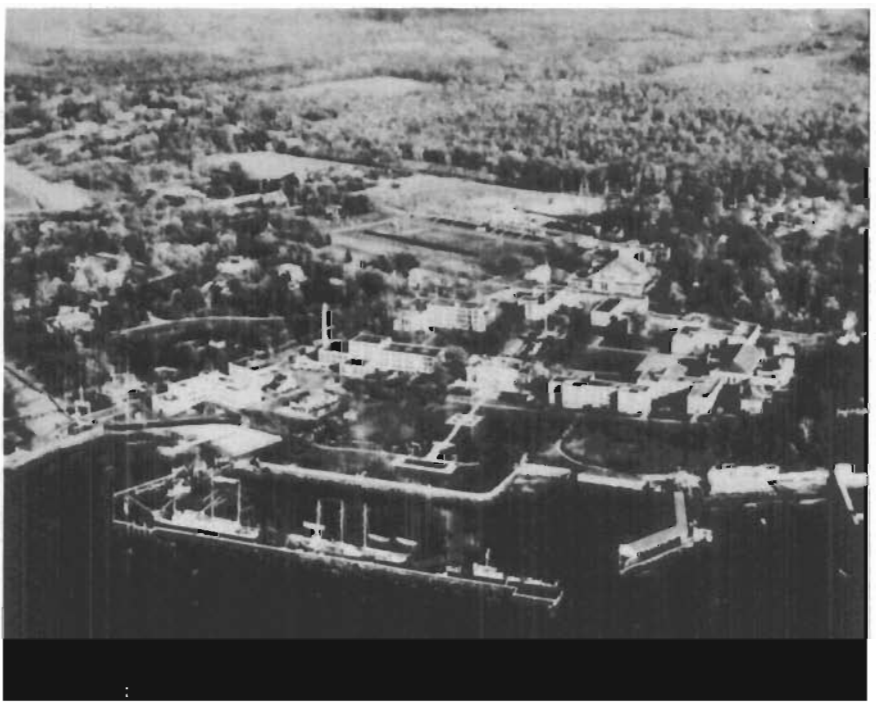
In the Act, Congress established the U. S. Merchant Marine Academy and the Maritime Service, and the program provided for federal cooperation with the state nautical schools. Fortunately, these schools for the training of officers and men were well underway by the time World War II came along. As a consequence, they were able to expand enough to meet the war requirements.

Today, the training program for officers continues in splendid shape. The U. S. Merchant Marine Academy at Kings Point on Long Island has 1,000 Cadet Midshipmen (as they are called). The course is for four years. Entrance requirements are the same as those of West Point and Annapolis. All students are enrolled in the Naval Reserve as Midshipmen. Upon graduation they are commissioned Ensigns, U. S. N. R., as well as receiving their licenses from the Coast Guard. One feature of the training is that each student must spend his second year at sea on a merchant ship. There are usually two cadet midshipmen on each ship. They must study while at sea, and at the end of the sea period must be recommended by the Master and must pass another examination before being allowed to complete the final course at the U. S. Merchant Marine Academy.

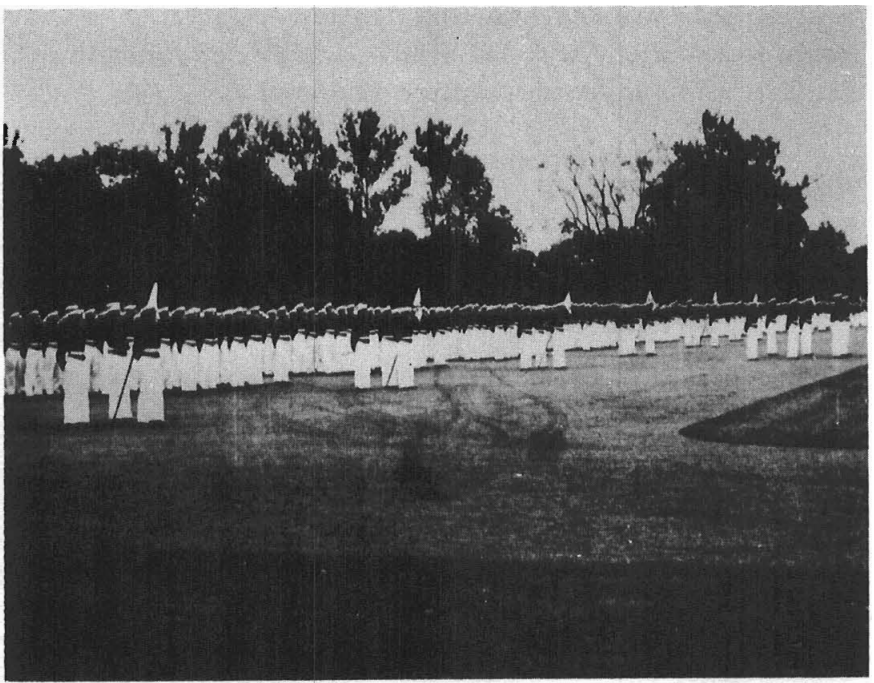
Several thousand graduates of Kings Point have served, or are now serving, as officers in the Navy.

The Maritime Service Program for apprentice seamen has about faded away. Some special training is done in the electronics field and upgrading of other specialties. But no new seamen have been trained since the war's end. Despite this fact, we were able

to break out over 600 ships from the Reserve Fleet in a seven-month period after Korea and nearly all ships were bound for the Far East within a few weeks after withdrawal.



U. S. Merchant Marine Academy, Kings Point; 20 miles from New York City, an the south shore of Long Island Sound.



Regiment of Midshipmen preparing for a Saturday morning inspection.

11. Industry Supervision

Now I want to go into the industry a little more. There are more than fifty separate bureaus, divisions, and independent agencies with whose regulations a shipowner must comply. They are, to name a few:

The Coast Guard, which has charge of the inspection of the safety features of the ships and the examination and licensing of officers and men;

The Customs Bureau, which collects taxes on imports;

The Navy Department, which is interested in defense features of ships;

The Immigration Bureau, which is interested in foreign passengers, and so forth—not to also mention scores of unions whose demands are well known to all.

There is also the *American Bureau of Shipping*, a private corporation for classifying of American vessels, comparable to Lloyd's, whose load line designations are official and whose drydocking and survey requirements are mandatory if the owner wants to keep down his insurance rates. The American Bureau of Shipping, of course, is the official agency representing the marine underwriters.

12. **Conferences**

Another interesting facet of the industry concerns International Conferences. A conference is an agreement between competing shipping lines on what rates they will charge. Congress approves them—and they are exempt from the Sherman Anti-Trust Laws. Some of these conferences are:

The North American Passenger Conference;

The U. S. - Spanish Conference;

The Far East - Panama Freight Conference.

All told, there are over 120 conferences made of some 300 member lines, of all maritime nations.

By the Shipping Act of 1916, the Maritime Board is empowered to control the rates if they are found to be prejudicial to the interests of American exporters as compared with foreign competitors. For example: If the Japs can again put light bulbs

in Spain—by whatever line—cheaper than the G. E. can do it, and G. E. can show that an unreasonable ocean rate from U. S. to Spain is its obstacle—than the members of the U. S. - Spanish Conference could be made to lower their rates.

Complaints from exporters have always been few in number—indicating the existence of competition. The rates have been stabilized at a low level—the level is usually too low for high-cost American operators to show a satisfactory profit. The point which I wish to make is—that an American exporter cannot ship in foreign bottoms any cheaper than in U. S. ships. The rates are set to meet the lowest cost competitor.

The United States is in direct competition with other maritime nations in ocean transportaton. It has always been the policy of Great Britain that their shipping must be supported *at all costs against all comers.* They have found hundreds of ways of doing this: by cartels, international and Empire associations, insurance tie-ins with shippers, subsidies, rebates, and discriminating tax and customs regulations—just to name a few. All other maritime nations have done likewise in varying degrees.

The dilemma which we are in stems from the fact that the strength in merchant ships must be proportioned to our naval requirements and to our foreign trade. Our naval requirements obviously exceed our commercial requirements. There is only one way to close the gap without excess cost to the taxpayer, and that is to increase our foreign trade.

13. **Current Building Program**

Now for a quick review of the current shipbuilding program. The order books for world shipyards amount to over 1,700 ships. Upon completion of the present construction program the world's

merchant fleet will be 24% larger than it is now, and 40% greater than prior to World War II. Of the ships building at present—

64% are tankers,
33% cargo, but only
3% are passenger types.

This passenger situation spells bad news for military transport requirements. In fact, when the present program is finished, the passenger ships of the world will be equal to only 70% of the pre-World War II size. This figure reveals what nations are building ships.

MERCHANT SHIPBUILDING IN
PRINCIPAL COUNTRIES OF THE WORLD
January 1952
New Construction in Hand or on Order

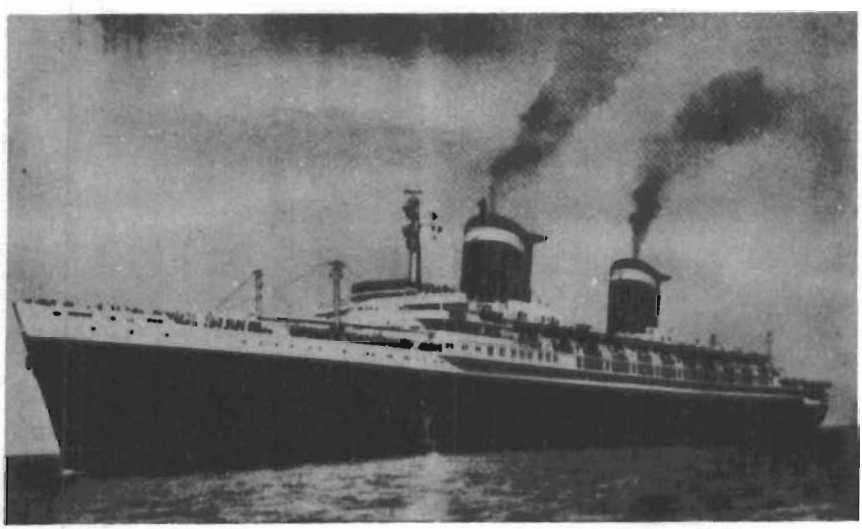
(1,000 Gross Tons and Over)

Country Which Building	Percentage of World Total
Denmark	2
France	3
Germany	12
Great Britain	41
Holland	6
Italy	2
Japan	5
Norway	6
Sweden	12
U.S. of America	8
Others	1
Total	100

Total of new construction - 1,714 ships

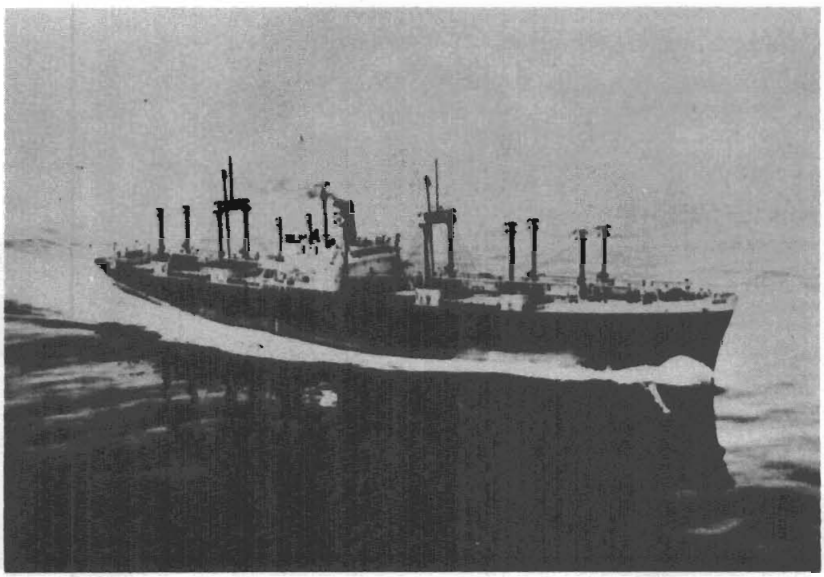
The U. S. program includes:
111 ships of which
37 are dry cargo

59 are tankers (but 25 of these tankers are for foreign flags. I might add, also, some of these tankers are enormous. Four under construction are 705 feet in length, about 45,000 deadweight tons, and can carry twice the amount of oil as our fleet tankers—that is 300,000 barrels.) No passenger ships are under construction, but we have built six large passenger vessels since the war. Three of these are troop carriers going to M. S. T. S. The other three passenger vessels are the INDEPENDENCE, the CONSTITUTION, and UNITED STATES.



This is a photograph of our new superliner—the S. S. UNITED STATES—the largest passenger ship ever built in this country, and the most modern and fastest in the world. It began operating in the North Atlantic trade recently. It can lift one di-

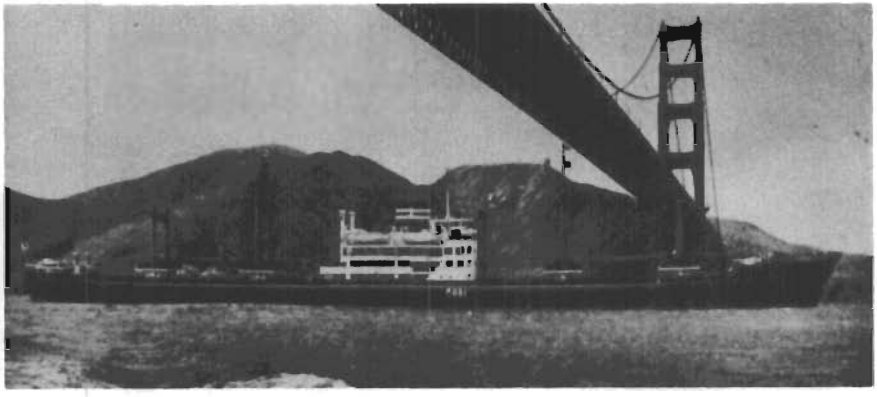
vision. A new trans-Atlantic speed record was set at 36 knots. The operating payroll is $18,000 per day. It can transit the Panama Canal.



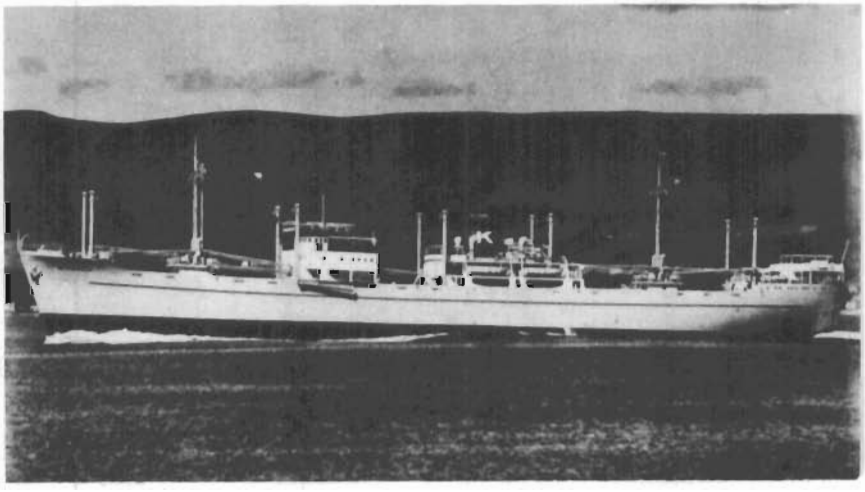
The Keystone Mariner, owned by the National Shipping Authority, but operated under General Agency Agreement by the Waterman Steamship Line for the account of M. S. T. S. (13,000 dead-weight tons; 10,000 gross tons; 20,000 displacement tons.)

This is a photo of the new mariner class. The cruising speed is 20 knots. It could replace three Liberties, providing port delays are kept to a minimum, or 1,000 are equivalent to the 2,700 Liberties built in World War II. The cost is 8 million dollars. It can operate independent of convoys.

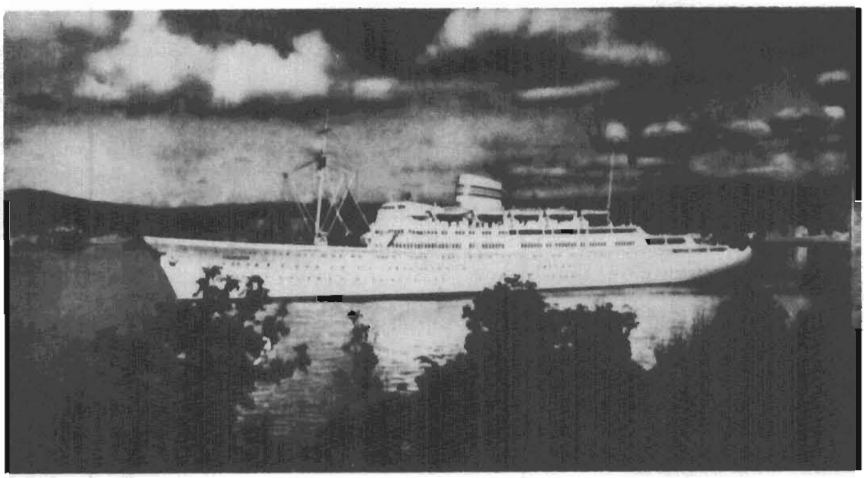
Now let's look at some of the foreign ships recently completed.



Japanese ship.



British ship.



Norwegian ship.

14. **Need for Strong Ocean Shipping Systems**

In closing, let me leave a few thoughts on the subject of "Ocean Shipping".

Mahan named as the first component of sea power—the possession of naval strength.

As the second component, he named the possession of a merchant marine.

I believe you will agree that the last two wars have proved the validity of Mahan's observations on both these components.

Churchill is credited with the statement that the U. S. in-

dustrial and military might is only as great as that which can be projected overseas.

If we are going to supply our Air Force bases and our Armies overseas, we must have adequate supply ships with trained men to operate them, and sufficient foreign trade to support the ships.

This is a partial obligation of the Navy. It is my fervent hope that this matter is being given the attention it deserves in the formulation of our strategic and mobilization plans.

Captain Dodson is the Assistant Head of the Intelligence Department at the Naval War College. He is a licensed Master Mariner and has had wide experience in ocean transportation afloat and ashore.

MILITARY SEA TRANSPORTATION SERVICE

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

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

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

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

The prosecution of war requires the use of a tremendous

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1) Control, operation, and administration of government-owned vessels assigned and all other vessels acquired.

2) The establishment, control, and administration of MSTS units ashore world-wide.

3) The procurement of vessels by bareboat, time and voyage charter, and the procurement of space in commercial shipping.

4) The establishment of an adequate system of reporting requirements for transportation of passengers and cargo within the three Services, and for such other operational information as is considered necessary by MSTS.

5) The administration of priorities for sea transportation in

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

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

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

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

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

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

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

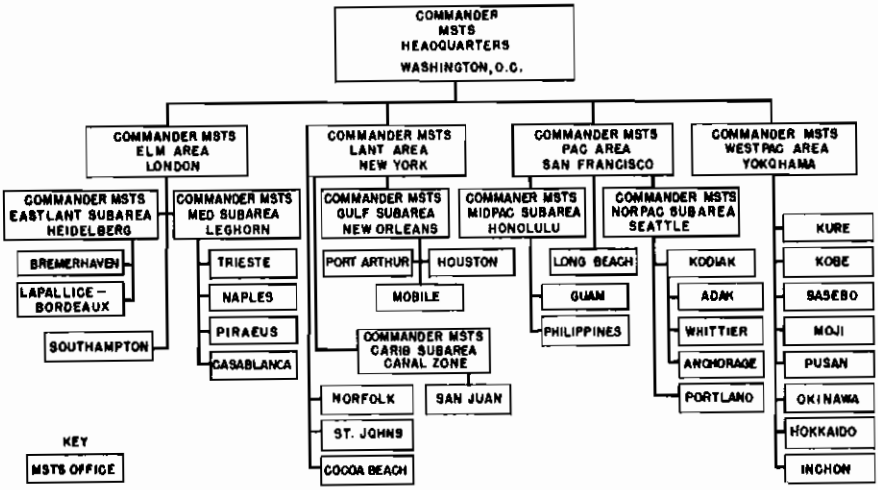
12) In general terms, the planning and the provision for sea transportation to the various Areas and Theatres in the world in connection with the approved plans of the Joint Chiefs of Staff and the emergency plans of the several Area and Theatre Commanders.

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

Figure I

MILITARY SEA TRANSPORTATION SERVICE
COMMAND ORGANIZATION

15 NOVEMBER 1952



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

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

The four Area Commanders are organized as follows:

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

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

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

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

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

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

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

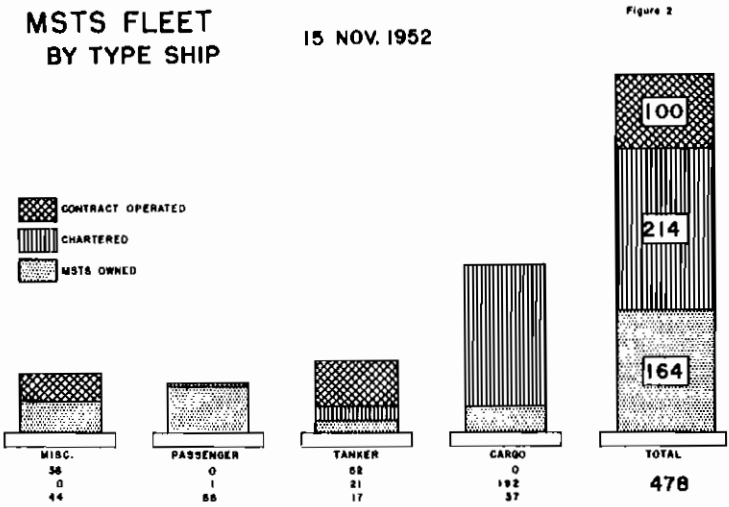


Figure 2 shows the composition of vessels under MSTS control as of 15 November 1952. The dotted blocks indicate MSTS-owned ships which are manned by MSTS with either Navy or marine civil service personnel. These total 164. Twenty-seven of them are USS commissioned ships manned by Naval personnel. Another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

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

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

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

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

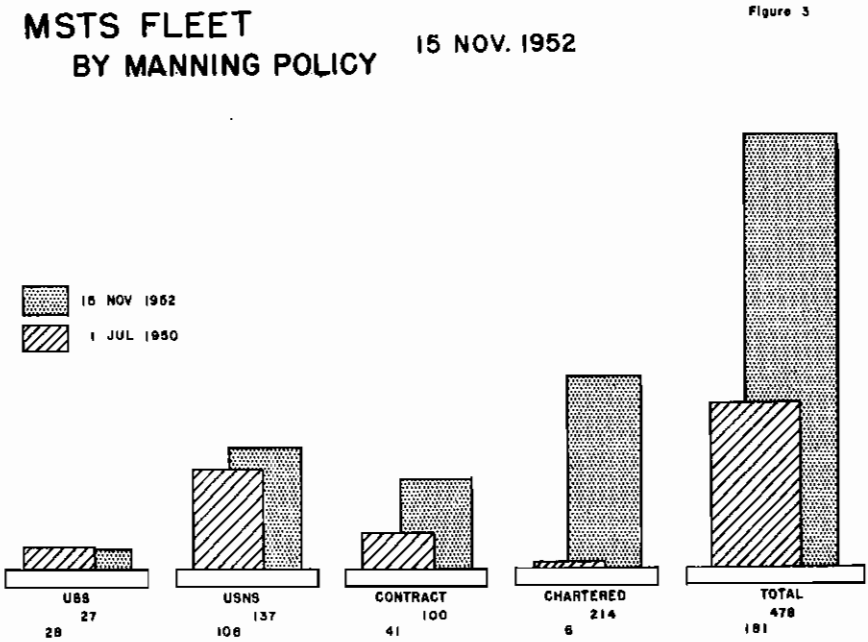
The action in Korea, which has given rise to many paradoxes born of the principle paradox—that of being at war without benefit of official pronouncement—has also inspired its paradoxes in the field of shipping. We have had since March of 1951 a National Shipping Authority with powers of requisition and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

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

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

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

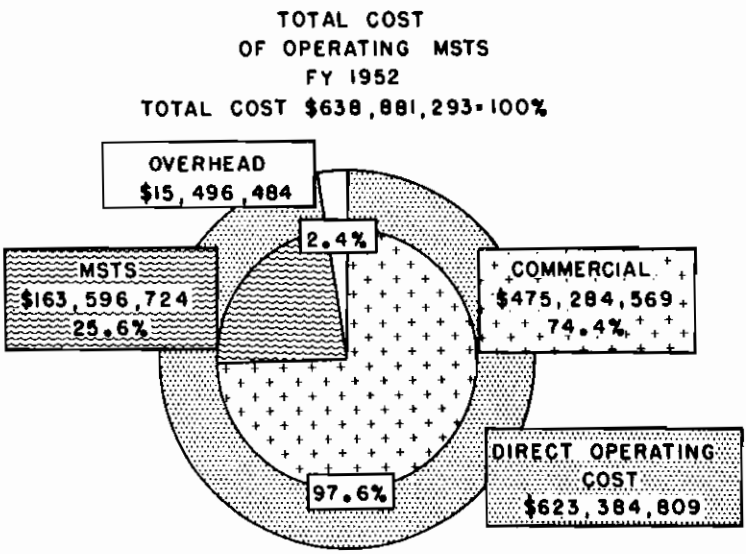
The outbreak of hostilities in Korea in June of 1950 supplied MSTS with an unparalleled opportunity to demonstrate that it was not a bureaucratic octopus. With the declaration of a limited emergency, it would have been quite simple for MSTS to have justified an immediate and large increase in its fleet.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



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

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

Figure 4



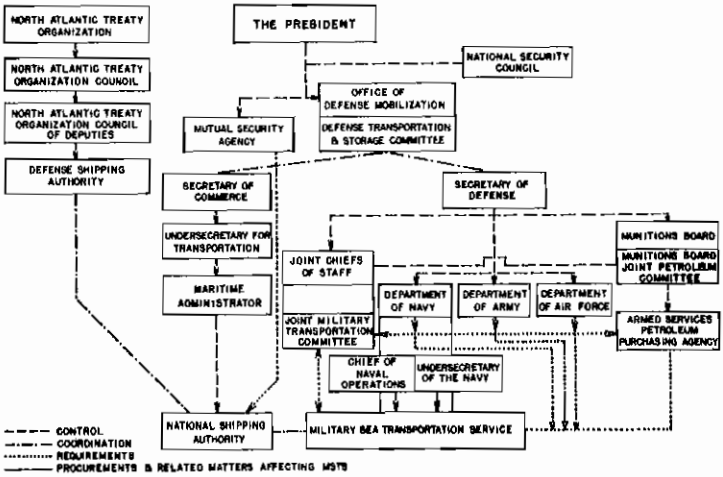
The increase in military shipping since the start of the Korean campaign has had a prosperous effect on the American Merchant Marine. As can be seen on this chart, more than 475 million dollars, or 74.4% of the total MSTS operating budget for the calendar year 1952 was paid directly to commercial shipping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

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

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

Figure 5

CONTROL & COORDINATION AGENCIES INVOLVED IN SEA TRANSPORTATION OPERATIONS & ADMINISTRATION



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

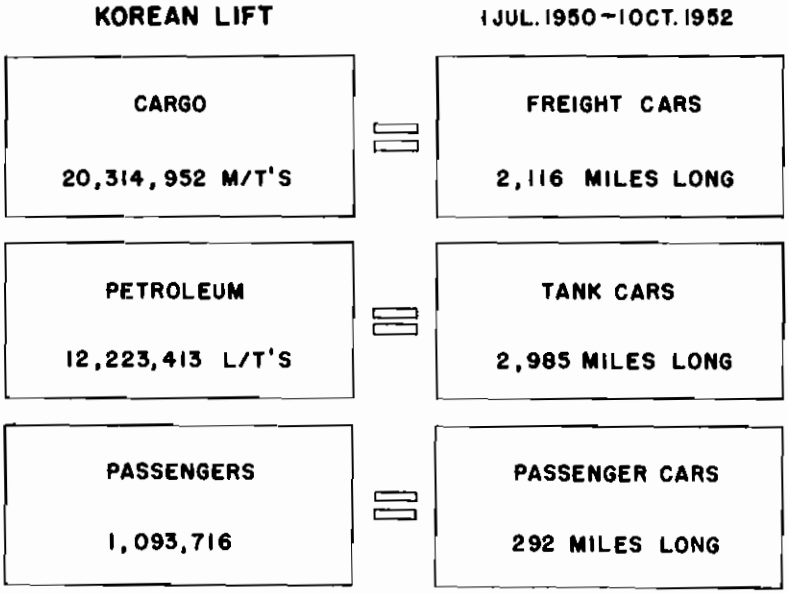
ables affecting our capabilities, and we also realize that the shipper services have their own problems to solve and what may appear a desirable solution to us may not look as attractive to them. A mutual understanding of each other's problems is developing progressively, resulting in a willingness to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

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

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

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

Figure 6

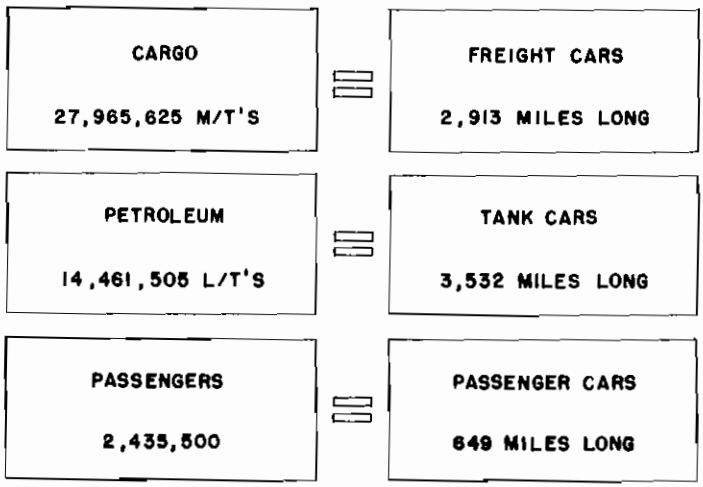


This chart shows the total MSTS lift to the Western Pacific Area since the start of hostilities. These figures represent only personnel and equipment carried to the Far East, and do not reflect almost equal quantities transported back and forth within the area itself. Altogether, MSTS has been responsible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

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

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

Figure 7



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

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

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

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

BIOGRAPHICAL SKETCH

Vice Admiral William M. Callaghan, U. S. Navy

William McCombe Callaghan was born in Oakland, California, on August 8, 1897. He attended St. Mary's College of California, the University of San Francisco, and Drew's Preparatory School before his appointment to the U. S. Naval Academy from the Sixth District of California in 1915. He graduated and was commissioned Ensign on June 6, 1918, with the Class of 1919.

After graduation he served briefly in the USS WISCONSIN before reporting for duty with the Destroyer Force based on Queenstown, Ireland. Assigned to the USS STEVENS in August 1918, he served for four months in that destroyer, and in December was transferred to the USS ALLEN. In July 1919 he returned to the United States reporting to the Bethlehem Shipbuilding Corporation, San Francisco, assisted in fitting out the USS HAMILTON and the USS NICHOLAS. He served aboard the latter from her commissioning, November 23. 1920, until January 1921, and then had successive duty until June 1923 in the destroyers DENT, FARQUHAR, TWIGGS and SLOAT.

Returning to Annapolis on June 9, 1923, Vice Admiral Callaghan was under instruction in Electrical Engineering at the Postgraduate School, continuing the course at various places, including Columbia University, New York. He received the degree of Master of Science from Columbia in June 1925. In October he joined the USS CONCORD in Cuban waters, and continued duty in that cruiser until September 1928. Returning to the United States, he had duty in the Repairs Division, Bureau of Engineering, Navy Department, Washington, D. C., from November 1928 until May 1930. In June of that year he joined the USS SARATOGA, and later served as Assistant Engineer Officer of that aircraft carrier from December 1931 until May 1933.

After duty for three years as an instructor in the Department of Marine Engineering at the Naval Academy, he assumed command in June 1936, of the USS REUBEN JAMES. In March 1938 he was transferred to the USS HENDERSON for a year's duty as

Executive Officer. In May 1939 he returned to the Navy Department for duty in the Ships' Movement Division, Office of the Chief of Naval Observer at the American Embassy, London, England.

Returning to the United States in September 1941, Vice Admiral Callaghan had duty during the early period of World War II, until June 1942, in the Office of the Chief of Naval Operations, Navy Department. He served on the staff of the Commander in Chief, Pacific Fleet, from July 1942 until the spring of 1944, and was awarded the Legion of Merit during this period.

After his return to the United States Vice Admiral Callaghan fitted out the USS MISSOURI at the Navy Yard, New York, and commanded that battleship from her commissioning, June 11, 1944 until May 1945. Under his command the MISSOURI arrived in the forward area of the Pacific early in February 1945, and participated (as a part of the famous Task Force 58) in the first mass air strike against the Japanese homeland on February 16-17, furnished close support to carriers operating against the enemy stronghold of Iwo Jima, participated in the carrier strikes against Tokyo, February 25-27, and again struck at Iwo Jima, on March 1, 1945. Later that month she took part with Task Force 58 in a two-day sweep down the Japanese coast line, and on March 24, participated in the initial bombardment of Okinawa.

Transferred in May 1945 to duty on the staff of the Commander in Chief, Pacific Fleet, he served briefly in that assignment, and in July of that year returned to the Navy Department, Washington, D. C. Following temporary duty in the Bureau of the Chief of Naval Operations, and was designated Assistant Chief of Naval Operations (Transportation), and Chief of the Naval Transportation Service. On August 13, 1948, he reported for duty as Commander, Training Command, Atlantic Fleet.

On July 29, 1949, he was again ordered to the Office of the Chief of Naval Operations for duty, and on September 15, 1949, he was designated Commander, Military Sea Transportation Service, Washington, D. C.

In addition to the Legion of Merit, Vice Admiral Callaghan holds the Victory Medal, Atlantic Fleet Clasp; the China Service Medal; the American Defense Service Medal, Base Clasp; the Asiatic-Pacific Campaign Medal with two combat stars; the American Campaign Medal; and the World War II Victory Medal.

Vice Admiral Callaghan is a brother of the late Rear Admiral Daniel J. Callaghan, USN, who was killed in action aboard the USS SAN FRANCISCO during the Battle of the Solomons in November, 1942.

RECOMMENDED READING

The evaluation of books listed below include those recommended to resident students of the Naval War College. Officers in the fleet and elsewhere may find these of interest.

Many of these publications may be found in ship and station libraries. Some of the publications not available from these sources may be obtained from the Bureau of Naval Personnel Auxiliary Library Service, where a collection of books are available for loan to individual officers. Requests for the loan of these books should be made by the individual to the nearest branch or the Chief of Naval Personnel. (See Article C-9604, Bureau of Naval Personnel Manual, 1948).

Title: *Fleet Admiral King.* 657 p.

Author: King, Ernest J., Fleet Admiral, U. S. N., and Whitehall, Walter Muir, Commander, U. S. N. R., N. Y., W. W. Norton, 1952.

Evaluation: An account of the career of Fleet Admiral King from his early days in Ohio until the end of World War II. It deals almost exclusively with his naval career, principally that of his service during the last war, first as CincLant-Flt and later as Cominch and CNO. While serving in the latter capacities Fleet Admiral King participated in all the wartime meetings of the Allied Chiefs of Staff. His account of these conferences and detailed coverage of the overall strategy of World War II are probably the most valuable parts of the book. This book is an outstanding contribution to the history of the United States Navy, covering as it does, the Admiral's association with most of the phases of the development of the Navy during the first fifty years of the century. It is written in the third person from material assembled by the authors over a period of several years. Characteristically, it is factual and to the point, and delineates the broad strategic concept of war held by Fleet Admiral King. Naval officers of all ranks will find it highly readable and a valuable source of information on many naval matters. It contains some aspects of Cominch operations which have not been previously made public. In addition, the book reveals the

thoughts of many prominent personalities which led to the major decisions affecting the overall strategy of World War II.

Title: *The Zone of Indifference.* 312 p.

Author: Strausz-Hupe, N. Y., G. P. Putnam's Sons, 1952.

Evaluation: The Zone of Indifference is an excellent, serious and thought-provoking treatment of the present-day problems of the Western nations. It examines the Greek, Roman and Judeo-Christian background of Western culture in an effort to establish a pattern for the solution of today's problems, which the author considers to be political, social and economic rather than military. It is his conviction that if the United States and Europe can solve their political, social and economic tasks, a sound and healthy Atlantic Union can readily produce adequate military power to insure world peace and security. This book is recommended for those desiring a broader background of world affairs.

Title: *The Atlantic Alliance.* 172 p.

Author: Royal Institute of International Affairs. N. Y., 1952.

Evaluation: A report by a Chatham House Study Group on the North Atlantic Treaty Organization, "the problems that it has handled, the lessons it has learnt, and the procedure it is evolving." Although written by a group of British experts, this study of NATO is by no means undertaken simply from the standpoint of British interests. It is particularly valuable as a concise summary of the organizational development of NATO. Special emphasis is placed by the Study Group on the limitations of NATO as a form of international organization, the contrast between stated goals of the organization and current realities, and an estimate of what can reasonably be expected from the organization in the immediate future. On the whole, a very useful survey of the progress to date, and the problems that remain, in creating an Atlantic community—the avowed purpose of NATO.

Title: *Total Terror.* 310 p.

Author: Kalme, Albert. N. Y., Appleton-Century-Crofts, 1951.

Evaluation: Total Terror offers a straight-forward exposition of how the Soviet python has swallowed the Baltic states of Latvia, Esthonia, and Lithuania and is now digesting them. The author points out that within ten years, if the West doesn't do something about these unfortunate countries, most of the Balts will have been liquidated and the remainder absorbed into other peoples of the USSR. Despite the terrors imposed upon the inhabitants, partisan groups continue their attacks against great odds and look hopefully toward the West for the day when aid may come to them. The author points out that if war comes, the Eastern resistance movement would be of great value to the West. The Russians know this only too well, the author says, and this is why they are so anxious to wipe out all opposition in Eastern Europe. Total Terror gives a vivid picture of Russian extermination and subjugation methods being used.

Title: *From Major Jordan's Diaries.* 284 p.

Author: Jordan, George Racey. N. Y., Harcourt Brace, 1952.

Evaluation: This story is a startling revelation of what the Russians received from the U. S. A. through lend-lease during World War II. It cost $9,500,000,000 and included everything from atomic materials to a pipe for Stalin. Major Jordan was liaison officer with the Russians at the staging base at Great Falls, Montana—the U. S. end of the Lend-Lease acrial pipeline to Russia. His story is told concisely and is substantiated with documentation. It is worthwhile for officers of the Armed Forces.

Title: *Isolation and Alliances.* 56 p.

Author: Lippman, Walter. Boston, Little Brown, 1952.

Evaluation: In this very small book are the two Sulgrave Manor lectures that Mr. Lippman delivered in England earlier this year. The first is an interpretation of the basis of American international behavior from our beginnings until the

time that we were called on to replace the British strength in Greece in 1947. In the second, he speculates on our national reactions and proposes goals we should work toward with our Atlantic alliance in the new world situation that confronts us. Whether one agrees or disagrees, the book is well worth the investment of the half-hour required to read it.

Title: *American Approach to Foreign Policy.* 195 p.

Author: Perkins, Dexter. Cambridge, Harvard University Press, 1952.

Evaluation: The author takes a new and different look at the ways in which Americans think of their country's role abroad. The book opens with a brief summary of U. S. diplomatic history and then discusses the influence of capitalism, commercialism and morals upon our foreign policy and concludes that capitalism and commercialism have not had the effect upon our foreign policy previously credited to them. The author shows how our approach to questions of foreign policy is rooted in our culture. He also discusses the cycles of war and peace in our history and the connection between wars and periods of recovery and depression. The role of the president and congress in foreign policy is analyzed in a very interesting manner.

Title: *History of Marine Corps Aviation in World War II.* 477 p.

Author: Sherrod, Robert. Washington, Combat Forces Press, 1952.

Evaluation: A complete history of Marine Aviation in World War II with a brief history of Marine Aviation prior to the war. While the book is primarily concerned with the air war, there is much of naval interest included. It is not written in a propaganda vein but is factual and well documented.

Title: *Report From Formosa.* 290 p.

Author: Bate, H. Maclear. N. Y., E. P. Dutton, 1952.

Evaluation: The author, born in China of British parents, now Diplomatic Correspondent of the SUNDAY GRAPHIC (Kemsley Newspapers, Great Britain), is pro-Nationalist, but

not necessarily pro-Chiang. He apparently has no axe to grind, sets forth in plain terms the salient facts about Formosa today, without regard to the feelings of the partisans of any of the factions involved. The U. S., British, Chiang, Mao, and Romulo may find various parts of the book unpalatable. However, the facts in a very tangled and difficult situation are clearly presented and slanted to highlight conflicts. No recommendations are made by the author.

Title: *Greece: An American Dilemma.* 246 p.

Author: Stavrianos, L. S. Chicago, Henry Regnery, 1952.

Evaluation: A documentary survey of Greek-American relations during the years 1946-1951. It is an important contribution toward an understanding of some of the underlying causes of international tension. The history of Greece is analyzed to give the reasons behind the disturances within the country and the involvement of America as the dominant power in Greece today. The author must, for his purpose, answer realistically the following questions: Why is Greece in such turmoil today? How did America become involved? What should America do now? The author has answered these questions in a stimulating and well-documented style.

PERIODICALS

Title: *Anti-Sub Warfare Gets New Lift.*

Publication: AVIATION AGE, November, 1952, p. 65-68.

Annotation: Describes the first lighter-than-air craft specifically designed for anti-submarine warfare, now being tested at Lakehurst, New Jersey.

Title: *The Congo Is In Business.*

Author: Solow, Herbert.

Publication: FORTUNE, November, 1952, p. 106-112, 165-172.

Annotation: A survey of the economic development of the mineral-rich Belgian Congo and the story (p. 113-114, 172-182) of the Colonial Big Five holding companies which dominate the economy of the Congo.

Title: *The Geopolitics of Albania.*

Author: Roucek, Joseph S.

Publication: WORLD AFFAIRS INTERPRETER, Autumn, 1952, p. 320-334.

Annotation: A summary of geopolitical information on Albania which, as a strategically important Soviet naval and air base at the mouth of the Adriatic, prevents the consolidation of a firm southern flank for the defense of Europe.

Title: *The ROK Navy.*

Author: Holly, David C., Lieutenant Commandr, U.S.N.

Evaluation: U. S. NAVAL INSTITUTE PROCEEDINGS, November, 1952, p. 1219-1225.

Annotation: Reports on the efforts to equip and train the Korean Navy and on the achievements attained in combined action with UN forces.

Title: *Planning for Defense.*

Author: Bush, Dr. Vannevar.

Publication: COMBAT FORCES JOURNAL, November, 1952, p. 19-23.

Annotation: The author asserts that top-level military planning in the U. S. is inadequately done, and that the principal reason for this failure lies in the faulty organization of the JCS. This article contains much food for thought.

Title: *Norway in NATO.*

Author: Mehlem, Max.

Publication: SWISS REVIEW OF WORLD AFFAIRS, November, 1952, p. 9-11.

Annotation: Discusses the strategic importance of Norway, her defense program and her attitude toward the stationing of Allied forces on Norwegian soil.

Title: *How to Block Russia.*

Publication: U. S. NEWS & WORLD REPORT, November 7, 1952, p. 54-57.

Annotation: An interview with the British military expert, Major

General J. F. C. Fuller (Ret.), in which he expresses the opinion that the cold war of today is the real war.

Title: *Rollback Without War.*

Author: Herald, George W.

Publication: UNITED NATIONS WORLD, November, 1952, p. 14-18.

Annotation: An inspiring statement of a new aggressive policy of "rollback" as opposed to "containment" of the George Kennan school. Under the direction of one of its foremost proponents, Field Marshall Sir William Slim, this policy is beng studied by Allied officers and scholars.

Title: *Russia and Warm Water.*

Author: Morrison, John A.

Publication: U. S. NAVAL INSTITUTE PROCEEDINGS, November, 1952, p. 1169-1179.

Annotation: Disagrees with the accepted geopolitical thesis which explains the expansion of Russia in terms of a conscious "urge to the sea" and discusses the consequences of the acceptance of "this erroneous generalization."

Title: *Birth of the Fire Team.*

Author: Holmes, L. M., 2d Lieutenant.

Publication: MARINE CORPS GAZETTE, November, 1952, p. 17-23.

Annotation: An interesting bit of history on the development of the fire team now used by Marine divisions. Covers the little-known fact that Admiral Mahan's brother, Lieutenant Dennis Mahan, U. S. N., was also a student of things military and one of the fathers of the idea of the triangular division of today.

Title: *Russia—and the Austrian Treaty.*

Author: Bromley-Gardner, Major R.

Publication: THE ARMY QUARTERLY (GREAT BRITAIN), October, 1952, p. 56-63.

Annotation: Examines the problem of Austria and cites the military,

political and economic advantages gained by Russia through continued occupation made possible by delaying ratification of the peace treaty.

Title: *Germ Warfare.*

Author: Bliss, Raymond W., Major General, U.S.A. (Ret.).

Publication: THE ATLANTIC MONTHLY, November, 1952, p. 54-57.

Annotation: The former Surgeon General discusses the subject in relation to Russian allegations concerning the use of biological warfare by U. N. forces in Korea.

Title: *Intelligence and Policy-Making in Foreign Affairs.*

Author: Hilsman, Roger, Jr.

Publication: WORLD POLITICS, October, 1952, p. 1-45.

Annotation: Deals with U. S. intelligenee organizations, the doctrines which govern their role in foreign affairs, sets up a working model of the intelligence function and evaluates American doctrine in the light of that model.

Title: *The Prisoners Stole the Show in Korea.*

Title: Bess, Demaree.

Publication: SATURDAY EVENING POST, November 1, 1952, p. 36-37, 52-55.

Annotation: Alleges that the Koje Island fracas was part of long-range communist strategy, gives the details concerning it and comments on the implications.

Title: *Scientists Find Mid-Ocean Canyon.*

Publication: LIFE, October 27, 1952, p. 139-142.

Annotation: Brief, illustrated article on results of an oceanographic expedition led by Dr. Maurice Ewing of Columbia University.

Title: *Economic Regionalization in the Soviet Union.*

Author: Shimkin, Demitri B.

Publication: GEOGRAPHICAL REVIEW, October, 1952, p. 591-614.

Annotation: A study of regional development which analyzes the impact of industrialization from 1926-1950, assesses the possible effects of current Soviet plans on the future of the economic geography of Russia and compares the patterns, processes and rates of regional economic development in the USSR, 1926-1950, with those characterizing the U. S., 1900-1950.

Title: *Russia Doubles Its Industry in Five Years —Rivals Europe.*

Publication: BUSINESS WEEK, October 18, 1952, p. 164-170.

Annotation: Cites evidence of Russia's growing economic strength and outlines Stalin's aims for future development.

Title: *Sea Power and Air Power.*

Author: Saundby, Robert H. M. S., Air Marshall Sir.

Publication: ROYAL AIR FORCE QUARTERLY (Great Britain), October, 1952, p. 307-309.

Annotation: Argues that with the advent of air power, the role of the Royal Navy, though vitally important, is secondary and almost completely defensive.

Title: *SSN-571—Making of the Atomic Sub.*

Author: Palmer, C. B.

Publication: THE NEW YORK TIMES MAGAZINE, October 26, 1952, p. 14-15, 60-62.

Annotation: Describes the coordinated efforts of the Atomic Energy Commission, the Navy and many industries, who are working under the direction of Captain H. G. Rickover, U. S. N., on the construction of the first nuclear-powered submarine.

Title: *My Real Mistake at Leyte Gulf.*

Author: Anderson, Russell F., Lieutenant Commander, U. S. N. R.

Publication: AMERICAN WEEKLY, October 26, 1952, p. 7, 29.

Annotation: An interview with Admiral Halsey in which he disagrees with his critics on the mistake he made at Leyte Gulf and tells what he considers to be his real mistake.

NAVAL AND MARINE OFFICER TRAINING

The Annual two weeks active duty period for senior Naval and Marine Corps Reserve Officers held at the Naval War College in conjunction with the Global Strategy Discussions has proved to be a popular event and has resulted in many requests for additional quotas. These quotas could not be established because of the limited facilities over and above the permanent requirements at the War College and the Naval Base. However, it has been found practicable to meet this demand in part by establishing a different type of course at a different time in the employment schedule.

The new two weeks course is called "Combat Staff Techniques and Operational Planning." Its purpose is "to instruct selected Reserve Officers in the planning process and in naval staff organization and functioning in order to enhance their qualifications for service in modern combatant Naval forces." Thirty USNR Lieutenant Commanders and ten USMCR Majors selected by the District Commandants are expected to attend this course which will be inaugurated on 11 May 1953 (reporting date 10 May).

It is recognized that forty is a very small number of the Reserve Officers who might enjoy and benefit from a two week's tour at the Naval War College. However, it does represent the maximum that can be accommodated at this time with the present facilities and staff. Even with limited facilities the Naval War College is glad to undertake this additional Reserve Officer educational activity in recognition of the great importance of the Reserve program to the service and nation.

It is emphasized that this two weeks course will not be held in conjunction with the Global Strategy Discussions. Information concerning the Global Strategy Discussions will be contained in the February issue of the "Review".

ESTABLISHMENT OF NAVAL WAR COLLEGE MUSEUM

The establishment of a Naval War College Museum was authorized by the Chief of Naval Operations on 14 July 1952. By this action the extensive collection of rare books, paintings, models, old correspondence and many works of arts which have been gathered at the War College during past years was recognized as an important part of the Navy's historical record.

Since the Naval War College was established, in 1884, the collection of Museum items has constantly grown with the addition of gifts made by Naval Officers and their families, and by prominent civilians interested in Naval affairs. These include, to mention only a few, the Mahan and Luce book collections, the Harold Seton collection of old Photographs, many rare manuscripts and first editions, portraits and busts of past War College Presidents and other famous naval officers, and recent donations by Mr. Dudley Yard of California of his large collection of engravings, and by Admiral Kirk and Mrs. Goodrich of the Goodrich book collection.

It is expected that the War College Museum will eventually be assigned spaces where the entire collection may be appropriately exhibited as a unit. At the present time there is a museum section in the Mahan Library and other items are on exhibit throughout the War College buildings.

Additional gifts of items of museum value which are of interest in War College history or the history of the Navy as a whole will be welcomed to the Naval War College collection. Such items as the following are desired:

Pictures, paintings, portraits, and busts of important naval subjects, and persons.

Rare or unusual ship models.

Rare books and manuscripts, particularly those on naval subjects.

All works of art which are of significance in War College or naval history.

It is hoped that this growing collection will continue to bring together many of the Navy's art treasures, and that it will continue to serve and inspire the future officers who attend the Naval War College.

Readers who may have access to suitable material are requested to write the President, Naval War College, Newport, Rhode Island.

NAVAL WAR COLLEGE CORRESPONDENCE COURSES

The Naval War College conducts correspondence courses in Strategy and Tactics, Logistics, and International Law. The scope of each course is briefly described in the following pages. Enrollment is open to officers of the Regular Army, Navy, Air Force, Marine Corps, and Coast Guard, and officers (active duty or inactive duty status) of Reserve components of thees services, of the grade of lieutenant (junior grade), or first lieutenant, and all grades senior. The Naval War College Catalog of Correspondence Courses, available upon request, contains outlines of the courses and information pertaining to the procedure for making application for enrollment. It is requested that commanding officers who receive the Naval War College Review bring this notice to the attention of officer personnel within their commands.

LOGISTICS

Restricted **8 Assignments** **48 Points**

Recommended for all officers.

SCOPE: Operational logistics is emphasized in this course. Following an introduction to logistics, the subject of organization is examined and its practical application studied in the form of these subjects: National Security Organization, Military Services, Military Staff. This provides the foundation for a discussion of logistics planning and the theater of operations, followed by a thorough consideration of each of the principal functions of operational logistics; supply; maintenance, repair, and salvage; medical; personnel; transportation; and base development. The concept and functioning of mobile logistic support is stressed throughout.

This course is evaluated as advanced in comparison with the Logistics NavPers 10902 which is basic in approach.

TEXTS: Memorandum Texts are prepared by the Naval War College, using material gathered from all service sources. Reference texts are: U. S. Naval Logistics in the Second World War, 1949, Ballantine; and Military Management for National Defense, 1950, Beishline.

STRATEGY AND TACTICS

Restricted **8 Assignments** **48 Points**

Recommended for all officers.

SCOPE: This course emphasizes the first three steps of the naval planning process; The Estimate of the Situation, The Development of the Plan, and The Directive. Strategic and Tactical exercises of progressively increasing complexity are used to familiarize the student with these three steps and to demonstrate the strategic employment of naval forces; the role of sea power in national strategy; command and organization principles; the integration of logistics with strategy and tactics; the employment of land, sea and air forces in joint operations. In addition, through the medium of short essays students can present their thoughts on naval subjects. Throughout the course, particular emphasis is placed on the development of sound and logical reasoning processes.

TEXTS: Memorandum Texts are prepared by the Naval War College using material gathered from all service sources.

A Guide to Naval Strategy—Brodie
The Battle of the Atlantic—Morrison

INTERNATIONAL LAW (Regular)

Unclassified **8 Assignments** **48 Points**

Recommended for all officers.

SCOPE: This course provides a comprehensive coverage of the international law of war and peace. Special emphasis is placed upon an analysis of current developments, e. g., collective security arrangements, changes in the rules regulating the conduct of warfare, recent treaties of peace, etc. Each asignment includes questions dealing with a defined ara of international law and requires the solution of a specific problem situation that may confront an officer in the performance of his duties.

TEXTS: Air Power and War Rights, Spaight

The Law and Custom of the Sea, Smith

Naval War College Annual "Blue Books"

(International Law Situations and International Law Documents)

Charter of the United Nations—Commentary and Documents, Goodrich and Hambro

International Law of the Sea, Higgins and Colombos

Other special texts and pamphlets

INTERNATIONAL LAW (Advanced)

Unclassified **4 Assignments** **24 Points**

Recommended for all officers (Prerequisite: The completion of the regular course with a mark of excellent)

SCOPE: Research on current problems of international affairs in which the Navy has an active interest; fundamental tenets of U. S. foreign policy that are related to the principles of international law through custom conventions, treaties, and the works of jurists.

TEXT: Text books on International Law such as Fenwick, Hyde, Hall, Wilson and Tucker, and Oppenheim

Digests and Casebooks such as Hackworth's Digest, Moore's Digest, and Hudson's Cases on International Law

The Law and Custom of the Sea, 1948, Smith

Prize Law during the World War, 1927, Gamer

Collections of sources such as the Charter of the United Nations, Atlantic Defense Pact, and League of Nations Treaty Series

Periodicals such as the Department of State Bulletin and the American Journal of International Law