

1947: Pauley Study

Study: Pauley Study (James E. Hewes, Jr., *From Root to McNamara: Army Organization and Administration, 1900-1963*. U.S. Army Center of Military History, 1975)

Purpose: As Secretary Kenneth C. Royall oversaw the reorganization of the Department of War into the Department of the Army in 1947, amid the post-World War II drawdown, military fiscal procedures came under intense criticism from multiple directions. The Cook Board highlighted the Army's archaic budget structure in which Congress appropriated for the technical services and their wishes rather than for the Army as a whole and its goals. This board recommended creating a management planning branch in the Office of the Deputy Chief of Staff of the Army in charge of tackling organizational and financial problems together. The Haislip Board highlighted the fact the Army divided fiscal authority from command responsibility, which would make it nearly impossible for the service to make necessary cuts and function with maximum economy. This board also recommended creating an office to better manage the Army budget, like that in the Navy or Air Force. Consequently, the secretary appointed Mr. Edwin C. Pauley as his special assistant to study the Army's logistics programs and business practices and recommend how to improve its budgeting processes. The Pauley Study reported each technical service used its own unique accounting system, which did not cover all functions and missions. Therefore, the chiefs of the technical services, much less the secretary, did not know the real cost of Army operations. The study recommended creating a comptroller who would oversee sound business management and financial economy for the entire Army.

Outcome: The secretary of the Army and chief of staff of the Army agreed to create the Office of the Comptroller of the Army under a uniformed officer and a civilian deputy within the Office of the Deputy Chief of Staff in 1948. This new office received functions and personnel from the Budget Office, War Department Manpower Board, the Central Statistical Office, and the Chief of Staff's Management Office. The Comptroller of the Army supervised the Office of the Chief of Finance. The Office of the Comptroller of the Army operated without statutory authority until the passage of new legislation in 1949.

Dr. Grant Harward

Approved by: Dr. Peter Knight, GS-15